

Annual Comprehensive Financial Report

Fiscal Year Ended June 30, 2025



Highland Local School District
3880 Ridge Road, Medina, OH 44256

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Highland Local School District

Medina, Ohio

Annual Comprehensive Financial Report

Fiscal Year Ended June 30, 2025

Prepared By:
Neil Barnes, CPA, Treasurer and
Treasurer's Office Staff

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Highland Local School District
Annual Comprehensive Financial Report
For the fiscal year ended June 30, 2025

Table of Contents

Introductory Section	Page
Letter of Transmittal.....	v
Public Officials Roster	xii
Organizational Chart	xiii
Certificate of Achievement.....	xiv
Financial Section	
Independent Auditor’s Report	1
Management’s Discussion and Analysis	5
Basic Financial Statements	
Government-wide Financial Statements	
Statement of Net Position	16
Statement of Activities	18
Fund Financial Statements	
Balance Sheet – Governmental Funds.....	20
Reconciliation of Total Governmental Fund Balances to	
Net Position of Governmental Activities	21
Statement of Revenues, Expenditures and Changes in Fund Balances	
Governmental Funds	22
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund	
Balances of Governmental Funds to the Statement of Activities	23
Statement of Revenues, Expenditures and Changes in Fund Balance	
Budget (Non-GAAP Basis) and Actual – General Fund.....	24
Notes to the Basic Financial Statements	26
Required Supplementary Information	
Schedule of the School District’s Proportionate Share of the Net Pension Liability	70
Schedule of School District Contributions - Pension	72
Schedule of the School District’s Proportionate Share of the Net OPEB Liability (Asset) ...	74
Schedule of School District Contributions - OPEB.....	76
Notes to Required Supplementary Information.....	78
Combining Statements for Nonmajor Governmental Funds	
Fund Descriptions.....	80
Combining Balance Sheet – Nonmajor Governmental Funds.....	84
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	
Nonmajor Governmental Funds	85
Combining Balance Sheet – Nonmajor Special Revenue Funds.....	86
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	
Nonmajor Special Revenue Funds	90
Combining Balance Sheet – Nonmajor Capital Projects Funds	94
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	
Nonmajor Capital Projects Funds.....	95

Highland Local School District
Annual Comprehensive Financial Report
For the fiscal year ended June 30, 2025

Table of Contents
(Continued)

	Page
Combining Balance Sheet – Nonmajor Permanent Funds	96
Combining Statement of Revenues, Expenditures and Changes in Fund Balances Nonmajor Permanent Funds	97
Individual Fund Schedules of Revenues, Expenditures and Changes in Fund Balance - Budget (Non-GAAP Basis) and Actual - Governmental Funds - Major and Nonmajor:	98
General Fund	100
Uniform School Supplies Fund	101
Public School Support Fund	101
Latchkey and Community Education Fund	102
Termination Benefits Fund	102
Debt Service Fund	103
Food Service Fund	104
Special Trust Fund	104
Miscellaneous Local Grant Fund	105
Student Managed Student Activity Fund	105
District Managed Student Activity Fund	106
Auxiliary Services Fund	107
Miscellaneous State Grant Fund	108
ESSER Fund	109
IDEA, Part B Fund	110
Title III Fund	110
Title I Fund	111
Title IV-A Fund	111
IDEA Preschool Grant Fund	112
Improving Teacher Quality Fund	112
Miscellaneous Federal Grant Fund	113
Permanent Improvement Fund	114
Building Fund	114
Capital Projects Fund	115
Sales Tax Fund	115
Sharon Elementary Trust Fund	116
Endowment Fund	117

Statistical Section

Table of Contents	S-1
Net Position by Component - Last Ten Fiscal Years	S-2
Changes in Net Position of Governmental Activities Last Ten Fiscal Years	S-4
Program Revenues of Governmental Activities by Function Last Ten Fiscal Years	S-8

Highland Local School District
Annual Comprehensive Financial Report
For the fiscal year ended June 30, 2025

Table of Contents
(Continued)

	Page
Fund Balances, Governmental Funds - Last Ten Fiscal Years	S-10
Changes in Fund Balances, Governmental Funds - Last Ten Fiscal Years.....	S-12
Assessed and Estimated Actual Value of Taxable Property	
Last Ten Collection Years	S-14
Property Tax Rates - Direct and Overlapping Governments	
Last Ten Collection Years	S-16
Property Tax Levies and Collections - Last Ten Collection Years	S-19
Principal Taxpayers - Real Estate Tax - 2025 and 2016	S-20
Principal Taxpayers - Public Utility Tax - 2025 and 2016.....	S-21
Ratio of Outstanding Debt by Type - Last Ten Fiscal Years	S-22
Ratio of General Bonded Debt Outstanding - Last Ten Fiscal Years.....	S-23
Computation of Legal Debt Margin - Last Ten Fiscal Years	S-24
Computation of Direct and Overlapping Debt - June 30, 2025	S-26
Demographic and Economic Statistics - Last Ten Years	S-27
Principal Employers in Medina County- 2025 and 2016	S-28
School District Employees by Function/Program - Last Ten Fiscal Years	S-29
Operating Statistics - Last Ten Fiscal Years	S-30
Building Statistics - Last Ten Fiscal Years	S-31
Full-Time Equivalent Certified Staff by Education - Last Ten Fiscal Years	S-32
Certified Staff Salaries - Last Ten Fiscal Years	S-33
Enrollment Statistics - Last Ten Fiscal Years	S-34
Attendance and Graduation Rates - Last Ten Fiscal Years	S-35

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INTRODUCTORY SECTION

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ADMINISTRATIVE OFFICES

3880 Ridge Road, Medina, Ohio 44256
Phone: 330-239-1901 / Fax: 330-239-7344
Akron: 330-686-1901 / Cleveland/Hinckley: 330-278-2727
www.highlandschools.org



December 30, 2025

Highland Board of Education Members and
The Citizens of the Highland Local School District:

The Annual Comprehensive Financial Report (ACFR) of the Highland Local School District (the “School District”) is hereby submitted for the fiscal year ended June 30, 2025. This report, prepared by the Treasurer’s Office, includes financial statements, supplemental schedules, and other financial and statistical information to provide complete and full disclosure of all material financial aspects of the School District for fiscal year 2025.

The responsibility for both the accuracy of the data presented and the completeness and fairness of the presentation, including all disclosures, rests with the School District’s management. To the best of our knowledge and belief, this ACFR and the enclosed data are accurate in all material respects and are reported in a manner designed to present fairly the financial position and results of operations of the various funds as well as the School District as a whole.

This ACFR, which includes an opinion from the Ohio Auditor of State, conforms to generally accepted accounting principles as set forth by the Governmental Accounting Standards Board (GASB), and is representative of the School District’s commitment to provide meaningful information to the citizens of the Highland Local School District.

Copies of this report will be distributed to Board of Education members, School District administrators, Financial Rating Services, and other interested parties upon request.

Management’s discussion and analysis (MD&A) immediately follows the independent auditor’s report and provides a narrative introduction, overview and analysis of the basic financial statements. MD&A complements this letter of transmittal and should be read in conjunction with it.

DESCRIPTION OF THE SCHOOL DISTRICT

Nestled among the rolling hills and extensive park system of Medina County, the School District’s stated mission is to guarantee that each learner reaches his/her potential by providing, in partnership with the community, a quality, progressive, educational program in a safe and dynamic life-long learning environment.

Catherine Aukerman, Superintendent

Neil Barnes, CPA, Treasurer

Laurie Boedicker, Director of Curriculum & Instruction

Deborah Yorke, Director of Pupil Services

Kelli Crawford-Smith, Director of Communications

The sprawling 78-square mile School District is situated in the eastern portion of Medina County with a very small portion located in Summit County. The majority of the students educated by the School District reside in Granger, Hinckley, Sharon, and Montville Townships. The School District's boundaries also include small segments located in the City of Wadsworth, Copley Township, Medina Township, and Brunswick Hills Township. Interstates 71 and 271 and State Routes 18 and 94 provide easy access to the area. Major hospitals, Cleveland Hopkins International Airport, Akron-Canton Airport, and numerous institutions of higher learning are located within a forty-five minute drive. The School District's communities are predominantly rural residential. The socioeconomic status of residents generally ranges from middle to upper.

The Highland Local School District's core townships are rich in history. The lands were part of the Connecticut Western Reserve. Granger and Sharon Townships were laid out in 1816; Hinckley Township was formed in 1819. Each township was quick to recognize the importance of education to its children. The people agreed that the schoolhouse was a "thing of necessity."

Granger became a centralized school district in 1900, meaning that the one-room schoolhouses were abandoned for one central school. Granger continued to have a single township school district until 1950 when the Granger and Sharon Districts merged. In 1952, Hinckley was added to create the Highland Local School District.

The original Sharon, Granger, and Hinckley Elementary School buildings were constructed in 1922, 1929, and 1949, respectively. The 2020-2021 school year represented the final year of service for these buildings. In November 2017, the voters of the School District passed a \$63 million bond issue to construct three new elementary buildings and partially renovate the middle school. The new elementary buildings opened in September 2021 with the start of the 2021-2022 school year. The Highland Middle School building was constructed in 1958. Renovations and additions have been made to this building throughout the years in order to modernize and boost classroom space as enrollment increased. The award-winning Highland High School building was opened in the fall of 2004. The building received the Outstanding Design award from the Council of Educational Facility Planners International and School Planning & Management magazine.

The School District provides a wide array of programs and services to students including instruction, support services, non-instructional services, and extracurricular activities. The instructional programs provide regular instruction from preschool through twelfth grade, special education for students with learning and other disabilities, and vocational education. Support services include pupil and staff support, school administration, fiscal and business services, maintenance of buildings and grounds, and pupil transportation. Non-instructional services include a food service operation for pupils, a latchkey program for before and after school childcare, and community education and recreational activities. The extracurricular activities are designed to enhance the instructional experience for pupils and include student organizations and athletic activities.

As of June 30, 2025, the School District had 3,386 students enrolled in its five school buildings: Sharon Elementary, Granger Elementary, Hinckley Elementary, Highland Middle School housing grades 6 through 8, and Highland High School housing grades 9 through 12.

The School District also operates a bus garage, maintenance facility, and athletic facilities. In the summer of 2015, the School District opened a brand-new, state-of-the-art athletic complex that includes a field with all-purpose synthetic turf, eight lane running track, grandstands with a combined seating capacity of 5,000, field house, locker rooms, concessions, tennis courts, storage buildings, and expanded parking facilities.

Beginning in the early 1990's through 2007, the School District experienced significant increases in annual enrollment. From 2008 through 2017, the trend of relatively fewer new housing starts and increased alternative school choice options led to a steadier, slightly decreasing student population. More recently, enrollment is trending upwards once again particularly in the southern portion of the School District where several large tracts of land in Sharon Township have been annexed into the City of Wadsworth allowing for higher density housing developments. It is anticipated that enrollment will continue to increase modestly in the future as development continues.

A Legacy of Excellence

Through the 2011-2012 school year, the School District had been rated “Excellent with Distinction” or “Excellent” by the Ohio Department of Education & Workforce on its local report card for 13 consecutive years.

The Ohio Department of Education & Workforce unveiled a revamped local report card format beginning with the 2012-2013 school year. Under this reporting system, school districts received letter grades on specified components. These components included achievement, progress, gap closing, graduation rate, K-3 literacy, and prepared for success (i.e. college and career readiness). These report cards continued to evidence that Highland's students achieve at a high level. For the 2018-2019 school year, the School District was one of only 31 districts in the entire State of Ohio to receive an overall letter grade of “A”. The School District's performance index score placed it 26th out of Ohio's 608 public school districts. The 2019-2020 and 2020-2021 state report cards did not include grades or ratings due to the pandemic.

The Ohio Department of Education & Workforce again modified the local report card format beginning with the 2021-2022 school year. The new report card includes a star rating system analyzing six areas: achievement, progress, early literacy, gap closing, graduation, and college, career, workforce, and military readiness. For school years 2021-2022 through 2024-2025, Highland received the highest possible overall rating of “5 Stars”. For the 2024-2025 school year, Highland's performance index score ranked the School District 19th overall in the entire State of Ohio.

For the 13th consecutive year, Highland High School was recognized in the annual Best High Schools Rankings published by *US News*. For the 2024-2025 school year, Highland ranked an impressive 19th among Ohio's 903 high schools and 508th nationally out of nearly 18,000 high schools with an overall score of 96.76/100.

Approximately 89% of Highland High School's most recent graduating class enrolled in either a four-year or a two-year college. Highland also boasts an average SAT score of 1088 and an average ACT score of 24.6, which are both above the state and national mean scores. Highland High School offers 45 Advanced Placement, Honors, and Third/Fourth Year World Language courses. Over 93% of participating Highland students scored a 3 or better on Advanced Placement tests during the 2024-2025 school year. College readiness for Highland High School graduates remains consistently high.

In December 2019, the School District's “Little Hornets” Preschool Program received the 5-Star Step Up to Quality Award from the State of Ohio ~ the highest rating attainable. Step Up to Quality is Ohio's rating system for learning and development programs. Participating programs can earn a one to five-star rating. Star ratings are awarded only to learning and development programs that exceed licensing standards and are committed to continuous improvement, the continuing education of teachers, the use of learning and development standards to support children's learning, as well as relationship-building with families and communities.

ORGANIZATION OF THE SCHOOL DISTRICT

The Board of Education (the “Board”) of the School District is comprised of five members elected at large by the citizens of the School District. The Board serves as the taxing authority, contracting body, and policy

maker for the School District. The Board is responsible for the adoption of the tax budget and the annual operating budget of the School District. The Board is a body politic and corporate, as defined by Section 3313.02 of the Ohio Revised Code, and has only those powers and authority conferred upon it by the Ohio Revised Code. Current members include, Mr. Christopher Wolny, President, Mr. Michael Houska, Vice President, Mr. Robert Kelly, Mrs. Melissa Schreiner, and Mr. Todd Hill.

The Superintendent is the chief executive officer of the School District and is responsible directly to the Board for all operations within the School District. Mrs. Catherine Aukerman was appointed Superintendent of the School District on August 1, 2008. She is currently employed under a five-year contract, which ends on July 31, 2026.

The Treasurer is the chief financial officer of the School District and is responsible directly to the Board for all financial operations, including but not limited to budgeting, investments, debt management, risk management, and capital asset inventory. The Treasurer also serves as Secretary to the Board. Mr. Neil Barnes was appointed to serve as the Treasurer effective August 1, 2010. He is currently employed under a five-year contract, which ends on July 31, 2029.

All other School District employees, with the exception of the Treasurer's department, are responsible to the Superintendent and are employed by the Board upon the recommendation of the Superintendent.

REPORTING ENTITY

The School District has reviewed its reporting entity definition in order to ensure conformance with applicable Governmental Accounting Standards Board (GASB) requirements. In evaluating how to define the School District for financial reporting purposes, management has considered all boards, funds, agencies, departments and organizations making up the Highland Local School District (the primary government).

Other governmental entities (i.e. Townships of Granger, Hinckley, Sharon, Montville, Brunswick Hills, Copley, and Medina and the City of Wadsworth) conducting business activities within School District boundaries are excluded from the accompanying financial statements. The School District's Board does not appoint the boards/councils of those entities, nor are they fiscally dependent on the School District. The School District cannot legally access their resources, has no obligation to finance deficits or provide financial support, and is not obligated for their debts.

A complete discussion of the School District's reporting entity is provided in Note 1 to the basic financial statements.

FINANCIAL INFORMATION

The School District is required by Ohio law to complete a financial forecast and at least one update thereto annually. This document serves as a financial roadmap for the School District. The forecast is designed to provide the administration, Board of Education and the public a general indication of the probable future financial position of the School District based on information currently available to the School District. The forecast is a critical planning document for the School District. It is a necessary tool focusing discussion and attention on future financial needs while facilitating management's strategic planning.

Internal Accounting and Budgetary Control

The School District's accounting system is organized on a "fund" basis. Each fund is a distinct self-balancing accounting entity. Reports for general governmental operations are presented on the modified accrual basis whereby revenues are recognized when measurable and available and expenditures are recognized when goods and services are received.

The School District is responsible for establishing and maintaining an internal control structure designed to protect its assets from loss, theft or misuse. Furthermore, the accounting system must be adequate to allow for the preparation of basic financial statements in conformity with generally accepted accounting principles. In developing the School District's accounting system much consideration was given to the adequacy of internal accounting controls. Internal accounting controls are designed to provide reasonable, but not absolute, assurance regarding the safeguarding of assets against loss from unauthorized use or disposition and the reliability of financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance is based on the assumption that the cost of internal accounting controls should not exceed the benefits expected to be derived from their implementation. The valuation of costs and benefits requires estimates and judgments by management. As an additional safeguard, all employees are covered under an employee dishonesty provision of the School District's insurance policy.

The School District utilizes a fully automated accounting system as well as an automated system for payroll. These systems, coupled with the manual auditing of receipts and each voucher prior to payment, help ensure that the financial information generated is both accurate and reliable.

At the beginning of each fiscal year, the Board of Education adopts either a temporary appropriation measure or a permanent appropriation measure for that fiscal year. If a temporary appropriation measure is first adopted on or about July 1st, then a permanent appropriation measure must subsequently be adopted by October 1st of the fiscal year. The permanent appropriation measure may be amended by the Board throughout the fiscal year as necessary.

Annual appropriations may not exceed the County Budget Commission's official estimate of resources. The County Auditor must certify that the Board of Education's appropriation measures, including any supplements or amendments, do not exceed the amount set forth in the latest of those official estimates.

All disbursements and transfers of cash between funds require appropriation authority from the Board. Budgets are controlled at the fund level for all funds. All purchase order requests must be approved by the Superintendent and certified by the Treasurer. Following approval and certification, the necessary funds are then encumbered and purchase orders are released to vendors. Those requests that exceed the available appropriation are rejected until additional appropriations are secured.

The accounting system used by the School District provides interim financial reports which detail year-to-date expenditures and encumbrances versus the original appropriation plus any additional appropriations made to date. Administrators are furnished with monthly reports showing the status of the budget accounts for which they are responsible. In addition, an on-line inquiry system is available at each cost center site.

The basis of accounting and the various funds utilized by the Highland Local School District are fully described in Note 1 of the financial statements. Additional information on the School District's budgetary accounting can also be found in Note 3.

ECONOMIC CONDITION AND FUTURE OUTLOOK

For the future, the School District's overall focus will be to continue to improve the educational program for the benefit of students, parents and community residents. The process involves assessing current programs, identifying strengths and weaknesses, developing and implementing new courses of action, and evaluating the results.

Easily accessible via interstate highways between the metropolitan areas of Akron and Cleveland, the School District offers a wealth of opportunity for cultural, social and economic resources for its residents. Three major state universities, The University of Akron, Kent State University and Cleveland State University, and numerous other small colleges and universities are within reasonable traveling distance from the community.

The townships within the School District offer an excellent opportunity for business growth. There exists a healthy, favorable environment with a relatively low tax rate for business establishments. The School District works cooperatively with the Medina County Economic Development Corporation to attract new businesses to the area. In recent years, the School District has realized increased activity in commercial development and new residential housing starts continue to occur each year. School District officials will continue to monitor the impact of the aforementioned annexation on its southern boundary and the resulting potential for enrollment increases.

In May 2011, the Highland community passed a 10-year Emergency Levy that generated in excess of \$4.6 million annually. This levy greatly contributed to the financial stability of the School District for a decade. In May 2021, voters approved a Substitute Levy that replaced the Emergency Levy for a continuous period of time. The new Substitute Levy generates the same amount of revenue in the initial year of collection, but also provides the opportunity for increased revenues in the future as new construction occurs within the School District.

As previously mentioned, in November 2017, voters approved a \$63 million bond levy to construct three new elementary schools and partially renovate the middle school. The School District issued school improvement notes totaling \$5.9 million in December 2017. These notes were paid off in June 2018. The School District then issued school improvement bonds totaling \$63 million in April and May 2018. Moody's Investors Service assigned a rating of Aa2 in relation to these debt issuances. The newly opened elementary buildings will make the District an even more attractive location for individuals and businesses.

In March 2020, the School District executed a refunding transaction in relation to the aforementioned school improvement bonds taking advantage of historically low interest rates. This transaction reduces debt service requirements by nearly \$21 million over the remaining term of the bonds.

The Board and school administration are committed to containing costs and maximizing revenues in an effort to extend the levy cycle as long as possible.

OTHER INFORMATION

Independent Audit

Provisions of state statute require the School District's financial statements to be subjected to a biannual examination by the Ohio Auditor of State or an approved independent public accounting firm unless an annual Single Audit is required, which is the case for the School District. The Ohio Auditor of State performed the audit of the School District for the year ended June 30, 2025. The auditor's unmodified opinion rendered on the School District's basic financial statements is included in the financial section of this Annual Comprehensive Financial Report.

GFOA Certificate of Achievement

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the School District for its Annual Comprehensive Financial Report for the fiscal year ended June 30, 2024. The School District has submitted this report for consideration to the GFOA. The Certificate of Achievement is a prestigious national award, recognizing conformance with the highest standards for preparation of state and local government financial reports.

In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized Annual Comprehensive Financial Report, the contents of which conform to program standards. The ACFR must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe our current report will conform to the high standards required by the Certificate of Achievement program.

Additional Information

For a more in depth discussion of the financial condition of the Highland Local School District, please refer to the Management's Discussion and Analysis and the Notes to the Basic Financial Statements of the Annual Comprehensive Financial Report.

Acknowledgments

My sincere appreciation and thanks are extended to the many individuals who made the preparation and publication of this Annual Comprehensive Financial Report a reality. This accomplishment would not have been possible without the support and efforts of the staff in the Treasurer's office and many other dedicated employees of the School District. In addition, sincere thanks are extended to the Medina County Auditor's office staff and other outside agencies whose efforts contributed to the fair presentation of the statistical data.

I would also like to extend my appreciation to the members of the Highland Board of Education for their leadership, commitment to excellence, and support. It is with great pride that the Highland Local School District presents the 2025 Annual Comprehensive Financial Report to the citizens and taxpayers of the School District.

Respectfully Submitted,

A handwritten signature in cursive script, appearing to read "Neil W. Barnes", with a horizontal flourish at the end.

Neil W. Barnes, CPA
Treasurer

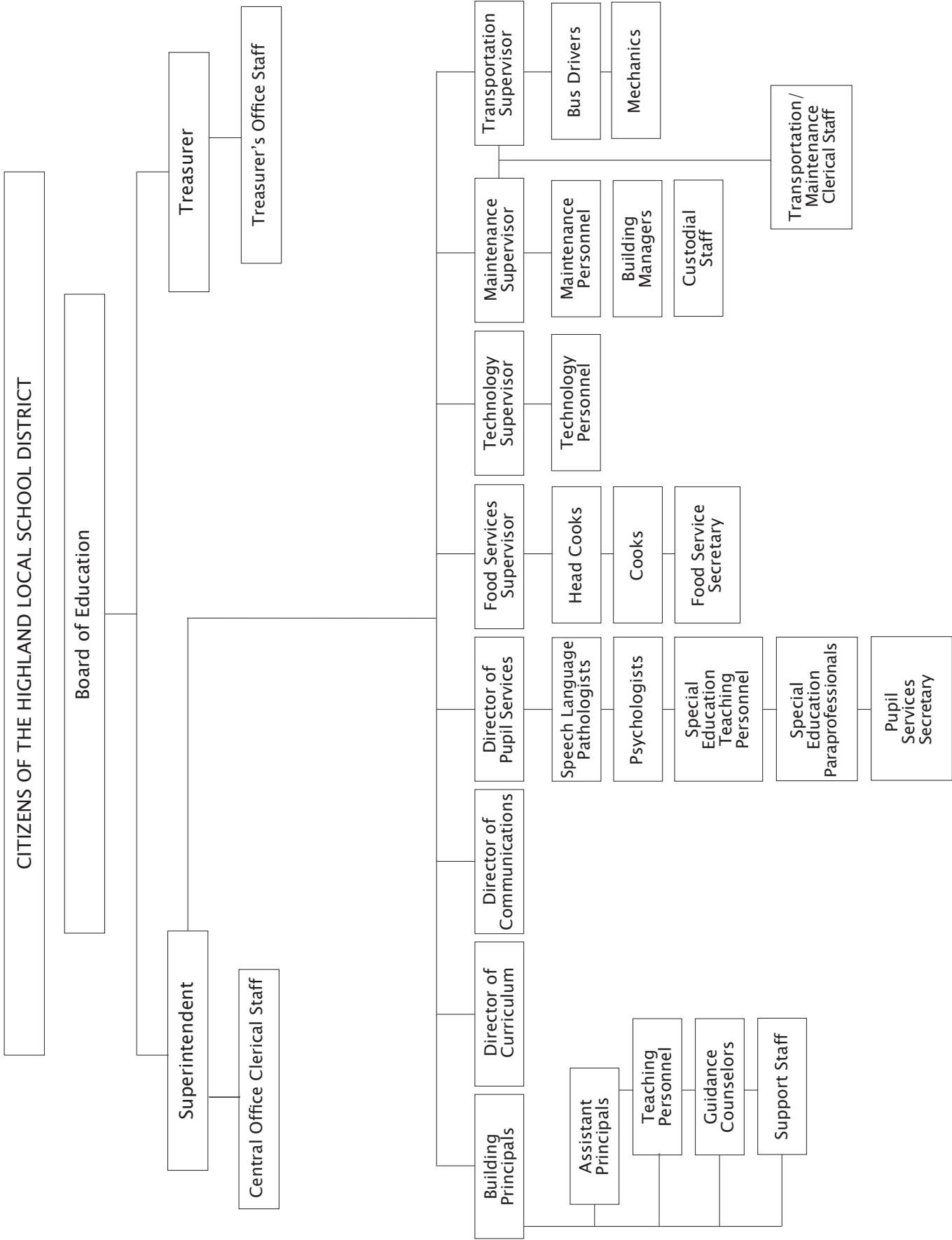
Highland Local School District
Public Officials Roster
For the Fiscal Year Ended June 30, 2025

Board of Education

Christopher Wolny	Board Member, President
Mike Houska	Board Member, Vice President
Robert Kelly	Board Member
Melissa Schreiner	Board Member
Todd Hill	Board Member

Administration

Catherine Aukerman	Superintendent
Neil Barnes	Treasurer
Deborah Yorko	Director of Pupil Services
Laurie Boedicker	Director of Curriculum and Instruction
Kelli Crawford-Smith	Director of Communications
Carrie Knapp	Highland High School Principal
Ryan Taylor	Highland High School Assistant Principal
Jonathan Bailey	Highland High School Assistant Principal/Athletic Administrator
Rob Henry	Highland Middle School Principal
Jessica Boytim	Highland Middle School Assistant Principal
LeAnn Gausman	Granger Elementary School Principal
James Carpenter	Hinckley Elementary School Principal
Kathryn Kowza	Sharon Elementary School Principal
Beth Hall	Sharon Elementary School Assistant Principal
Evelyn Makarek	Food Services Supervisor
Roger Saffle	Technology Supervisor
Mathew Hamas	Maintenance Supervisor
Bruce Berry	Transportation Supervisor





Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Highland Local School District
Ohio**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2024

Christopher P. Morill

Executive Director/CEO

FINANCIAL SECTION

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OHIO AUDITOR OF STATE KEITH FABER



65 East State Street
Columbus, Ohio 43215
ContactUs@ohioauditor.gov
800-282-0370

INDEPENDENT AUDITOR'S REPORT

Highland Local School District
Medina County
3880 Ridge Road
Medina, Ohio 44256

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 Highland Local School District, Medina County, Ohio (the District), as of and for the year ended June 30, 2025, 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 Highland Local School District, Medina County, Ohio as of June 30, 2025, 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.

Efficient • Effective • Transparent

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

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

financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary information

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

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

Other Information

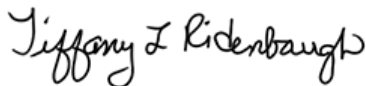
Management is responsible for the other information included in the annual financial report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we will also issue our report dated December 30, 2025, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

KEITH FABER
Ohio Auditor of State



Tiffany L. Ridenbaugh, CPA, CFE, CGFM
Chief Deputy Auditor

December 30, 2025

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Highland Local School District

Management's Discussion and Analysis

For the Fiscal Year Ended June 30, 2025

Unaudited

This discussion and analysis of Highland Local School District's (the "School District") financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2025. 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 letter of transmittal, basic financial statements and the notes to the basic financial statements to enhance their understanding of the School District's financial performance.

Financial Highlights

Key financial highlights for 2025 are as follows:

- Net position of governmental activities increased \$4,586,884 representing a 33.7 percent increase from 2024.
- General revenues accounted for \$49,372,163 in revenue or 90.4 percent of all revenues. Program revenues in the form of charges for services; operating grants, contributions and interest; capital grants, contributions and interest accounted for \$5,239,793 or 9.6 percent of total revenues of \$54,611,956.
- The School District had \$50,025,072 in expenses related to governmental activities. Of this amount, \$5,239,793 was offset by program specific revenues. General revenues of \$49,372,163 were adequate to provide for these programs.
- At the end of the current fiscal year, the governmental funds reported a combined ending fund balance of \$34,409,482 which is an increase of \$72,281 from the prior fiscal year.

Using this Annual Financial Report

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

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

Highland Local School District

Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2025
Unaudited

Reporting the School District as a Whole

Statement of Net Position and the Statement of Activities

While these statements contain information about the large number of funds used by the School District to provide programs and activities, the view of the School District as a whole looks at all financial transactions and helps answer the question, "How did we do financially during 2025?" The statement of net position and the statement of activities are designed to answer this question. These statements include all non-fiduciary assets, liabilities, deferred outflows of resources and deferred inflows of resources using the accrual basis of accounting similar to the accounting method used by most private-sector companies. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

These two statements report the School District's net position and changes in that position. This change in net position is important because it tells the reader the extent to which the financial position of the School District as a whole has improved or diminished. The causes of this change may be the result of many factors, some financial, some not. Non-financial factors include the School District's current property tax base, current property tax laws in Ohio restricting revenue growth, facility conditions, required educational programs and other factors.

In the statement of net position and the statement of activities, the School District's activities are considered to be all Governmental Activities.

Governmental Activities - Most of the School District's programs and services are reported here including instruction, support services, operation of non-instructional services and extracurricular activities.

Reporting the School District's Most Significant Funds

Fund Financial Statements

The analysis of the School District's major funds begins on page 12. The School District uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the School District's most significant funds. Fund financial reports provide detailed information about the general fund and the debt service fund, which are considered major funds. Data from the other funds is combined into a single, aggregated presentation.

Highland Local School District

Management's Discussion and Analysis

For the Fiscal Year Ended June 30, 2025

Unaudited

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 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 determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs. The relationship (or differences) between governmental activities (reported in the statement of net position and the statement of activities) and governmental funds is reconciled in the financial statements.

The School District as a Whole

Recall that the statement of net position provides the perspective of the School District as a whole. Over time, net position can serve as a useful indicator of a government's financial position. For the fiscal year ended June 30, 2025, the School District had an increase in net position of \$4,586,884.

Net investment in capital assets on the government-wide statements represents a large portion of the School District's net position for fiscal year 2025 amounting to \$17,307,220. Capital assets, which include land, land improvements, buildings and building improvements, furniture, fixtures, and equipment, vehicles, and intangible right to use furniture, fixtures, and equipment are used to provide services to students and are not available for future spending. Although the School District's investment in capital assets is reported net of related debt, it should be noted that the resources to repay the debt must be provided from other sources, since capital assets may not be used to liquidate these liabilities.

A portion of the School District's net position, \$16,185,700, represents resources that are subject to external restrictions on how the funds may be used. Of the total restricted assets, \$7,535,033 or 46.6 percent is restricted for debt service payments; \$6,009,123 or 37.1 percent is restricted for capital projects; \$1,038,640 or 6.4 percent is restricted for food service; \$425,226 or 2.6 percent is restricted for extracurricular; \$1,050,658 or 6.5 percent is restricted for OPEB; \$48,996 or 0.3 percent is restricted for scholarships; and \$78,024 or 0.5 percent is restricted for other purposes. Restricted for other purposes for the School District are net positions restricted for special revenue funds which are used for educational services.

The remaining significant balance of government-wide unrestricted net position is a deficit of \$(15,306,732).

Highland Local School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2025
Unaudited

Table 1 provides a summary of the School District's net position for 2025 and 2024:

	Table 1	
	Net Position	
	<u>Governmental Activities</u>	
	<u>2025</u>	<u>2024</u>
Assets		
Current and other assets	\$ 72,448,736	\$ 72,127,663
Net OPEB asset	2,637,834	2,679,047
Capital assets, net of depreciation/amortization	<u>92,870,350</u>	<u>96,227,236</u>
Total assets	<u>167,956,920</u>	<u>171,033,946</u>
Deferred outflows of resources		
Deferred charge on refunding	1,616,198	1,702,408
Pension	7,480,142	7,728,508
OPEB	<u>1,221,952</u>	<u>1,402,007</u>
Total deferred outflows of resources	<u>10,318,292</u>	<u>10,832,923</u>
Liabilities		
Current and other liabilities	5,894,930	6,465,681
Long-term liabilities:		
Due within one year	5,080,098	4,691,483
Due in more than one year:		
Net pension liability	33,588,559	36,875,333
Net OPEB liability	1,379,337	2,219,761
Other amounts due in more than one year	<u>75,824,699</u>	<u>81,450,542</u>
Total liabilities	<u>121,767,623</u>	<u>131,702,800</u>
Deferred inflows of resources		
Property taxes	30,398,366	29,672,875
Pension	3,871,053	2,508,679
OPEB	4,038,075	4,342,258
Deferred amount from refunding	<u>13,907</u>	<u>40,953</u>
Total deferred inflows of resources	<u>38,321,401</u>	<u>36,564,765</u>
Net Position		
Net investment in capital assets	17,307,220	14,924,267
Restricted	16,185,700	14,581,585
Unrestricted	<u>(15,306,732)</u>	<u>(15,906,548)</u>
Total net position	<u>\$ 18,186,188</u>	<u>\$ 13,599,304</u>

The School District's statements prepared on an accrual basis of accounting include an annual pension expense and an annual OPEB expense equal to its proportionate share of each plan's change in net pension liability and net OPEB liability or asset, respectively, not accounted for as deferred inflows/outflows.

Highland Local School District

Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2025
Unaudited

As a result of implementing the accounting standard for pension and OPEB, the School District is reporting a significant net pension liability, net OPEB asset, net OPEB liability, related deferred inflows of resources and an increase in pension expense for the fiscal year which have a negative effect on net position. In addition, the School District is reporting a net OPEB asset, deferred outflows of resources and a decrease in expenses related to OPEB, which have a positive impact on net position. The increase and decrease in pension and OPEB expense is the difference between the contractually required contributions and the pension and OPEB expense resulting from the change in the liability or asset that is not reported as deferred inflows or outflows. These amounts can be found in the reconciliation of the statement of revenues, expenditures and changes in fund balances of governmental funds to the statement of activities. To further explain the impact of these accounting standards on the School District's net position, additional information is presented below.

Table 2
Impact of Pension and Other Post-employment Benefits Liabilities

	<u>2025</u>	<u>2024</u>
Deferred outflows of resources for:		
Pension	\$ 7,480,142	\$ 7,728,508
OPEB	1,221,952	1,402,007
Deferred inflows of resources for:		
Pension	(3,871,053)	(2,508,679)
OPEB	(4,038,075)	(4,342,258)
Net pension liability	(33,588,559)	(36,875,333)
Net OPEB asset	2,637,834	2,679,047
Net OPEB liability	<u>(1,379,337)</u>	<u>(2,219,761)</u>
Impact on net position from pension and OPEB reporting	<u>\$ (31,537,096)</u>	<u>\$ (34,136,469)</u>

Highland Local School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2025
Unaudited

Table 3 shows change in net position for fiscal years 2025 and 2024.

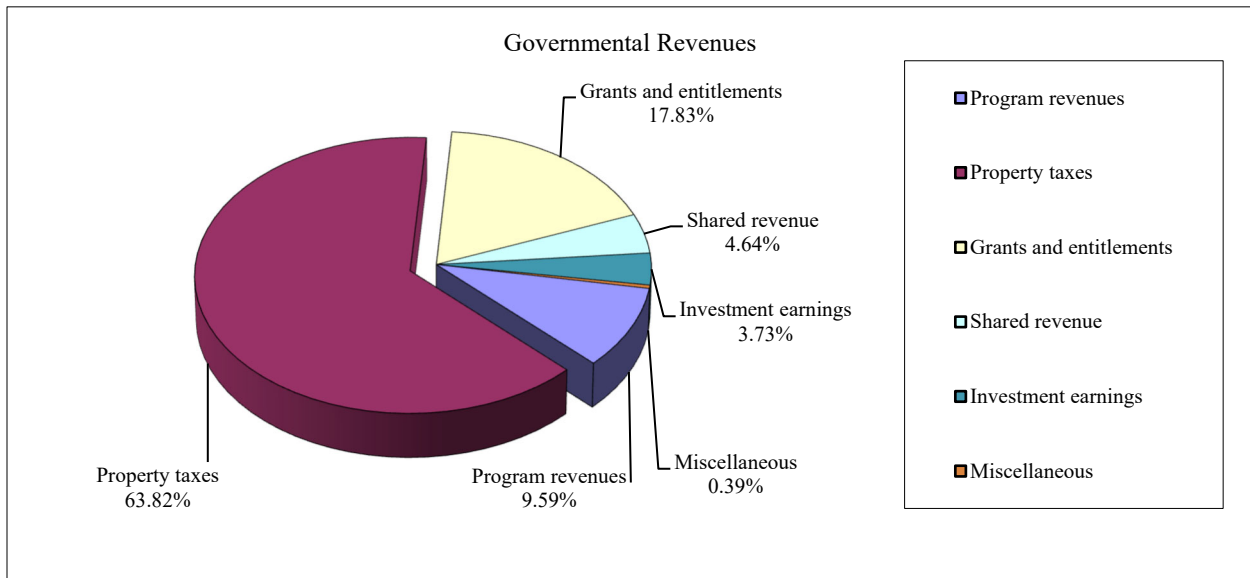
Table 3
Change in Net Position

	<u>Governmental Activities</u>	
	<u>2025</u>	<u>2024</u>
<u>Revenues:</u>		
Program revenues:		
Charges for services	\$ 2,877,667	\$ 2,850,148
Operating grants, contributions and interest	2,315,126	4,308,736
Capital grants, contributions and interest	47,000	75,000
General revenues:		
Property taxes	34,855,256	32,928,190
Shared revenue	2,533,101	2,504,945
Grants and entitlements	9,738,062	9,218,731
Investment earnings	2,035,244	1,825,456
Miscellaneous	210,500	77,881
Total revenues	<u>54,611,956</u>	<u>53,789,087</u>
<u>Program Expenses:</u>		
Instruction:		
Regular	20,031,932	17,089,399
Special	6,138,534	10,182,042
Other	416,489	413,488
Support services:		
Pupils	3,611,357	3,383,730
Instructional staff	988,733	742,763
Board of education	27,893	26,934
Administration	2,542,660	2,708,277
Fiscal	1,020,545	983,459
Business	13,288	9,425
Operation and maintenance of plant	5,307,554	5,222,759
Pupil transportation	3,225,286	2,605,077
Central	295,406	281,093
Operation non-instructional services		
Food service operations	1,860,311	1,773,280
Community services	211,191	260,990
Extracurricular activities	2,940,665	2,815,486
Interest	1,393,228	2,285,094
Total expenses	<u>50,025,072</u>	<u>50,783,296</u>
Increase (decrease) in net position	4,586,884	3,005,791
Net position at beginning of year	<u>13,599,304</u>	<u>10,593,513</u>
Net position at end of year	<u>\$ 18,186,188</u>	<u>\$ 13,599,304</u>

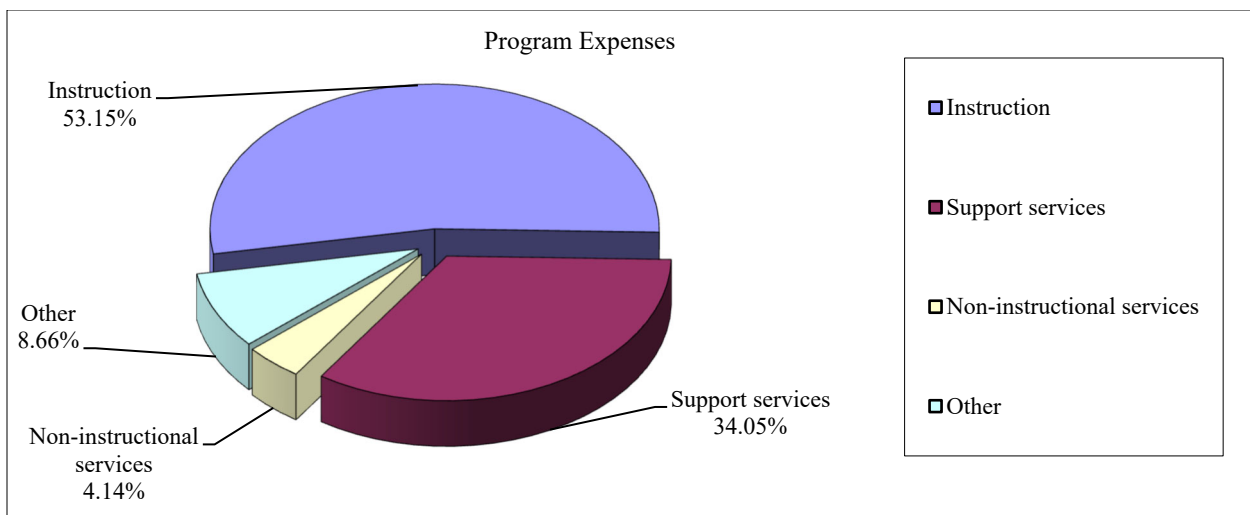
Highland Local School District

Management’s Discussion and Analysis
For the Fiscal Year Ended June 30, 2025
Unaudited

Governmental Activities - The School District has carefully planned for its financial future by forecasting its revenues and expenses over the next five years. The School District’s revenue growth is mostly dependent upon property tax collections. Property taxes made up 63.82 percent of revenues for governmental activities for the School District in fiscal year 2025. Although the School District relies heavily upon local property taxes to support its operations, the School District does actively solicit and receive additional grant and entitlement funds to help offset some operating costs.



Instruction comprises 53.15 percent of governmental program expenses. Additional supporting services, including but not limited to those for pupils, staff, administration, fiscal, operation and maintenance of plant, and pupil transportation, encompassed an additional 34.05 percent. The remaining 12.80 percent of program expenses is used for other obligations of the School District such as non-instructional services, extracurricular activities and interest.



Highland Local School District

Management’s Discussion and Analysis
For the Fiscal Year Ended June 30, 2025
Unaudited

The School District’s Funds

The School District’s governmental funds are accounted for using the modified accrual basis of accounting. The total revenues and other financing sources for governmental funds were \$57,806,021 and total expenditures and other financing uses were \$57,733,740, which both include \$3,262,172 of fund transfers. The total net change in fund balance across all governmental funds was an increase of \$72,281.

The net change in the general fund was a decrease of \$3,370,296 or 15.7 percent. This decrease was primarily due to transfers-out used to establish reserves for future employee termination benefits and capital acquisitions and improvements. Property taxes increased \$1,746,179 when compared to the prior year due to new construction growth and a larger amount available as an advance. General fund expenditures also increased as a result of additional bus driver recruitment and retention efforts, and a shift of purchased services for mental health, nursing and security previously funded by COVID related federal funding back to the general fund. The net change in the debt service fund was also a decrease of \$295,133 or 3.7 percent. This decrease was due to higher annual debt service requirements coupled with a reduction of the bond levy millage enacted by the County in prior years. The net change in fund balance in the other governmental funds was an increase of \$3,737,710 or 76.6 percent. This change was primarily the result of transfers from the general fund.

Table 4 shows fiscal year 2025 fund balances compared to fiscal year 2024.

Table 4
Fund Balances

	<u>Fund Balance</u> <u>June 30, 2025</u>	<u>Fund Balance</u> <u>June 30, 2024</u>	<u>Increase/</u> <u>(Decrease)</u>
General	\$ 18,129,758	\$ 21,500,054	\$ (3,370,296)
Debt service	7,664,505	7,959,638	(295,133)
Other governmental	<u>8,615,219</u>	<u>4,877,509</u>	<u>3,737,710</u>
Total	<u>\$ 34,409,482</u>	<u>\$ 34,337,201</u>	<u>\$ 72,281</u>

General Fund

The School District’s general fund balance decreased \$3,370,296 during the fiscal year. The following table assists in illustrating the change in revenues of the general fund.

Highland Local School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2025
Unaudited

Table 5
General Fund - Change in Revenue

	<u>2025</u>	<u>2024</u>	Percent <u>Change</u>
Taxes	\$ 29,878,664	\$ 28,132,485	6.2%
Intergovernmental	9,842,256	9,357,940	5.2%
Interest	1,426,705	1,201,946	18.7%
Increase (decrease) in fair value of investments	601,381	600,559	0.1%
Tuition and fees	590,599	611,530	(3.4%)
Rent	20,743	18,534	11.9%
Extracurricular activities	490,734	474,627	3.4%
Gifts and donations	5,085	11,336	(55.1%)
Miscellaneous	91,655	70,790	29.5%
Total revenues	<u>\$ 42,947,822</u>	<u>\$ 40,479,747</u>	

General fund revenues increased \$2,468,075 or 6.10 percent. The main reasons for the growth in overall revenues were increased property tax collections attributable to the aforementioned new construction growth as well as the larger amount of taxes available as an advance for 2025.

The following table assists in illustrating the change in expenditures of the general fund.

Table 6
General Fund - Change in Expenditures by Type

<u>Expenditures</u>	<u>2025</u>	<u>2024</u>	Percent <u>Change</u>
Instruction	\$ 25,707,598	\$ 24,172,600	6.4%
Support services	15,561,775	13,204,330	17.9%
Extracurricular activities	1,473,147	1,387,859	6.1%
Operation of non-instructional services	237,899	260,077	(8.5%)
Capital outlay	35,384	90,173	(60.8%)
Debt service	51,369	51,368	0.0%
Total	<u>\$ 43,067,172</u>	<u>\$ 39,166,407</u>	

General fund expenditures increased \$3,900,765 or 10.0 percent from the previous year. The overall rise in expenditures over the prior year was primarily attributable to increased compensation and benefit costs associated with contractual obligations coupled with expenditures for support services such as mental health, nursing and security previously funded by COVID related federal funding reverting back to the general fund.

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 fiscal year 2025, the School District amended its general fund budget; however, not significantly.

Highland Local School District

Management’s Discussion and Analysis
For the Fiscal Year Ended June 30, 2025
Unaudited

Budget revisions are presented to the Board of Education for approval.

For the general fund, the final budget basis revenues and other financing sources estimate was \$41,987,118, which was higher than the original budget estimate of \$39,937,618. The \$2,049,500 difference was mostly from an increase in estimated property tax collections and an increased projection of interest earnings. The actual revenues and other sources received were \$42,123,750, which was \$136,632 more than originally anticipated.

The original expenditures and other financing uses estimate of \$44,067,236 was revised over the course of the fiscal year. The final budgeted expenditures and other financing uses were \$49,634,236, which was an increase of \$5,567,000 or 12.6 percent over the original budget. This was attributable to projected increases in spending for the transfers out as explained earlier. Actual expenditures, including encumbrances and other financing uses, were under budget by \$1,269,315 or 2.6 percent. This favorable variance was primarily attributable to lower total transfers out than were included in the final budget estimate.

Capital Assets and Debt Administration

Capital Assets

At the end of fiscal year 2025, the School District had \$92,870,350 invested in capital assets. Table 7 shows fiscal year 2025 balances compared to fiscal year 2024:

Table 7
Capital Assets, at Fiscal Year End
(Net of Depreciation/Amortization)

	<u>Governmental Activities</u>	
	<u>2025</u>	<u>2024</u>
Land	\$ 3,768,170	\$ 3,768,170
Land improvements	7,621,138	8,281,438
Buildings and building improvements	77,095,621	79,769,549
Furniture, fixtures and equipment	2,918,222	2,934,955
Vehicles	1,368,346	1,330,336
Intangible right to use:		
Furniture, fixtures and equipment	<u>98,853</u>	<u>142,788</u>
Total capital assets	<u>\$ 92,870,350</u>	<u>\$ 96,227,236</u>

The School District reported a net decrease in the total carrying value of capital assets of \$3,356,886 after the recognition of \$3,930,266 in depreciation/amortization expense. See Note 8 to the basic financial statements for detail on the School District’s capital assets.

Debt

At June 30, 2025, the School District had \$67,297,344 in bonds (including unamortized bond premium and accreted interest on capital appreciation bonds) outstanding with \$3,645,000 due within one year and \$11,011,855 in direct borrowing lease-purchase agreements outstanding with \$979,410 due within one year. Table 8 summarizes the debt outstanding:

Highland Local School District
 Management’s Discussion and Analysis
 For the Fiscal Year Ended June 30, 2025
 Unaudited

Table 8
Outstanding Debt, at Fiscal Year End
Governmental Activities

	<u>2025</u>	<u>2024</u>
School improvement bonds	\$ 5,830,746	\$ 6,142,953
School improvement bonds refunding bonds	61,466,598	65,625,111
School facilities lease-purchase agreement	6,470,000	6,985,000
Athletic complex lease-purchase agreement	4,541,855	4,984,750
Lease payable	<u>108,032</u>	<u>151,039</u>
Total	<u>\$ 78,417,231</u>	<u>\$ 83,888,853</u>

At June 30, 2025, the School District’s overall legal debt margin was \$68,628,793 with an unvoted debt margin of \$1,345,042. The School District is rated Aa2 by Moody’s Investors Service. The School District has budgeted to meet all of its debt requirements, which are to be repaid from the debt service fund and the sales tax capital projects fund. See Note 11 to the basic financial statements for details on the School District’s debt.

Current Issues Affecting Financial Condition

The Board of Education and administration closely monitor the School District’s revenues and expenditures. The five year financial forecast is discussed and updated regularly. The School District will be faced with financial challenges in the future. These challenges stem from issues at the local, state, and federal levels. The local challenges will continue to exist as the School District must rely heavily on property taxes to fund its operations as a result of the state’s current funding system. The state funding system limits basic aid for school districts such as Highland who are deemed to be relatively wealthy from both a property value and taxpayer income standpoint. Moreover, unfunded state mandates and the expansion of public school choice options continue to divert potential unrestricted operating resources away from traditional public school districts.

Due to the unsettled issues in school funding, management is required to plan carefully and prudently to provide the resources to meet student needs over the next several years. All of the School District’s financial abilities will be required to meet the challenges of the future.

Contacting the School District’s Financial Management

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the School District’s finances and to show the School District’s accountability for the money it receives. If you have any questions or need additional financial information, contact Neil Barnes, CPA, Treasurer, Highland Local School District, 3880 Ridge Road, Medina Ohio, 44256, or email him at nbarnes@highlandschools.org.

Highland Local School District

Statement of Net Position

June 30, 2025

	<u>Governmental Activities</u>
<u>Assets:</u>	
Equity in pooled cash and investments	\$ 35,303,535
Receivables:	
Taxes	34,204,095
Accounts	402,360
Intergovernmental	2,169,527
Accrued interest	168,616
Prepaid items	92,851
Inventory held for resale	25,597
Materials and supplies inventory	82,155
Net OPEB asset	2,637,834
Capital assets:	
Land and construction in progress	3,768,170
Depreciable capital assets	131,853,467
Accumulated depreciation	<u>(42,751,287)</u>
Total capital assets	<u>92,870,350</u>
Total assets	<u>167,956,920</u>
<u>Deferred outflows of resources:</u>	
Deferred charge on refunding	1,616,198
Pension	7,480,142
OPEB	<u>1,221,952</u>
Total deferred outflows of resources	<u>10,318,292</u>
<u>Liabilities:</u>	
Accounts payable	516,539
Accrued wages	4,161,644
Matured compensated absences payable	186,219
Intergovernmental payable	784,538
Accrued interest payable	187,492
Unearned revenue	58,498
Long-term liabilities:	
Due within one year	5,080,098
Due in more than one year:	
Net pension liability	33,588,559
Net OPEB liability	1,379,337
Other amounts due in more than one year	<u>75,824,699</u>
Total liabilities	<u>121,767,623</u>
<u>Deferred inflows of resources:</u>	
Property taxes	30,398,366
Pension	3,871,053
OPEB	4,038,075
Deferred amount from refunding	<u>13,907</u>
Total deferred inflows of resources	<u>38,321,401</u>

Highland Local School District

Statement of Net Position

June 30, 2025

(Continued)

	<u>Governmental Activities</u>
<u>Net position:</u>	
Net investment in capital assets	17,307,220
Restricted for:	
Capital projects	6,009,123
Debt service	7,535,033
Food service	1,038,640
OPEB	1,050,658
Extracurricular	425,226
Permanent fund purpose - scholarships	
Nonexpendable	48,996
Other purposes	78,024
Unrestricted	<u>(15,306,732)</u>
 Total net position	 <u><u>\$ 18,186,188</u></u>

See accompanying notes to the basic financial statements.

Highland Local School District
Statement of Activities
For the Fiscal Year Ended June 30, 2025

	Expenses	Program Revenues			Net (Expense) Revenues and Changes in Net Position
		Charges for Services	Operating Grants, Contributions and Interest	Capital Grants, Contributions and Interest	
Governmental Activities:					
Instruction:					
Regular	\$ 20,031,932	\$ 265,728	\$ 370,858	\$ -	\$ (19,395,346)
Special	6,138,534	42,797	1,203,512	-	(4,892,225)
Other	416,489	-	-	-	(416,489)
Support services:					
Pupils	3,611,357	-	211,959	-	(3,399,398)
Instructional staff	988,733	-	-	-	(988,733)
Board of education	27,893	-	-	-	(27,893)
Administration	2,542,660	-	-	-	(2,542,660)
Fiscal	1,020,545	-	-	-	(1,020,545)
Business	13,288	-	-	-	(13,288)
Operation and maintenance of plant	5,307,554	32,526	32,136	-	(5,242,892)
Pupil transportation	3,225,286	-	-	-	(3,225,286)
Central	295,406	-	-	-	(295,406)
Operation of non-instructional services:					
Food service operations	1,860,311	1,249,568	415,483	-	(195,260)
Community services	211,191	272,104	-	-	60,913
Extracurricular activities	2,940,665	1,014,944	81,178	47,000	(1,797,543)
Interest	1,393,228	-	-	-	(1,393,228)
Total governmental activities	\$ 50,025,072	\$ 2,877,667	\$ 2,315,126	\$ 47,000	(44,785,279)
General Revenues:					
Property taxes levied for:					
General purposes					29,893,146
Debt service					4,962,110
Shared revenue restricted for:					
Permanent improvement projects					2,533,101
Grants and entitlements not restricted to specific programs					9,738,062
Investment earnings					2,035,244
Miscellaneous					210,500
Total general revenues					49,372,163
Change in net position					4,586,884
Net position beginning of year					13,599,304
Net position end of year					\$ 18,186,188

See accompanying notes to the basic financial statements.

H

Highland Local School District

Balance Sheet

Governmental Funds

June 30, 2025

	General	Debt Service	Other Governmental Funds	Total Governmental Funds
<u>Assets:</u>				
<u>Current assets:</u>				
Equity in pooled cash and investments	\$ 19,698,151	\$ 7,068,730	\$ 8,536,654	\$ 35,303,535
Receivables:				
Taxes	29,341,646	4,862,449	-	34,204,095
Accounts	384,257	-	18,103	402,360
Intergovernmental	53,220	-	2,116,307	2,169,527
Interfund	63,353	-	-	63,353
Accrued interest	168,616	-	-	168,616
Inventory held for resale	-	-	25,597	25,597
Materials and supplies inventory	82,155	-	-	82,155
Prepaid items	92,851	-	-	92,851
Total assets	<u>\$ 49,884,249</u>	<u>\$ 11,931,179</u>	<u>\$ 10,696,661</u>	<u>\$ 72,512,089</u>
<u>Liabilities:</u>				
<u>Current liabilities:</u>				
Accounts payable	\$ 366,319	\$ -	\$ 150,220	\$ 516,539
Accrued wages	3,930,986	-	230,658	4,161,644
Interfund payable	-	-	63,353	63,353
Intergovernmental payable	734,549	-	49,989	784,538
Matured compensated absences payable	186,219	-	-	186,219
Unearned revenue	-	-	58,498	58,498
Total liabilities	<u>5,218,073</u>	<u>-</u>	<u>552,718</u>	<u>5,770,791</u>
<u>Deferred inflows of resources:</u>				
Property taxes	26,169,380	4,228,986	-	30,398,366
Unavailable revenue	130,455	-	1,528,724	1,659,179
Unavailable revenue - delinquent property taxes	236,583	37,688	-	274,271
Total deferred inflows of resources	<u>26,536,418</u>	<u>4,266,674</u>	<u>1,528,724</u>	<u>32,331,816</u>
<u>Fund balances:</u>				
Nonspendable	175,006	-	40,500	215,506
Restricted	-	7,664,505	6,302,285	13,966,790
Committed	1,387,000	-	2,500,000	3,887,000
Assigned	1,994,699	-	-	1,994,699
Unassigned	14,573,053	-	(227,566)	14,345,487
Total fund balances	<u>18,129,758</u>	<u>7,664,505</u>	<u>8,615,219</u>	<u>34,409,482</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 49,884,249</u>	<u>\$ 11,931,179</u>	<u>\$ 10,696,661</u>	<u>\$ 72,512,089</u>

See accompanying notes to the basic financial statements.

Highland Local School District
Reconciliation of Total Governmental Fund Balances to
Net Position of Governmental Activities
June 30, 2025

Total governmental fund balances \$ 34,409,482

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. 92,870,350

Other long-term assets that are not available to pay for current-period expenditures and therefore are unavailable revenue in the funds:

Property taxes	\$ 274,271	
Intergovernmental revenues	1,528,084	
Tuition and fees	78,816	
Extracurricular	8,046	
Rent	20,204	
Miscellaneous	24,029	
Total	1,933,450	1,933,450

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

Deferred outflows - pension	\$ 7,480,142	
Deferred inflows - pension	(3,871,053)	
Net pension liability	(33,588,559)	
Deferred outflows - OPEB	1,221,952	
Deferred inflows - OPEB	(4,038,075)	
Net OPEB liability	(1,379,337)	
Net OPEB asset	2,637,834	
Total	(31,537,096)	(31,537,096)

In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due. (187,492)

Long-term liabilities that are not due and payable in the current period and therefore are not reported in the funds:

General obligation bonds	\$ (62,021,810)	
Premium on bonds	(5,275,534)	
Unamortized amount from refunding	1,602,291	
Lease-purchase agreement	(11,011,855)	
Lease	(108,032)	
Compensated absences	(2,487,566)	
Total	(79,302,506)	(79,302,506)

Net position of governmental activities \$ 18,186,188

See accompanying notes to the basic financial statements.

Highland Local School District
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended June 30, 2025

	General	Debt Service	Other Governmental Funds	Total Governmental Funds
Revenues:				
Taxes	\$ 29,878,664	\$ 4,959,792	\$ -	\$ 34,838,456
Intergovernmental	9,842,256	344,329	4,161,267	14,347,852
Interest	1,426,705	-	68,448	1,495,153
Increase in fair value of investments	601,381	-	-	601,381
Tuition and fees	590,599	-	-	590,599
Rent	20,743	-	-	20,743
Extracurricular activities	490,734	-	530,178	1,020,912
Gifts and donations	5,085	-	122,303	127,388
Charges for services	-	-	1,249,568	1,249,568
Miscellaneous	91,655	-	148,916	240,571
Total revenues	<u>42,947,822</u>	<u>5,304,121</u>	<u>6,280,680</u>	<u>54,532,623</u>
Expenditures:				
Current:				
Instruction:				
Regular	19,469,812	-	259,983	19,729,795
Special	5,824,878	-	978,932	6,803,810
Student intervention services	251,743	-	768	252,511
Other	161,165	-	-	161,165
Support services:				
Pupils	3,620,537	-	92,055	3,712,592
Instructional staff	853,301	-	90,674	943,975
Board of education	27,893	-	-	27,893
Administration	2,685,413	5,011	-	2,690,424
Fiscal	990,306	64,593	-	1,054,899
Business	13,288	-	-	13,288
Operation and maintenance of plant	3,996,781	-	166,826	4,163,607
Pupil transportation	3,061,547	-	285	3,061,832
Central	312,709	-	-	312,709
Operation of non-instructional services:				
Food service operations	-	-	1,744,645	1,744,645
Community services	237,899	-	-	237,899
Extracurricular activities	1,473,147	-	652,948	2,126,095
Capital outlay	35,384	-	578,640	614,024
Debt service:				
Principal retirement	43,007	3,445,000	957,895	4,445,902
Interest and fiscal charges	8,362	2,084,650	281,491	2,374,503
Total expenditures	<u>43,067,172</u>	<u>5,599,254</u>	<u>5,805,142</u>	<u>54,471,568</u>
Excess of revenues over (under) expenditures	<u>(119,350)</u>	<u>(295,133)</u>	<u>475,538</u>	<u>61,055</u>
Other financing sources (uses):				
Proceeds from sale of capital assets	11,226	-	-	11,226
Transfers in	-	-	3,262,172	3,262,172
Transfers out	(3,262,172)	-	-	(3,262,172)
Total other financing sources (uses)	<u>(3,250,946)</u>	<u>-</u>	<u>3,262,172</u>	<u>11,226</u>
Net change in fund balances	(3,370,296)	(295,133)	3,737,710	72,281
Fund balances beginning of year	<u>21,500,054</u>	<u>7,959,638</u>	<u>4,877,509</u>	<u>34,337,201</u>
Fund balances end of year	<u>\$ 18,129,758</u>	<u>\$ 7,664,505</u>	<u>\$ 8,615,219</u>	<u>\$ 34,409,482</u>

See accompanying notes to the basic financial statements.

Highland 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, 2025**

Net change in fund balances - total governmental funds	\$	72,281	
Amounts reported for governmental activities in the statement of activities are different because:			
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of capital assets is allocated over their estimated useful lives as depreciation/amortization expense. In the current period, these amounts are:			
Capital asset additions	\$	614,024	
Depreciation/amortization expense		(3,930,266)	
Excess of depreciation/amortization expense over capital asset additions and capital contributions			(3,316,242)
The proceeds from the sale of capital assets are reported as a source of financing in the governmental funds. However, the cost of the capital assets sold is removed from the capital assets account in the statement of net position and offset against the sales proceeds resulting in a loss on the disposal of capital assets in the statement of activities. Thus, more revenue is reported in the governmental funds and more expenses in the statement of activities.			
			(40,644)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. These activities consist of:			
Property taxes	\$	16,800	
Intergovernmental		96,759	
Tuition and fees		(40,858)	
Extracurricular activities		(16,208)	
Rent		11,783	
Miscellaneous		11,057	
Net change in deferred inflows of resources during the year			79,333
Contractually required contributions are reported as expenditures in the governmental funds; however, the statement of activities reports these amounts as deferred outflows.			
Pension			3,680,443
OPEB			104,649
Except for amounts reported as deferred inflows/outflows, changes in the net pension/OPEB liability and OPEB asset are reported as pension/OPEB expense in the statement of activities.			
Pension			(2,004,409)
OPEB			818,690
Repayment of debt, lease and lease purchase agreement principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.			
			4,445,902
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:			
Increase in compensated absences	\$	(234,394)	
Increase in deferred amount from refunding		(59,164)	
Decrease in accrued interest payable		14,719	
Total additional expenditures			(278,839)
The amortization of issuance costs, bond premium and accretion is reflected as an expense in the statement of activities.			
Premium	\$	1,353,101	
Bond accretion		(327,381)	
Total additional expenses			1,025,720
Change in position of governmental activities	\$		<u>4,586,884</u>
See accompanying notes to the basic financial statements.			

Highland 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, 2025

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>				
Taxes	\$ 28,676,353	\$ 29,423,353	\$ 29,452,179	\$ 28,826
Intergovernmental	9,537,746	9,969,746	9,868,437	(101,309)
Interest	841,750	1,441,750	1,438,089	(3,661)
Tuition and fees	317,338	317,338	294,287	(23,051)
Rent	17,741	17,741	21,536	3,795
Extracurricular activities	356,493	370,993	383,162	12,169
Miscellaneous	59,677	59,677	78,214	18,537
Total revenues	<u>39,807,098</u>	<u>41,600,598</u>	<u>41,535,904</u>	<u>(64,694)</u>
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular	19,197,564	18,864,918	19,820,700	(955,782)
Special	6,920,797	7,124,897	6,663,265	461,632
Student intervention services	228,350	256,477	259,646	(3,169)
Other	68,069	115,442	107,029	8,413
Support services:				
Pupils	3,627,535	3,669,753	3,721,647	(51,894)
Instructional staff	890,623	1,001,590	978,631	22,959
Board of education	33,149	33,149	28,473	4,676
Administration	2,882,988	2,881,797	2,731,400	150,397
Fiscal	1,014,452	1,016,452	1,008,820	7,632
Business	16,957	16,957	16,181	776
Operation and maintenance of plant	4,193,172	4,218,172	4,156,401	61,771
Pupil transportation	3,029,812	3,042,312	3,087,760	(45,448)
Central	331,468	337,493	319,693	17,800
Operation of non-instructional services:				
Food service operations	1,000	1,000	-	1,000
Extracurricular activities	1,470,939	1,445,939	1,392,390	53,549
Total expenditures	<u>43,906,875</u>	<u>44,026,348</u>	<u>44,292,036</u>	<u>(265,688)</u>
Excess of revenues under expenditures	<u>(4,099,777)</u>	<u>(2,425,750)</u>	<u>(2,756,132)</u>	<u>(330,382)</u>
<u>Other financing sources (uses):</u>				
Proceeds from the sale of capital assets	16,498	16,498	11,226	(5,272)
Refund of prior year expenditures	75,348	331,348	395,668	64,320
Advances in	11,174	11,174	153,452	142,278
Advances out	(50,000)	(81,000)	(63,353)	17,647
Transfers in	27,500	27,500	27,500	-
Transfers out	(110,361)	(5,526,888)	(4,009,532)	1,517,356
Total other financing sources (uses)	<u>(29,841)</u>	<u>(5,221,368)</u>	<u>(3,485,039)</u>	<u>1,736,329</u>
Net change in fund balance	(4,129,618)	(7,647,118)	(6,241,171)	1,405,947
Fund balance at beginning of year	22,515,719	22,515,719	22,515,719	-
Prior year encumbrances appropriated	631,813	631,813	631,813	-
Fund balance at end of year	<u>\$ 19,017,914</u>	<u>\$ 15,500,414</u>	<u>\$ 16,906,361</u>	<u>\$ 1,405,947</u>

See accompanying notes to the basic financial statements.

H

Highland Local School District

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2025

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND DESCRIPTION OF REPORTING ENTITY

A. Description of the School District

The Highland Local School District (the "School District") is a body politic and corporate established for the purpose of exercising the rights and privileges conveyed to it by the constitution and laws of the State of Ohio.

The Highland Local School District was established in 1952 through the consolidation of the former Granger-Sharon and Hinckley Local School Districts. The School District operates under a locally elected five-member Board form of government and provides educational services as mandated by state and/or federal agencies. The Board controls the School District's seven instructional/support facilities staffed by 164 classified employees including 6 administrators, 215 certificated teaching and support personnel including 12 administrators, that provide services to 3,386 students and other community members.

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

B. Reporting Entity

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

Component units are legally separate organizations for which the School District is financially accountable. The School District is financially accountable for an organization if the School District appoints a voting majority of the organization's governing board and (1) the School District is able to significantly influence the programs or services performed or provided by the organization; or (2) the School District is legally entitled to or can otherwise access the organizations' 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 their budget, the issuance of their debt or the levying of their taxes. Based on the above criteria, the School District had no component units at June 30, 2025.

The School District is associated with Connect (formerly known as North Coast Council (NCC)) and the Ohio Schools Council, which are defined as jointly governed organizations. Jointly governed organizations are governed by representatives from each of the governments that create the organization. Information regarding Connect and the Ohio Schools Council is presented in Note 12.

Highland Local School District

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2025

C. Basis of Presentation - Fund Accounting

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

Government-wide Financial Statements

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

The statement of net position presents the financial condition of the governmental activities of the 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 and 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 that are not classified as program revenues are presented as general revenues of the School District, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the School District.

Fund Financial Statements

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

D. Fund Accounting

The School District uses funds to maintain its financial records during the fiscal year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The various funds of the School District are grouped into two categories: governmental and fiduciary.

Governmental Fund Types

Governmental funds focus on the sources, uses, and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and deferred outflows of resources and liabilities and deferred inflows of resources is reported as fund balance. The School District has two major governmental funds:

Highland Local School District

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2025

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.

Debt Service Fund: The debt service fund is used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs.

Fiduciary Fund Types

Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into four categories: 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.

E. Measurement Focus and Basis of Accounting

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

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

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. The private purpose trust fund and custodial funds also use the accrual basis of accounting. Differences in the accrual and modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred inflows of resources, and in the presentation of expenses versus expenditures.

Highland Local School District

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2025

Revenue - Exchange and Nonexchange Transactions

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the School District, available means expected to be received within sixty days of year-end.

Nonexchange transactions, in which the School District receives value without directly giving equal value in return, include property taxes, shared revenue, grants, entitlements and donations. Revenue from property taxes is recognized in the fiscal year for which taxes are levied. Shared revenue and 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 the modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

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

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net 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 other postemployment benefits (OPEB). The deferred outflows of resources related to pension and OPEB are explained in Note 10.

In addition to liabilities, the statement of net position reports a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net assets that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. For the School District, deferred inflows of resources include property taxes, pension, OPEB, deferred amount from refunding, and unavailable revenues. Property taxes represent amounts for which there is an enforceable legal claim as of June 30, 2025, but which were levied to finance the fiscal year 2026 operations. These amounts have been recorded as deferred inflows on both the government-wide statement of net position and the governmental fund financial statements. Unavailable revenue is reported 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, tuition and fees, and County levied sales tax. These amounts are deferred and recognized as inflows 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 Note 10).

Highland Local School District

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2025

On the government-wide financial statements, the difference between the reacquisition price (funds required to refund the old debt) and the net carrying amount of the old debt, the gain/loss on the refunding, is being amortized as a component of interest expense. This deferred amount is amortized over the life of the old or new debt, whichever is shorter, using the bonds outstanding method and is presented as a deferred inflows of resources and as a deferred outflows of resources on the statement of net position.

Expenditures/Expenses

On the accrual basis of accounting, expenses are recognized at the time they are incurred. The fair value of donated commodities used during the year is reported in the fund financial statements as intergovernmental revenue and an expenditure of food service operations. In addition, this amount is reported on the statement of activities as an expense with a like amount reported within the "Operating Grants, Contributions and Interest" program revenue account. Unused donated commodities are reported in the account "Inventory held for resale" within the basic financial statements.

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 the governmental funds.

F. Budgets and Budgetary Accounting

The budgetary process is prescribed by provisions of the Ohio Revised Code and entails the preparation of budgetary documents within an established timetable. The major documents prepared are the Tax Budget, the Certificate of Estimated Resources, and the Appropriation Resolution, all of which are prepared on the budgetary basis of accounting. The primary level of budgetary control is at the fund level for all funds. Any budgetary modifications at this level may only be made by resolution of the Board of Education.

The Certificate of Estimated Resources and the Appropriation Resolution are subject to amendment throughout the year with the legal restriction that appropriations cannot exceed estimated resources, as certified. All funds, other than custodial funds, are legally required to be budgeted and appropriated. The amounts reported as original budgeted revenues in the budgetary statement reflect the amounts in the certificate when the original appropriations were adopted. The amounts reported as final budgeted revenues in the budgetary statement reflect the amounts in the final amended certificate issued during fiscal year 2025. The amounts reported as original budgeted expenditures 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 final budgeted expenditures represent the final appropriation amounts passed by the Board during the year.

At the close of each year, the unencumbered balance of each appropriation reverts to the respective fund from which it was appropriated and becomes subject to future appropriation. Encumbered appropriations are carried forward to the succeeding fiscal year and are not reappropriated.

G. Cash and Investments

To improve cash management, all cash received by the School District is pooled in a central bank account. Monies for all funds are maintained in this account or used to purchase investments. Individual fund integrity is maintained through School District records. Each fund's interest in the pool is presented as "Equity in pooled cash and investments".

Highland Local School District

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2025

Some of the School District's monies for the building capital projects fund are held separate from the School District's central bank account and are presented on the statement of net position as "Cash and cash equivalents in segregated accounts" and "Investments in segregated accounts".

During the fiscal year, investments were limited to certificates of deposit, instruments of government sponsored mortgage-backed securities, money market mutual fund, commercial paper, U.S. treasury notes and an interest in STAR Ohio, the State Treasurer's Investment Pool. These investments are stated at cost, which approximates market value (fair value).

The School District's investment in the State Treasury Asset Reserve of Ohio (STAR 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 and is recognized as an external investment pool by the School District. 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 a NAV per share that approximates fair value.

For the fiscal year 2025, there were no limitation or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, notice is appreciated 24 hours in advance of all deposits and withdrawals exceeding \$100 million. 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.

Under existing Ohio statutes, all investment earnings accrue to the general fund except those specifically related to certain trust funds, unless the Board specifically allows the interest to be recorded in other funds. The Board of Education has passed a resolution to allow interest to also be recorded in other funds as indicated in Note 4.

For presentation on the basic financial statements, investments of the cash management pool and investments with a 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 initial maturity of more than three months that are not purchased from the pool are reported as investments.

H. Interfund Balances

On the fund financial statements, receivables and payables resulting from short-term interfund loans are classified as "interfund receivables/payables". Interfund balances, are eliminated in the statement of net position.

I. Inventory

On the governmental-wide financial statements, inventories are presented at cost on a first-in, first-out basis and are expensed when used.

Inventories of the general fund primarily include maintenance and custodial supplies, paper supplies, transportation supplies, and fuel. Inventories of the food service special revenue fund consist of donated food, purchased food and supplies held for resale.

Highland Local School District

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2025

J. Restricted Assets

Assets are reported as restricted assets when limitations on their use change the normal understanding of the availability of the asset. Such constraints are imposed by creditors, contributors, grantors, laws of other governments, or enabling legislation. Restricted assets may include unexpended revenues required to be set aside by the School District for the acquisition or construction of capital improvements.

Restricted assets may also include amounts set aside as a reserve for budget stabilization, which is now optional as determined by the School District. The School District expended all restricted assets in accordance with specific restrictions during the fiscal year. See Note 14 for additional information.

K. Pension and other postemployment benefits (OPEB)

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

The current accounting standard requires school districts to report their proportionate share of the net pension/OPEB liability or asset using the earning approach to pension and OPEB accounting instead of the funding approach as previously used. The funding approach limited pension and postemployment costs to contributions annually required by law, which may or may not be sufficient to fully fund each plan's net pension/OPEB liability or asset. Under the new standards, the net pension/OPEB liability or asset equals the School District's proportionate share of each plan's collective present value of estimated future pension/OPEB benefits attributable to active and inactive employees' past service minus plan assets available to pay these benefits.

Pension and OPEB obligations, whether funded or unfunded, are part of the employment exchange. The employee is trading his or her labor in exchange for wages, benefits, and the promise of a future pension and other postemployment benefits. The unfunded portion of this benefit of exchange is a liability of the School District. However, the School District is not responsible for key factors affecting the balance of this liability. In Ohio, the employee shares the obligation of funding pension benefits with the employer. Benefit provisions and both employer and employee contribution rates are determined by State statute. The employee and employer enter the employment exchange with the knowledge that the exchange is limited by law. The pension system is responsible for the administration of the pension and OPEB plans.

There is no repayment schedule for the net pension liability or the net OPEB liability. The School District has no control over the changes in the benefits, contribution rates, and return on investments affecting the balance of the liabilities or assets. In the event that contributions, investment returns, and other changes are insufficient to keep up with required payments, State statute does not identify the responsible party for the unfunded portion. Due to the unique nature of how the pension liability and the OPEB liability are satisfied, these liabilities are separately identified within the long-term liability section of the statement of net position.

Highland Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2025

L. Prepaids

Payments made to vendors for services that will benefit periods beyond June 30, 2025, are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of purchase and an expenditure/expense is reported in the year which services are consumed.

M. Capital Assets

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

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and 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 five thousand dollars. The School District does not possess any infrastructure. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the asset’s life are not capitalized. The School District’s policy is not to capitalize interest costs incurred as part of construction.

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

<u>Description</u>	<u>Estimated Lives</u>
Land improvements	10 - 50 years
Buildings and building improvements	20 - 50 years
Furniture, fixtures and equipment	3 - 20 years
Vehicles	8 - 20 years
Intangible right to use:	
Furniture, fixtures and equipment	5 years

N. Compensated Absences

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

Sick leave benefits following the School District 's policy, permits employees to accumulate earned but unused sick leave. Upon separation from service and if eligible, the employee receives compensation in accordance with the severance policy. A liability for estimated value of sick leave that will be used by employees as time off and at separation is included in the liability for compensated absences. The entire compensated absences liability is reported on the government-wide financial statements.

For the governmental fund financial statements, compensated absences (including employee separation incentives) are recognized as liabilities and expenditures to the extent payments come due each period upon the occurrence of employee resignations and retirements. These amounts are recorded in the account “matured compensated absences payable” in the fund from which the employees who have accumulated leave are paid.

Highland Local School District

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2025

O. Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements. In general, governmental fund payables and accrued liabilities are reported as obligations of the funds regardless of whether they will be liquidated with current resources. However, claims and judgments, compensated absences, and special termination benefits 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. In general, liabilities that mature or come due for payment during the fiscal year are considered to have been made with current available financial resources. Bonds and other long-term obligations that will be paid from governmental funds are not recognized as a liability in the fund financial statements when due. Net pension/OPEB liability should be recognized in the governmental funds to the extent that benefit payments are due and payable and the pension/OPEB plan's fiduciary net position is not sufficient for payment of those benefits.

P. Net Position

Net position represents the difference between all other elements in a statement of financial position. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any 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, laws, or regulations of other governments. Net position restricted for other purposes primarily include amounts generated by individual school buildings to supplement co-curricular and extra-curricular programs, and for operating or capital costs for any new and innovative programs designed to enhance or promote education with the School District.

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

Q. Interfund Transactions

Interfund transactions are reported as other financing sources/uses for governmental funds in the fund financial statements. All transfers between governmental funds have been eliminated within the governmental activities column of the statement of activities.

R. Estimates

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

S. Fund Balance

Fund balance is divided into five classifications based primarily on the extent to which the School is bound to observe constraints imposed upon the use of the resources in the governmental funds. The classifications are as follows:

Highland Local School District

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2025

Nonspendable The nonspendable fund balance category includes amounts that cannot be spent because they are not in spendable form, or legally or contractually required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash. It also includes the long-term amount of loans receivable, prepaid items, as well as property acquired for resale, unless the use of the proceeds from the collection of those receivables or from the sale of those properties is restricted, committed, or assigned.

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

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

Assigned Amounts in the assigned fund balance classification are intended to be used by the School District for specific purposes but do not meet the criteria to be classified as restricted or committed. The purpose constraint that represents the intended use is established by the Board of Education or by their designated official. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the general fund, assigned amounts represent intended uses established by policies of the School District or by State statute. The Treasurer is authorized to assign fund balance using encumbrances for planned purchases, provided such amounts have been lawfully appropriated. The Board of Education may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year’s appropriated budget.

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

Highland Local School District

Notes to the Basic Financial Statements
 For the Fiscal Year Ended June 30, 2025

NOTE 2 – FUND BALANCES

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

Fund Balances	General	Debt Service	Other Governmental Funds	Total Governmental Funds
<u>Nonspendable</u>				
Materials and supplies inventory	\$ 82,155	\$ -	\$ -	\$ 82,155
Prepays	92,851	-	-	92,851
Permanent fund principal	-	-	40,500	40,500
Total nonspendable	<u>175,006</u>	<u>-</u>	<u>40,500</u>	<u>215,506</u>
<u>Restricted for</u>				
Food service	-	-	1,076,129	1,076,129
Various student activities	-	-	416,418	416,418
Auxiliary services	-	-	28,365	28,365
Supplemental learning opportunities	-	-	10,697	10,697
Scholarships and awards	-	-	16,664	16,664
Capital improvements	-	-	4,754,012	4,754,012
Debt service payments	-	7,664,505	-	7,664,505
Total restricted	<u>-</u>	<u>7,664,505</u>	<u>6,302,285</u>	<u>13,966,790</u>
<u>Committed</u>				
Underground storage tanks	11,000	-	-	11,000
Termination benefits	1,376,000	-	-	1,376,000
Capital improvements	-	-	2,500,000	2,500,000
Total committed	<u>1,387,000</u>	<u>-</u>	<u>2,500,000</u>	<u>3,887,000</u>
<u>Assigned</u>				
Uniform school supplies	64,892	-	-	64,892
Public school support	150,067	-	-	150,067
Latchkey and community education	243,710	-	-	243,710
Various ordinary operating costs	517,406	-	-	517,406
Next fiscal year budget	1,018,624	-	-	1,018,624
Total assigned	<u>1,994,699</u>	<u>-</u>	<u>-</u>	<u>1,994,699</u>
Unassigned	<u>14,573,053</u>	<u>-</u>	<u>(227,566)</u>	<u>14,345,487</u>
Total fund balances	<u>\$ 18,129,758</u>	<u>\$ 7,664,505</u>	<u>\$ 8,615,219</u>	<u>\$ 34,409,482</u>

Highland Local School District

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2025

NOTE 3 - BUDGETARY BASIS OF ACCOUNTING

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

1. Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis).
2. Expenditures are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis).
3. Advances in and advances out are operating transactions (budget basis) as opposed to balance sheet transactions (GAAP basis).
4. Encumbrances are treated as expenditures (budget basis) rather than assigned fund balance (GAAP basis).
5. The revenues, expenditures and other financing sources and uses of the general fund include activity that is budgeted within special revenue funds (GAAP basis). However, on the budgetary basis, the activity of the special revenue funds is excluded resulting in perspective differences.

The following table summarizes the adjustments necessary to reconcile the GAAP basis statement to the budgetary basis statement for the general fund.

	<u>General</u>
GAAP basis	\$ (3,370,296)
Net adjustment for revenue accruals	(584,860)
Advances in	153,452
Net adjustment for expenditure accruals	(2,985,878)
Advances out	(63,353)
Encumbrances (Budget basis) outstanding at year-end	(763,522)
Perspective differences from funds budgeted as special revenue funds:	
Revenues	(403,890)
Transfers from the general fund	1,376,000
Expenditures	401,176
Budget basis	<u>\$ (6,241,171)</u>

Highland Local School District

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2025

NOTE 4 - 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 deposits are public deposits that the Board of Education has identified as not required for use within the current five-year period of designation of depositories. Inactive deposits must either be evidenced by certificates of deposit maturing not later than the end of the current period of designation of depositories, or by savings or deposit accounts including, but not limited to, passbook accounts.

Interim deposits are deposits of interim monies. Interim monies are those monies which are not needed for immediate use but which will be needed before the end of the current period of designation of depositories. Interim deposits must be evidenced by time certificates of deposit maturing within five years from the date of deposit or by savings or deposit accounts including passbook accounts.

Interim monies may be invested in the following obligations provided they mature or are redeemable within five years from the date of settlement, unless the investment is matched to a specific obligation or debt of the School District and the investment is not a commercial paper note, a banker's acceptance or a repurchase agreement:

1. United States Treasury bills, notes, bonds, or any other obligations 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, 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 for a period not to exceed thirty days in securities listed above provided that the fair 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;
4. Bonds and other obligations of the State of Ohio;
5. No-load money market mutual funds consisting exclusively of obligations described in item (1) or (2) above and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
6. The State Treasurer's investment pool (STAR Ohio);
7. Commercial paper notes, limited to 40% (5% for a single issuer) in total of the interim monies available for investment at any one time and for a period not to exceed two hundred seventy days; and

Highland Local School District

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2025

8. Bankers acceptances, limited to 40% of the interim monies available for investment at any one time and for a period not to exceed one hundred eighty days.

According to state law, public depositories must provide security for the repayment of all public deposits. These institutions shall give security for all public funds on deposit in excess of those funds that are insured by the Federal Deposit Insurance Corporation (FDIC). The security for these deposits will be made under an agreement using a surety bond and/or by means of pledging allowable securities as collateral to be held by a qualified trustee. The pledged collateral can be held for each public depositor or in a pool for multiple public depositors and must have a fair value of at least 105% of the total value of public monies on deposit at the institution. If the institution participates in the Ohio Pooled Collateral System (OPCS), the total fair value of the securities pledged can be 102% or lower if permitted by the Treasurer of State. The School District's financial institution participates in the OPCS and was approved for a reduced collateral floor of 50 %.

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

Custodial credit risk is the risk that, in the event of a bank failure, the School District's deposits may not be returned. As of June 30, the School District's bank balances were insured and/or collateralized.

B. Investments

As of June 30, 2025, the School District had the following investments and maturities:

Investment Type	Fair Value	Percentage of Investments	Investment Maturities (in years)		
			< 1 year	2 - 4 years	> 4 years
Government Sponsored Enterprise Bonds:					
Federal Home Loan Mortgage Corporation	\$ 959,126	3.58%	\$ 959,126	\$ -	\$ -
Federal Home Loan Bank	4,995,069	18.64%	994,470	4,000,599	-
Federal Farm Credit Bank	7,484,742	27.93%	900,022	6,584,720	-
Federal Agricultural Mortgage Corporation	1,236,850	4.61%	-	1,236,850	-
U.S. Treasury notes	8,657,821	32.30%	2,613,215	6,044,606	-
Negotiable certificates of deposit	3,142,708	11.73%	-	3,142,708	-
First American government obligation	323,431	1.21%	323,431	-	-
STAR Ohio	1,586	0.01%	1,586	-	-
Total investments	<u>\$ 26,801,333</u>	<u>100.01%</u>	<u>\$ 5,791,850</u>	<u>\$ 21,009,483</u>	<u>\$ -</u>

Highland Local School District

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2025

The School District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets. Level 2 inputs are significant other observable inputs. Level 3 inputs are significant unobservable inputs. The preceding table identifies the School District's recurring fair value measurement as of June 30, 2025. As previously discussed, Star Ohio is reported at its net asset value. Other investments of the School District are valued using Level 2 inputs using valuation techniques that incorporate market data for similar investments, broker quotes and inactive transactions prices.

Custodial credit risk for an investment is the risk that in the event of failure of the counterparty, the School District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The investments in Federal Home Loan Mortgage Corporation (FHLMC), Federal Home Loan Bank (FHLB), Federal Farm Credit Bank (FFCB), Federal Agricultural Mortgage Corporation (FAMC), US Treasury securities and commercial paper are held by the counterparty's trust department or agent and not in the School District's name. All of the School District's negotiable certificates of deposit are registered securities and covered in full by FDIC insurance. The School District's policy is to invest money with financial institutions that are able to abide by the laws governing insurance and collateral of public funds.

Interest rate risk is the possibility that changes in interest rates will adversely affect the fair value of an investment. The School District's investment policy does not address limits on investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit risk is the possibility that an issuer or other counterparty to an investment will not fulfill its obligation. Standard and Poor's has assigned STAR Ohio and the First American Government Obligation an AAAM rating, the FHLMC, FHLB, and FFCB, FAMC bonds an AA+ rating, the U.S. Treasury notes have a A-1+ rating. Ohio law requires that STAR Ohio maintain the highest rating provided by at least one nationally recognized standard service rating. The School District's investment policy requires certain credit ratings for some investments as allowed by state law.

Concentration of credit risk is the possibility of loss attributed to the magnitude of the School District's investment in a single issuer. More than 5 percent of the School District's investments are in Federal Home Loan Bank and Federal Farm Credit Bank bonds. These investments are presented in the table on the previous page. The investment in STAR Ohio is a pooled investment and not of a single issuer. The investments in negotiable CD's and commercial paper are all individually below 5 percent for each issuer. The School District's policy does not specify stricter limits than allowed by law.

All interest is legally required to be placed in the general fund, the food service and auxiliary services special revenue funds, the building capital projects fund and the Scholarships private purpose trust fund. Interest revenue and the change in fair value of investments credited to the general fund during fiscal year 2025 amounted to \$2,028,086 which includes \$750,523 assigned from other School District funds.

Highland Local School District

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2025

NOTE 5 - PROPERTY TAX

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, public utility and tangible personal property (used for public utilities) located in the School District. Real property tax revenue received in calendar year 2025 represents collections of calendar year 2024 taxes. Real property taxes received in calendar year 2025 were levied after April 1, 2024, on the assessed value listed as of January 1, 2024, the lien date. Assessed values for real property taxes are established by State law at 35 percent of appraised market value. Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semi-annually, the first payment is due December 31 with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established.

Public utility property tax revenue received in calendar year 2025 represents collections of calendar year 2024 taxes. Public utility real and tangible personal property taxes received in calendar year 2025 became a lien December 31, 2023, were levied after April 1, 2024 and are collected with real property taxes. Public utility real property is assessed at 35 percent of true value; public utility tangible personal property currently is assessed at varying percentages of true value.

The School District receives property taxes from Medina and Summit Counties. The Medina County Auditor periodically advances to the School District its portion of the taxes collected. Second-half real property tax payments collected by the counties by year-end are available to finance the current fiscal year operations. The amount available to be advanced can vary based on the date the tax bills are sent and on the collection of delinquent taxes. The Board has passed a resolution to accept advances of property taxes and make them available for appropriation.

Accrued property taxes receivable includes real property and public utility property taxes which are measurable as of June 30, 2025 and for which there is an enforceable legal claim. Although total property tax collections for the next fiscal year are measurable, only the amount of real property taxes available as an advance at June 30 was levied to finance current fiscal year operations and is reported as revenue at fiscal year end. The portion of the receivable not levied to finance current fiscal year operations is offset by a credit to deferred inflows of resources – property taxes.

The amount available as an advance at year-end was \$2,935,683 in the general fund and \$595,775 in the debt service fund, and is recognized as revenue on the fund financial statements.

On the accrual basis, collectible delinquent property taxes have been recorded as revenue on the statement of activities.

Highland Local School District

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2025

The assessed values totaling \$1,354,041,780 upon which the current fiscal year taxes were collected are:

<u>2024</u> <u>Property Category</u>	<u>Medina</u> <u>County</u>	<u>Summit</u> <u>County</u>	<u>Total</u>
<u>Real Property</u>			
Residential and agricultural	\$ 1,223,875,200	\$ 12,376,530	\$ 1,236,251,730
Commercial, industrial and minerals	92,088,380	-	92,088,380
<u>Tangible Personal Property</u>			
Public utilities	25,460,680	240,990	25,701,670
Total	<u>\$ 1,341,424,260</u>	<u>\$ 12,617,520</u>	<u>\$ 1,354,041,780</u>

NOTE 6 – SHARED SALES TAX REVENUE

During 2007, the voters of Medina County passed an additional one-half percent sales tax to be used for capital improvements at all school districts within the County. Collection began in October 2007 for a period of 30 years. Vendor collections of the tax are paid to the State Treasurer by the twenty-third day of the month following collection. The State Tax Commissioner certifies to the State Auditor the amount of the tax to be returned to the County. The County then allocates this tax to the school districts within the County based on the number of students enrolled.

NOTE 7 - RECEIVABLES

Receivables at year-end consisted of taxes, accounts, accrued interest, interfund, and intergovernmental grants and entitlements. All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes, the stable condition of state programs, and the current year guarantee of federal funds. The general fund and nonmajor governmental funds reported intergovernmental receivables as follows:

<u>Governmental Activities</u>	<u>Amounts</u>
General:	
Medicaid reimbursements	\$ 3,993
State reimbursements and grants	480
Other government reimbursements	48,747
Total general	<u>53,220</u>
Other governmental funds:	
Sales tax	1,863,665
State reimbursements and grants	252,642
Total other governmental funds	<u>2,116,307</u>
Total	<u>\$ 2,169,527</u>

Highland Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2025

NOTE 8 - CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2025, was as follows:

	Balance July 1, 2024	Additions	Deletions	Balance June 30, 2025
<u>Governmental Activities</u>				
Nondepreciable capital assets				
Land	\$ 3,768,170	\$ -	\$ -	\$ 3,768,170
Capital assets being depreciated/amortized:				
Land improvements	13,019,574	-	-	13,019,574
Buildings and building improvements	109,138,310	19,703	-	109,158,013
Furniture, fixtures, and equipment	6,033,051	236,448	-	6,269,499
Vehicles	3,235,261	357,873	(406,427)	3,186,707
Intangible right to use:				
Furniture, fixtures, and equipment	219,674	-	-	219,674
Total capital asset being depreciated/amortized	<u>131,645,870</u>	<u>614,024</u>	<u>(406,427)</u>	<u>131,853,467</u>
Less accumulated depreciation/amortization:				
Land improvements	(4,738,136)	(660,300)	-	(5,398,436)
Buildings and building improvements	(29,368,761)	(2,693,631)	-	(32,062,392)
Furniture, fixtures, and equipment	(3,098,096)	(253,181)	-	(3,351,277)
Vehicles	(1,904,925)	(279,219)	365,783	(1,818,361)
Intangible right to use:				
Furniture, fixtures, and equipment	(76,886)	(43,935)	-	(120,821)
Total accumulated depreciation/amortization	<u>(39,186,804)</u>	<u>(3,930,266)</u>	<u>365,783</u>	<u>(42,751,287)</u>
Depreciable capital assets, net				
Governmental activities	<u>92,459,066</u>	<u>(3,316,242)</u>	<u>(40,644)</u>	<u>89,102,180</u>
Capital assets, net	<u>\$ 96,227,236</u>	<u>\$ (3,316,242)</u>	<u>\$ (40,644)</u>	<u>\$ 92,870,350</u>

Highland Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2025

Depreciation/amortization expense was charged to governmental functions as follows:

Instruction:	
Regular	\$ 1,063,983
Special	47,863
Support services:	
Pupils	51,832
Instructional staff	63,041
Administration	50,193
Fiscal	1,565
Operation and maintenance of plant	1,356,944
Pupil transportation	258,400
Central	1,565
Food service operations	160,343
Extracurricular activities	<u>874,537</u>
Total depreciation/amortization expense	<u>\$ 3,930,266</u>

NOTE 9 - RISK MANAGEMENT

The School District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. These risks are covered by commercial insurance purchased from independent third parties. There have been no settlements paid in excess of insurance nor has insurance coverage been significantly reduced in the past three years.

The School District has contracted with the Stark County Schools Council of Governments (COG) to provide medical/surgical, dental, vision, life insurance and accidental death and dismemberment insurance for its employees and their covered dependents. The COG is a shared risk pool comprised of more than one hundred member school districts, educational service centers, libraries, colleges and related agencies. The employer participants pay monthly contributions that are placed in a common fund from which eligible claims and expenses are paid for employees and their covered dependents. This plan includes both individual and aggregate stop-loss provisions. Premium contributions are determined annually in a manner that ensures the pool is funded up to the aggregate stop loss attachment point. Premium holidays may be declared by the COG to ensure reserves do not exceed thirty percent of annual expenditures.

The School District pays the State Workers' Compensation System a premium based on a rate per \$100 of salaries and wages. This rate is calculated based on accident history and administrative costs.

Highland Local School District

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2025

NOTE 10 - DEFINED BENEFIT PENSION AND OPEB PLANS

Net Pension Liability/Net OPEB Liability (Asset)

Pensions and OPEB are a component of exchange transactions between an employer and its employees of salaries and benefits for employee services. Pensions/OPEB are provided to an employee on a deferred-payment basis as part of the total compensation package offered by an employer for employee services each financial period.

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

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

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

A. DEFINED BENEFIT PENSION PLANS

School Employee 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 under Employers/Audit Resources.

Highland Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2025

Age and service requirements for retirement are as follows:

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

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

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

An individual whose benefit effective date is before April 1, 2018, is eligible for a cost-of-living adjustment (COLA) on the first anniversary date of the benefit. New benefit recipients must wait until the fourth anniversary of their benefit for COLA eligibility. The COLA is added each year to the base benefit amount on the anniversary date of the benefit. The COLA is indexed to the percentage increase in the CPI-W, not to exceed 2.5% and with a floor of 0%. A three-year COLA suspension was in effect for all benefit recipients for the years 2018, 2019, and 2020. The Retirement Board approved a 2.5% cost-of-living adjustment (COLA) for calendar year 2024.

Funding Policy - Plan members are required to contribute 10.00% 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, Medicare B Fund, and Health Care Fund). For the fiscal year ended June 30, 2025, the allocation to pension, death benefits, and Medicare B was 14%. For fiscal year 2025, the Retirement Board did not allocate any employer contribution to the Health Care Fund.

The School District's contractually required contribution to SERS was \$847,519 for fiscal year 2025. Of this amount \$86,629 is reported as an intergovernmental payable.

State Teachers Retirement System (STRS)

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

The DB plan offers an annual retirement allowance based on final average salary multiplied by a percentage that varies based on years of service. The calculation is 2.2 percent of final average salary for the five highest years of earnings multiplied by all years of credited service. Effective August 1, 2023, any member can retire with unreduced benefits with 34 years of services credit at any age; or five years of service credit and age 65. Effective June 1, 2025 - July 1, 2027, any member can retire with unreduced benefits with 33 years of service credit at any age; or five years of service credit and age 65. Effective on or after August 1, 2027, any member can retire with unreduced benefits with 34 years of service credit at any age; or five years of service credit and age 65.

Highland Local School District

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2025

In April 2017, the Retirement Board made the decision to reduce COLA granted on or after July 1, 2017, to 0 percent upon a determination by its actuary that it was necessary to preserve the fiscal integrity of the retirement system. Benefit recipients' base benefit and past cost-of living increases are not affected by this change. Effective July 1, 2022, an ad-hoc COLA of 3 percent of the base benefit was granted to eligible benefit recipients to begin on the anniversary of their retirement benefit in fiscal year 2023 as long as they retired prior to July 1, 2018. Effective July 1, 2023, a permanent 1 percent COLA of the base benefit was granted to eligible benefit recipients to begin on the anniversary of their retirement benefit in fiscal year 2024 as long as they retired prior to July 1, 2019.

Eligibility changes for DB Plan members who retire with actuarially reduced benefits effective Aug. 1, 2023, can retire with 29 years of service credit at any age; or five years of service credit and age 60. Effective June 1, 2025 - July 1, 2027, retirement eligibility for reduced benefits is 28 years of service credit at any age; or five years of service credit and age 60. Effective on or after Aug. 1, 2027, ears of service credit at any age; or five years of service credit and age 60.

The DC Plan allows members to place all of their member contributions and 11.09 percent of the 14 percent employer contributions into an investment account. The member determines how to allocate the member and employer money among various investment choices offered by STRS Ohio. The remaining 2.91 percent of the 14 percent employer rate is allocated to the defined benefit unfunded liability. A member is eligible to receive a retirement benefit at age 50 and termination of employment. The member may elect to receive a lifetime monthly annuity or a lump sum withdrawal.

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

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

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

Funding Policy – Employer and member contribution rates are established by the State Teachers Retirement Board and limited by Chapter 3307 of the Ohio Revised Code. The fiscal year 2025 employer and employee contribution rate of 14 percent was equal to the statutory maximum rates. For fiscal year 2025, the full employer contribution was allocated to pension.

Highland Local School District

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2025

The School District's contractually required contribution to STRS was \$2,832,924 for fiscal year 2025. Of this amount \$486,406 is reported as an intergovernmental payable.

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

The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The School District's proportion of the net pension liability was based on the School District's share of contributions to the pension plan relative to the contributions of all participating entities. Following is information related to the proportionate share and pension expense:

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Proportion of the net pension liability - prior measurement date	0.1305028%	0.1377500%	
Proportion of the net pension liability - current measurement date	<u>0.1335100%</u>	<u>0.1390669%</u>	
Change in proportionate share	<u>0.0030072%</u>	<u>0.0013170%</u>	
Proportionate share of the net pension liability	\$6,829,833	\$26,758,726	\$33,588,559
Pension expense	\$435,403	\$1,569,006	\$2,004,409

At June 30, 2025, the School District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Deferred outflows of resources			
Differences between expected and actual experience	\$ 260,757	\$ 1,685,100	\$ 1,945,857
Changes of assumptions	61,098	1,233,189	1,294,287
Changes in proportionate share and difference between School District contributions and proportionate share of contributions	118,358	441,197	559,555
School District contributions subsequent to the measurement date	<u>847,519</u>	<u>2,832,924</u>	<u>3,680,443</u>
Total deferred outflows of resources	<u>\$ 1,287,732</u>	<u>\$ 6,192,410</u>	<u>\$ 7,480,142</u>
Deferred inflows of resources			
Net difference between expected and actual experience	\$ -	\$ 14,653	\$ 14,653
Changes of assumptions	-	928,237	928,237
Net difference between projected and actual earnings on pension plan investments	427,202	2,300,706	2,727,908
Changes in proportionate share and difference between School District contributions and proportionate share of contributions	<u>200,255</u>	<u>-</u>	<u>200,255</u>
Total deferred inflows of resources	<u>\$ 627,457</u>	<u>\$ 3,243,596</u>	<u>\$ 3,871,053</u>

Highland Local School District

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2025

\$3,680,443 reported as deferred outflows of resources related to pension resulting from School District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Fiscal Year	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
2026	\$ (411,403)	\$ (1,362,251)	\$ (1,773,654)
2027	379,428	2,546,497	2,925,925
2028	(29,649)	(588,763)	(618,412)
2029	<u>(125,620)</u>	<u>(479,593)</u>	<u>(605,213)</u>
Total	<u>\$ (187,244)</u>	<u>\$ 115,890</u>	<u>\$ (71,354)</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. Future benefits for all current plan members were projected through 2137.

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

Highland Local School District

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2025

Key methods and assumptions used in calculating the total pension liability in the latest actuarial valuation, prepared as of June 30, 2024 and June 30, 2023, are presented below:

Wage inflation:	
Current measurement date	2.4 percent
Prior measurement date	2.4 percent
Future salary increases, including inflation:	
Current measurement date	3.25 percent to 13.58 percent
Prior measurement date	3.25 percent to 13.58 percent
COLA or Ad Hoc COLA:	
Current measurement date	2.0 percent
Prior measurement date	2.0 percent
Investment rate of return:	
Current measurement date	7.0 percent net of system expense
Prior measurement date	7.0 percent net of system expense
Discount rate:	
Current measurement date	7.0 percent
Prior measurement date	7.0 percent
Actuarial cost method	Entry age normal

In 2024, mortality rates were based on the following:

Service Retirement: PUB-2010 General Employee Amount Weighted Below Median Healthy Retiree mortality table projected to 2017 with ages set forward 1 year and adjusted 94.20% for males and set forward 2 years and adjusted 81.35% for females. Future improvement in mortality rates is reflected by applying the MP-2020 projection scale generationally.

Disabled Retirement: PUB-2010 General Disabled Retiree mortality table projected to 2017 with ages set forward 5 years and adjusted 103.3% for males and set forward 3 years and adjusted 106.8% for females. Future improvement in mortality rates is reflected by applying the MP-2020 projection scale generationally.

Contingent Survivor: 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. Future improvement in mortality rates is reflected by applying the MP-2020 projection scale generationally.

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

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

Highland Local School District

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2025

The long-term return expectation for the Pension Plan Investments has been determined using a building-block approach and assumes a time horizon, as defined in SERS' Statement of Investment Policy. A forecasted rate of inflation serves as the baseline for the return expectation. Various real return premiums over the baseline inflation rate have been established for each asset class. The long-term expected nominal rate of return has been determined by calculating a weighted average of the expected real return premiums for each asset class, adding the projected inflation rate, and adding the expected return from rebalancing uncorrelated asset classes. As of June 30, 2024:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long Term Expected Real Rate of Return</u>
Cash	3.00 %	0.97 %
US equity	22.00	4.68
International equity developed	12.00	4.96
International equity emerging	6.00	5.66
Fixed income/Global bonds	18.00	2.38
Private equity	14.00	7.10
Real estate/Real assets	13.00	3.64
Infrastructure	7.00	4.80
Private debt/Private credit	<u>5.00</u>	5.86
Total	<u>100.00</u> %	

Discount Rate The total pension liability for 2024 was calculated using the discount rate of 7.00 percent. The discount rate determination did not use a municipal bond rate. The projection of cash flows used to determine the discount rate assumed that employers would contribute the actuarially determined contribution rate of projected compensation over the remaining 20-year amortization period of the unfunded actuarial accrued liability. The actuarially determined contribution rate for fiscal year 2024 was 14 percent. Projected inflows from investment earnings were calculated using the long-term assumed investment rate of return (7.00 percent). Based on those assumptions, the plan's fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefits to determine the money-weighted rate of return, calculated as the internal rate of return on pension plan investments, for fiscal year 2024 was 9.31 percent.

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

	<u>1% Decrease</u>	<u>Current</u>	<u>1% Increase</u>
	<u>(6.00%)</u>	<u>(7.00%)</u>	<u>(8.00%)</u>
School District's proportionate share of the net pension liability	\$ 10,448,699	\$6,829,833	\$3,782,943

Highland Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2025

Actuarial Assumptions - STRS

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results used in the June 30, 2024 actuarial valuation, compared with June 30, 2023 actuarial valuation, are presented below:

	<u>June 30, 2024</u>	<u>June 30, 2023</u>
Inflation	2.5 percent	2.5 percent
Projected salary increases	Varies by service from 2.5 percent to 8.5 percent	Varies by service from 2.5 percent to 8.5 percent
Investment rate of return	7.0 percent, net of investment expenses, including inflation	7.0 percent, net of investment expenses, including inflation
Discount rate of return	7.0 percent	7.0 percent
Payroll increases	3.0 percent	3.0 percent
Cost-of-Living Adjustment (COLA)	0.0 percent	0.0 percent

For the June 30, 2024 actuarial valuation, post-retirement mortality rates are based on the Pub-2010 Teachers Healthy Annuitant Mortality Table, adjusted 110 percent for males, projected forward generationally using mortality improvement scale MP-2020. Pre-retirement mortality rates are based on Pub-2010 Teachers Employee Table adjusted 95 percent for females, projected forward generationally using mortality improvement scale MP-2020. Post-retirement disabled mortality rates are based on Pub-2010 Teachers Disable Annuitant Table projected forward generationally using mortality improvement scale MP-2020.

For the prior measurement date, 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 MP2020. Pre-retirement mortality rates are based on Pub-2010 Teachers Employee Table adjusted 95% for females, projected forward generationally using mortality improvement scale MP-2020. Post-retirement disabled mortality rates are based on Pub-2010 Teachers Disable Annuitant Table projected forward generationally using mortality improvement scale MP-2020.

Actuarial assumptions used in the June 30, 2024 valuation are based on the results of an actuarial experience study for the period July 1, 2015 through June 30, 2021. An actuarial experience study is done on a quinquennial basis.

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

Highland Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2025

<u>Asset class</u>	<u>Target allocation *</u>	<u>Long term expected real rate of return**</u>
Domestic equity	26.00 %	6.90 %
International equity	22.00	7.70
Alternatives	19.00	9.10
Fixed income	22.00	4.50
Real estate	10.00	5.10
Liquidity reserves	<u>1.00</u>	2.40
Total	<u>100.00 %</u>	

* Final target weights reflected at October 1, 2022.

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

Discount Rate The discount rate used to measure the total pension liability was 7.00% as of June 30, 2024. The projection of cash flows used to determine the discount rate assumes that member and employer contributions will be made at the statutory contribution rates in accordance with the rates described previously. For this purpose, only employer contributions that are intended to fund benefits of current plan members and their beneficiaries are included. Based on those assumptions, STRS' fiduciary net position was projected to be available to make all projected future benefit payments to current plan members as of June 30, 2024. Therefore, the long-term expected rate of return on pension plan investments of was applied to all periods of projected benefit payments to determine the total pension liability as of June 30, 2024.

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

	1% Decrease <u>(6.00%)</u>	Current discount rate <u>(7.00%)</u>	1% Increase <u>(8.00%)</u>
School District's proportionate share of the net pension liability	\$ 43,166,515	\$26,758,726	\$12,880,556

Assumption and Benefit Changes Since the Prior Measurement Date - The discount rate remained at 7.00% for June 30, 2024 valuation. Retirement rates were extended to younger ages intended to ensure that the ranges in retirement eligibility impacted participants at such ages. Demographic assumptions were changed based on the actuarial experience study for the period July 1, 2015 through June 30, 2021.

Highland Local School District

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2025

Social Security System

Effective July 1, 1991, all employees not otherwise covered by the School Employees Retirement System or the State Teachers Retirement System have an option to choose Social Security or the School Employees Retirement System/State Teachers Retirement System. The Board's liability is 6.2% of wages paid for those that choose Social Security.

B. DEFINED BENEFIT OPEB PLANS

School Employee Retirement System

Health Care Plan Description - The School District contributes to the SERS Health Care Fund, administered by SERS for non-certificated retirees and their beneficiaries. For GASB 75 purposes, this plan is considered a cost-sharing other postemployment benefit (OPEB) plan. SERS' Health Care Plan provides healthcare benefits to eligible individuals receiving retirement, disability, and survivor benefits, and to their eligible dependents. Members who retire after June 1, 1986, need 10 years of service credit, exclusive of most types of purchased credit, to qualify to participate in SERS' health care coverage. The following types of credit purchased after January 29, 1981, do not count toward health care coverage eligibility: military, federal, out-of-state, municipal, private school, exempted, and early retirement incentive credit. In addition to age and service retirees, disability benefit recipients and beneficiaries who are receiving monthly benefits due to the death of a member or retiree, are eligible for SERS' health care coverage. Most retirees and dependents choosing SERS' health care coverage are over the age of 65 and therefore enrolled in a fully insured Medicare Advantage plan; however, SERS maintains a traditional, self-insured preferred provider organization for its non-Medicare retiree population. For both groups, SERS offers a self-insured prescription drug program. Health care is a benefit that is permitted, not mandated, by statute. The financial report of the Plan is included in the SERS Annual Comprehensive Financial Report which can be obtained on SERS' website at www.ohsers.org under Employers/Audit Resources.

The Health Care program is financed through a combination of employer contributions, recipient premiums, investment returns, and any funds received on behalf of SERS' participation in Medicare programs. The System's goal is to maintain a health care reserve account with a 20-year solvency period in order to ensure that fluctuations in the cost of health care do not cause an interruption in the program. However, during any period in which the 20-year solvency period is not achieved, the System shall manage the Health Care Fund on a pay-as-you-go basis.

Access to health care for retirees and beneficiaries is permitted in accordance with Section 3309 of the Ohio Revised Code. The Health Care Fund was established and is administered in accordance with Internal Revenue Code Section 105(e). SERS' Retirement Board reserves the right to change or discontinue any health plan or program. Active employee members do not contribute to the Health Care Plan. The SERS Retirement Board established the rules for the premiums paid by the retirees dependents or for their surviving beneficiaries. Premiums vary depending on the plan selected, qualified years of service, Medicare eligibility, and retirement status.

Highland Local School District

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2025

Funding Policy - State statute permits SERS to fund the health care benefits through employer contributions. Each year, after the allocation for statutorily required pensions and benefits, the Retirement Board may allocate the remainder of the employer contribution of 14% of covered payroll to the Health Care Fund in accordance with the funding policy. For the fiscal year ended June 30, 2025, SERS did not allocate any employer contributions to post-employment health care. An additional health care surcharge on employers is collected for employees earning less than an actuarially determined minimum compensation amount, pro-rated if less than a full year of service credit was earned. For fiscal year 2025, this amount was \$30,000. 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 2025, the School District's surcharge obligation was \$104,649.

The surcharge, added to the allocated portion of the 14 percent employer contribution rate is the total amount assigned to the Health Care Fund. The School District's contractually required contribution to SERS was \$104,649 for fiscal year 2025 and is reported as an intergovernmental payable.

State Teachers Retirement System

Plan Description - The State Teachers Retirement System of Ohio (STRS) administers a cost-sharing Health Plan administered for eligible retirees who participated in the defined benefit or combined pension plans offered by STRS. Ohio law authorizes STRS to offer this plan. Benefits include hospitalization, physicians' fees, prescription drugs and partial reimbursement of monthly Medicare Part B premiums. Health care premiums were reduced by a Medicare Part B premium credit beginning in 2023. The Plan is included in the report of STRS which can be obtained by visiting www.strsoh.org or by calling (888) 227-7877.

Medicare Part D is a federal program to help cover the costs of prescription drugs for Medicare beneficiaries. This program allows STRS Ohio to recover part of the cost for providing prescription coverage since all eligible STRS Ohio health care plans include creditable prescription drug coverage.

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

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

The net OPEB liability or asset was measured as of June 30, 2024, and the total OPEB liability used to calculate the net OPEB liability or asset was determined by an actuarial valuation as of that date. The School District's proportion of the net OPEB liability or asset was based on the School District's share of contributions to the respective retirement systems relative to the contributions of all participating entities.

Highland Local School DistrictNotes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2025

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

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Proportion of the net OPEB liability (asset) - prior measurement date	0.1347396%	0.1377500%	
Proportion of the net OPEB liability (asset) - current measurement date	<u>0.1354289%</u>	<u>0.1390669%</u>	
Change in proportionate share	<u>0.0006893%</u>	<u>0.0013170%</u>	
Proportionate share of the net OPEB liability (asset)	\$1,379,337	(\$2,637,834)	(\$1,258,497)
OPEB expense	(\$261,400)	(\$557,290)	(\$818,690)

At June 30, 2025, the School District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Deferred outflows of resources			
Differences between expected and actual experience	\$ -	\$ 114,672	\$ 114,672
Changes of assumptions	592,011	324,681	916,692
Net difference between projected and actual earnings on OPEB plan investments	6,734	-	6,734
Changes in proportionate share and difference between School District contributions and proportionate share of contributions	78,051	1,154	79,205
School District contributions subsequent to the measurement date	<u>104,649</u>	<u>-</u>	<u>104,649</u>
Total deferred outflows of resources	<u>\$ 781,445</u>	<u>\$ 440,507</u>	<u>\$ 1,221,952</u>
Deferred inflows of resources			
Differences between expected and actual experience	\$ 1,487,284	\$ 284,268	\$ 1,771,552
Changes of assumptions	633,617	1,189,647	1,823,264
Net difference between projected and actual earnings on pension plan investments	-	113,262	113,262
Changes in proportionate share and difference between School District contributions and proportionate share of contributions	<u>316,948</u>	<u>13,049</u>	<u>329,997</u>
Total deferred inflows of resources	<u>\$ 2,437,849</u>	<u>\$ 1,600,226</u>	<u>\$ 4,038,075</u>

Highland Local School District

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2025

\$104,649 reported as deferred outflows of resources related to OPEB resulting from School District contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability or an adjustment to the net OPEB asset in the year ending June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Fiscal Year	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
2026	\$ (414,035)	\$ (404,328)	\$ (818,363)
2027	(320,487)	(179,583)	(500,070)
2028	(260,161)	(229,277)	(489,438)
2029	(215,280)	(213,505)	(428,785)
2030	(213,252)	(173,250)	(386,502)
Thereafter	<u>(337,838)</u>	<u>40,224</u>	<u>(297,614)</u>
Total	<u>\$ (1,761,053)</u>	<u>\$ (1,159,719)</u>	<u>\$ (2,920,772)</u>

Actuarial Assumptions - SERS

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

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

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

Key methods and assumptions used in calculating the total OPEB liability in the latest actuarial valuation date of June 30, 2024 and June 30, 2023, are presented below:

Highland Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2025

	<u>June 30, 2024</u>	<u>June 30, 2023</u>
Inflation	2.4 percent	2.4 percent
Future salary increases, including inflation	3.25 percent to 13.58 percent	3.25 percent to 13.58 percent
Investment rate of return	7.0 percent, net of investment expenses, including inflation	7.0 percent, net of investment expenses, including inflation
Actuarial cost method	Entry age normal (level percent of payroll)	Entry age normal (level percent of payroll)
Fiduciary net position is projected to be depleted	2059	2048
Municipal Bond Index Rate	3.93 percent	3.86 percent
Single Equivalent Interest Rate, net of plan investment expense, including price inflation:	4.88 percent	4.27 percent
Medical Trend Assumption	7.00 percent to 4.40 percent	6.75 percent to 4.40 percent

In 2024, the following mortality assumptions were used:

Healthy Retirees - PUB-2010 General Employee Amount Weighted Below Median Healthy Retiree mortality table projected to 2017 with ages set forward 1 year and adjusted 94.20% for males and set forward 2 years and adjusted 81.35% for females.

Disabled Retirees - 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.

Contingent Survivors - 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.

Actives - PUB-2010 General Amount Weighted Below Median Employee mortality table.

Mortality Projection - Mortality rates are projected using a fully generational projection with Scale MP-2020.

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

The long-term expected rate on plan assets of return on plan assets is reviewed as part of the actuarial five-year experience study. The most recent five-year experience study was performed for the period covering fiscal years 2016 through 2020, and was adopted by the Board on April 15, 2021. Several factors are considered in evaluating the long-term rate of return assumption including long-term historical data, estimates inherent in current market data, and a long-normal distribution analysis in which best estimate ranges of expected future real rates of return (expected return, net of investment expense and inflation) were developed by the investment consultant for each major asset class. These ranges were combined to produce the long-term expected rate of return, 7.00%, by weighting the expected future real rates of return by the target asset allocation percentage and then adding expected inflation. The assumption is intended to be a long-term assumption and is not expected to change absent a significant change in the asset allocation n assumption, or a fundamental change in the market that alters expected returns in future years.

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

Highland Local School District

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2025

Discount Rate - The discount rate used to measure the total OPEB liability at June 30, 2024, was 4.88%. The discount rate used to measure total OPEB liability prior to June 30, 2024, was 4.27%. The projection of cash flows used to determine the discount rate assumed that contributions will be made from members and the System at the contribution rate of 1.50% of projected covered payroll each year, which includes a 1.50% payroll surcharge and no contributions from the basic benefits plan. Based on these assumptions, the OPEB plan's fiduciary net position is projected to be depleted in 2059 by SERS' actuaries. The Fidelity General Obligation 20-year Municipal Bond Index Rate was used in the determination of the single equivalent interest rate for both the June 30, 2023 and the June 30, 2024 total OPEB liability. The Municipal Bond Index Rate is the single rate that will generate a present value of benefit payments equal to the sum of the present value determined by the long-term expected rate of return, and the present value determined by discounting those benefits after the date of depletion. The Municipal Bond Index Rate was 3.93% at June 30, 2024 and 3.86% at June 30, 2023.

Sensitivity of the District's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate and Changes in the Health Care Cost Trend Rates - The net OPEB liability is sensitive to changes in the discount rate and the health care cost trend rate. The following table presents the proportionate share of the net OPEB liability, what the proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (3.88%) and higher (5.88%) than the current discount rate (4.88%). Also shown is what the proportionate share of the net OPEB liability would be based on health care cost trend rates that are 1 percentage point lower decreasing to 3.40% and higher (8.00% decreasing to 5.40%) than the current rate (7.00% decreasing to 4.40%).

	<u>1% Decrease</u>	<u>Current discount rate</u>	<u>1% Increase</u>
School District's proportionate share of the net OPEB liability	\$ 1,839,297	\$1,379,337	\$1,013,837

	<u>1% Decrease</u>	<u>Current trend rate</u>	<u>1% Increase</u>
School District's proportionate share of the net OPEB liability	\$ 932,380	\$1,379,337	\$1,966,826

Highland Local School District

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2025

Actuarial Assumptions – STRS

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results used in the June 30, 2024 actuarial valuation, compared with June 30, 2023 actuarial valuation, are presented below:

	<u>June 30, 2024</u>	<u>June 30, 2023</u>
Inflation	2.50 percent	2.50 percent
Projected salary increases	Varies by service from 2.50 percent to 8.50 percent	Varies by service from 2.50 percent to 8.50 percent
Investment rate of return	7.00 percent, net of investment expenses, including inflation	7.00 percent, net of investment expenses, including inflation
Discount rate of return	7.00 percent	7.00 percent
Payroll increases	3.00 percent	3.00 percent
Health care cost trends		

	<u>Initial</u>	<u>Ultimate</u>	<u>Initial</u>	<u>Ultimate</u>
Medical				
Pre-Medicare	7.50 percent	3.94 percent	7.50 percent	4.14 percent
Medicare	-112.22 percent	3.94 percent	-10.94 percent	4.14 percent
Prescription Drug				
Pre-Medicare	8.00 percent	3.94 percent	-11.95 percent	4.14 percent
Medicare	-15.14 percent	3.94 percent	1.33 percent	4.14 percent

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

For the June 30, 2024 actuarial valuation, for healthy retirees the post-retirement mortality rates are based on the Pub2010 Teachers Healthy Annuitant Mortality Table, adjusted 110% for males, projected forward generationally using mortality improvement scale MP-2020; pre-retirement mortality rates are based on Pub-2010 Teachers Employee Table adjusted 95% for females, projected forward generationally using mortality improvement scale MP-2020. For disabled retirees, mortality rates are based on the Pub-2010 Teachers Disabled Annuitant Table projected forward generationally using mortality improvement scale MP-2020.

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

Actuarial assumptions used in the June 30, 2024 valuation are based on the results of an actuarial experience study for the period July 1, 2015 through June 30, 2021. An actuarial experience study is done on a quinquennial basis.

Assumption Changes Since the Prior Measurement Date - The discount rate remained unchanged at 7.00 percent for the June 30, 2024 valuation.

Highland Local School District

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2025

Benefit Term Changes Since the Prior Measurement Date - Healthcare trends were updated to reflect emerging claims and recoveries experience as well as benefit changes effective January 1, 2025. The larger Medicare trends for Years 2 and 2028 reflect the assumed impact of the expiration of current Medicare Advantage contract on December 31, 2028.

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

Discount Rate - The discount rate used to measure the total OPEB liability was 7.00% as of June 30, 2024. The projection of cash flows used to determine the discount rate assumed STRS continues to allocate no employer contributions to the health care fund. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments to current plan members as of June 30, 2024. Therefore, the long-term expected rate of return on health care fund investments of 7.00% was applied to all periods of projected health care costs to determine the total OPEB liability as of June 30, 2024.

Sensitivity of the District's Proportionate Share of the Net OPEB Asset to Changes in the Discount and Health Care Cost Trend Rate The following table represents the net OPEB asset as of June 30, 2024, calculated using the current period discount rate assumption of 7.00 percent, as well as what the net OPEB asset would be if it were calculated using a discount rate that is one percentage point lower (6.00 percent) or one percentage point higher (8.00 percent) than the current assumption. Also shown is the net OPEB asset as if it were calculated using health care cost trend rates that are one percentage point lower or one percentage point higher than the current health care cost trend rates.

	<u>1% Decrease</u>	<u>Current discount rate</u>	<u>1% Increase</u>
School District's proportionate share of the net OPEB asset	\$ (2,144,733)	(\$2,637,834)	(\$3,066,939)

	<u>1% Decrease</u>	<u>Current trend rate</u>	<u>1% Increase</u>
School District's proportionate share of the net OPEB asset	\$ (3,095,925)	(\$2,637,834)	(\$2,086,921)

Highland Local School District

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2025

NOTE 11 - BONDED DEBT AND OTHER LONG-TERM OBLIGATIONS

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

<u>Governmental activities</u>	<u>Balance</u> <u>July 1, 2024</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u> <u>June 30, 2025</u>	<u>Due within</u> <u>one year</u>
<u>General obligation bonds</u>					
2020 School Improvement Refunding maturing December 1, 2054					
Serial bonds	\$ 49,680,000	\$ -	\$ (785,000)	\$ 48,895,000	\$ 810,000
Premium on bonds	6,360,356	-	(1,178,871)	5,181,485	-
Capital appreciation bonds	930,000	-	-	930,000	-
Accretion on bonds	924,429	327,381	-	1,251,810	-
2016 School Improvement Refunding maturing December 1, 2026					
Serial bonds	7,485,000	-	(2,360,000)	5,125,000	2,490,000
Premium on bonds	245,326	-	(162,023)	83,303	-
2018A School Improvement, maturing December 1, 2054					
Serial bonds	535,000	-	(245,000)	290,000	290,000
Premium on bonds	22,953	-	(12,207)	10,746	-
2018B School Improvement, maturing December 1, 2043					
Serial bonds	5,585,000	-	(55,000)	5,530,000	55,000
Total general obligation bonds	<u>71,768,064</u>	<u>327,381</u>	<u>(4,798,101)</u>	<u>67,297,344</u>	<u>3,645,000</u>
<u>Lease-purchase agreements -</u>					
<u>Direct borrowings</u>					
School facilities improvements	6,985,000	-	(515,000)	6,470,000	525,000
Athletic complex	4,984,750	-	(442,895)	4,541,855	454,410
Total lease-purchase agreements	<u>11,969,750</u>	<u>-</u>	<u>(957,895)</u>	<u>11,011,855</u>	<u>979,410</u>
<u>Other Obligations</u>					
Lease payable	151,039	-	(43,007)	108,032	46,001
Compensated absences	2,253,172	594,622	(360,228)	2,487,566	409,687
Total other obligations	<u>2,404,211</u>	<u>594,622</u>	<u>(403,235)</u>	<u>2,595,598</u>	<u>455,688</u>
<u>Net pension liability</u>					
STRS	29,664,368	-	(2,905,642)	26,758,726	-
SERS	7,210,965	-	(381,132)	6,829,833	-
Total net pension liability	<u>36,875,333</u>	<u>-</u>	<u>(3,286,774)</u>	<u>33,588,559</u>	<u>-</u>
<u>Net OPEB liability</u>					
SERS	2,219,761	-	(840,424)	1,379,337	-
Total net OPEB liability	<u>2,219,761</u>	<u>-</u>	<u>(840,424)</u>	<u>1,379,337</u>	<u>-</u>
Governmental activities long-term liabilities	<u>\$ 125,237,119</u>	<u>\$ 922,003</u>	<u>\$ (10,286,429)</u>	<u>\$ 115,872,693</u>	<u>\$ 5,080,098</u>

Highland Local School District

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2025

General Obligation Bonds:

On March 8, 2016, the School District issued \$19,205,000 in General Obligation Bonds with interest rates ranging from 2% to 5% to current refund \$22,325,000 of outstanding School Improvement Bonds with an average interest rate of 4.25%. The bond proceeds consisted of bond principal and \$3,817,887 of premium. The net proceeds of \$18,994,692 (after payment of \$210,308 in underwriting fees, insurance, and other issuance costs) was deposited into an irrevocable trust with an escrow agent to provide for future debt service payments of the portion of School Improvement Bonds refunded. As a result of this issue, a portion of the School Improvement Facilities Bonds are considered to be redeemed and the liability has been removed. As of June 1, 2016, all of the old bonds have been called and redeemed. The new bonds are serial bonds. The School District current refunded the School Improvement Bonds to reduce their total debt service payments over the next 11 years and to obtain an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$3,609,699.

In April 2018, the School District issued \$57,100,000 in School Improvement Bonds with interest rates ranging from 3% to 5.25%. The School Improvement bonds are direct obligations of the School District for which its full faith and credit are pledged for repayment. The bonds were issued for providing resources for constructing, furnishing, and equipping new elementary schools, renovating, remodeling, reconstructing, adding to, furnishing, equipping, and otherwise improving school facilities and their sites, including the middle school. The bonds and interest are to be repaid by the debt service fund from the proceeds of property taxes collected from a levy that was approved by the taxpayers.

In May 2018, the School District issued \$5,900,000 in School Improvement Bonds with interest rates ranging from 2% to 4.25%. The School Improvement bonds are direct obligations of the School District for which its full faith and credit are pledged for repayment. The bonds were issued for providing resources for constructing, furnishing, and equipping new elementary schools, renovating, remodeling, reconstructing, adding to, furnishing, equipping, and otherwise improving school facilities and their sites, including the middle school. The bonds and interest are to be repaid by the debt service fund from the proceeds of property taxes collected from a levy that was approved by the taxpayers.

On March 3, 2020, the School District issued \$53,945,000 in General Obligation Bonds with interest rates ranging from 3% to 5.25% to refund \$53,945,000 of outstanding School Improvement Bonds with an average interest rate of 5.125%. The bond proceeds consisted of bond principal and \$7,698,073 of premium. The net proceeds of \$61,128,743 (after payment of \$514,330 in underwriting fees, insurance, and other issuance costs) was deposited into an irrevocable trust with an escrow agent to provide for future debt service payments of the portion of School Improvement Bonds refunded. As a result of this issue, a portion of the School Improvement Bonds are considered to be redeemed and the liability has been removed. The old bonds had a call date of June 1, 2023. The new bonds include serial and capital appreciation bonds. The School District refunded the School Improvement Bonds to reduce their total debt service payments over the next 35 years and to obtain an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$12,267,201.

Direct borrowings: During February 2021, the School District entered into a lease-purchase agreement to finance \$8,500,000. The proceeds from the transaction are being used to finance various improvements of school facilities including the construction, furnishing and equipping of Sharon Elementary School facilities. The repayment terms are using an interest rate of 2.25% and maturity date of December 1, 2035.

On June, 5, 2014, the School District entered into a lease-purchase agreement to finance the construction of a new athletic complex. The aggregate amount of the principal component of payments under the agreement is \$7,255,066 and the interest component of those payments accrues at the fixed rate of 3.272%.

Highland Local School District

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2025

Payments under the agreement, amounting to \$500,000 annually and first due on June 5, 2015, are planned to be paid from County sales tax revenue and private donations received by the School District. The final payment under the agreement is due June 5, 2034.

On October 21, 2014, the School District entered into a supplemental lease-purchase agreement to provide additional financing for the aforementioned athletic complex project in the aggregate principal amount of \$1,440,725. The interest component of payments accrues at the fixed rate of 3.25%. Payments under the supplemental agreement, amounting to \$99,091 annually and first due on October 21, 2015, are also to be paid from County sales tax revenue and private donations received by the School District. The final payment under the supplemental agreement is due October 21, 2034.

In February 2020, the School District refinanced the lease-purchase agreements. The interest component of payments in the new agreement accrues at a fixed rate of 2.60%. Payments under the new agreement, amount to \$572,498 annually and are due on June 5 each year. The final payment under the new lease-purchase agreement is June 5, 2034.

The outstanding lease-purchase agreements contain: (1) a provision that funds must be legally appropriated for an amount sufficient to make all lease payments during the lease term or the lease terminates and (2) a provision that in the event of default leased property be returned at the School District's expense.

Compensated absences: Compensated absences are typically paid from the fund from which the employee is paid. Substantially all compensated absence obligations have been paid from the general fund in prior years.

Lease payable: The lease payable is for copiers used in various buildings and is an obligation of the general fund.

There is no repayment schedule for the net pension liability and net OPEB liability; however, the School District pays pension and OPEB obligations related to employee compensation from the fund benefitting from their service.

Principal and interest requirements to amortize all bonds, lease-purchase agreements and lease payable outstanding at June 30, 2025 are as follows:

Fiscal Year	General obligation bonds School Improvement Bonds			Lease-Purchase Agreements	
	Principal	Interest	Compounded Interest	Principal	Interest
2026	\$ 3,645,000	\$ 1,923,450	\$ -	\$ 979,410	\$ 257,757
2027	3,860,000	1,756,725	-	1,001,225	234,018
2028	1,295,000	1,653,050	-	1,028,346	209,691
2029	1,365,000	1,613,150	-	1,050,784	184,765
2030	1,495,000	1,570,127	-	1,078,544	159,235
2031-2035	5,440,000	7,319,549	3,255,000	5,218,546	390,972
2036-2040	840,000	7,090,592	9,505,000	655,000	7,369
2041-2045	12,640,000	6,015,298	-	-	-
2046-2050	13,895,000	3,813,906	-	-	-
2051-2055	16,295,000	1,374,137	-	-	-
Total	<u>\$ 60,770,000</u>	<u>\$ 34,129,984</u>	<u>\$ 12,760,000</u>	<u>\$ 11,011,855</u>	<u>\$ 1,443,807</u>

Highland Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2025

Fiscal Year	<u>Lease Payable</u>	
	<u>Principal</u>	<u>Interest</u>
2026	\$ 46,001	\$ 5,886
2027	49,204	2,683
2028	<u>12,827</u>	<u>145</u>
Total	<u>\$ 108,032</u>	<u>\$ 8,714</u>

NOTE 12 - JOINTLY GOVERNED ORGANIZATIONS

Connect is a jointly governed organization comprised of twenty-four member school districts, three educational service centers and the Ohio Schools Council. The jointly governed organization was formed for the purpose of providing support and leadership which enables organizations to achieve their objectives through innovative and cost effective shared technology solutions. Connect is governed by a four member Board of Directors consisting of the Superintendent of the Educational Service Center of Northeast Ohio, the Superintendent of the Educational Service Center of Lorain County, the Superintendent of the Educational Service Center of Medina County and the Executive Director of the Ohio Schools Council. Each participating entity’s contribution to Connect is dependent upon student enrollment and/or software packages and services utilized. Financial information for Connect can be obtained by contacting the Treasurer at the Educational Service Center of Northeast Ohio, which serves as fiscal agent. During fiscal year 2025, the School District contributed \$127,132 to Connect.

The Ohio Schools Council (Council) is a jointly governed organization among 280 school districts, educational service centers, joint vocational school districts, and developmental disabilities boards in thirty-four Ohio counties. The jointly governed organization was formed to purchase quality products and services at the lowest possible cost to its members. Each member supports the Council by paying an annual participation fee. The Council’s Board consists of nine superintendents of the participating districts whose term rotates every year. The degree of control exercised by any school district is limited to its representation on the Board. During fiscal year 2025, the School District paid the Council \$110,106 for natural gas purchases and membership fees. Financial information can be obtained by contacting William Zelei, the Executive Director of the Ohio Schools Council, at 6393 Oak Tree Blvd., Suite 377, Independence, Ohio 44131.

NOTE 13 - CONTINGENCIES

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, the effect of any such disallowed claims on the overall financial position of the School District at June 30, 2025, if applicable, cannot be determined at this time.

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, 2025.

Highland Local School District

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2025

School District foundation funding is based on the annualized full-time equivalent (FTE) enrollment of each student. The Ohio Department of Education and Workforce (ODEW) 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. ODEW has finalized the impact of enrollment adjustments to the June 30, 2025 Foundation funding for the School District. These adjustments were insignificant for the School District for fiscal year 2025.

NOTE 14 - STATUTORY RESERVES

The School District is required by state law to annually set aside in the general fund an amount based on a statutory formula for the acquisition and construction of capital improvements. The School District may replace using general fund revenues with proceeds from various sources (offsets), such as bond or levy proceeds related to the acquisition, replacement, enhancement, maintenance or repair of permanent improvements. Amounts not spent by fiscal year end or offset by similarly restricted resources received during the fiscal year must be held in cash at fiscal year end and carried forward to be used for the same purposes in future fiscal years.

Although the School District had qualifying disbursements and current year offsets during the fiscal year that reduced the set-aside amount to below zero for the capital maintenance reserve, this amount may not be used to reduce the set aside requirement for future years. This negative balance is, therefore, not presented as being carried forward to future years.

The following information describes the change in the year-end set-aside amounts for capital maintenance.

	Capital Maintenance <u>Reserve</u>
Set-aside cash balance as of June 30, 2024	\$ -
Current year set-aside requirement	813,954
Current year offset	(3,445,000)
Qualifying disbursements	<u>(551,719)</u>
Total	<u>\$ (3,182,765)</u>
Balance carried forward to future years	<u>\$ -</u>

NOTE 15 – INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

Interfund balances at June 30, 2025 consisted of the following:

Due to general fund from: Nonmajor governmental funds	\$ 63,353
--	-----------

All balances resulted from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, or (3) payments between funds are made. As of June 30, 2025, the \$63,353 interfund loan outstanding is anticipated to be repaid in fiscal year 2026.

Highland Local School District

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2025

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, (2) move receipts restricted to debt service from the fund collecting the receipts to the debt service fund as debt service payments become due, and (3) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

Interfund transfers for the year ended June 30, 2025, consisted of the following:

Transfers to nonmajor governmental funds from:	
General fund	\$ 3,262,172

NOTE 16 – COMMITMENTS/ENCUMBRANCES

Encumbrances are commitments related to unperformed contracts for goods or services. Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. The School District had outstanding encumbrances at June 30, 2025 in the following funds:

	<u>Encumbrances</u>
General fund	\$ 517,406
Other governmental funds	<u>84,795</u>
Total encumbrances at year end	<u>\$ 602,201</u>

As of June 30, 2025, the School District had no individually significant commitments.

NOTE 17 – ACCOUNTABILITY

As of June 30, 2025, several funds had a deficit fund balance. These deficits were caused by the application of GAAP; namely in the reporting of various liabilities attributable to the fiscal year. This deficit balance will be eliminated by anticipated future intergovernmental revenues or other subsidies not recognized and recorded at June 30. The following funds had a deficit balance:

	<u>Amount</u>
<u>Nonmajor special revenue fund:</u>	
IDEA, Part B	\$ 186,071
Title I	32,618
IDEA preschool grant	3,452
Improving teacher quality	5,425

Highland Local School District

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2025

NOTE 18 – TAX ABATEMENTS

Pursuant to Ohio Revised Code (ORC) Section 3735, Medina County established a Community Reinvestment Area (CRA) program. The CRA program is an economic development tool administered by municipal and county governments that provides real property tax exemptions for property owners who renovate existing or construct new buildings. CRAs are areas of land in which property owners can receive tax incentives for investing in real property improvements. Under the CRA program, local governments petition to the Ohio Development Services Agency (ODSA) for confirmation of a geographical area in which investment in housing has traditionally been discouraged. Once an area is confirmed by the ODSA, local governments may offer real property tax exemptions to taxpayers that invest in that area. Property owners in the CRA can receive temporary tax abatements for the renovation of existing structures and new construction in these areas. Property owners apply to the local legislative authority for approval to renovate or construct in the CRA. Upon approval and certification of completion, the amount of the abatement is deducted from the individual or entity's property tax bill.

The total value of the School District's share of taxes abated for fiscal year 2025 was \$251,271.

Pursuant to ORC Section 5709.82, Medina County and the School District have entered into various Community Reinvestment Area Compensation Agreements. These agreements require compensation to the School District for a specified portion of the property tax revenues forgone as a result of the tax incentives granted. Compensation agreement payments are made directly to the School District by the taxpayer(s) receiving the tax benefit. The School District received a total of \$51,450 in compensation agreement payments during fiscal year 2025.

Required Supplementary Information

Highland Local School District
Required Supplementary Information
Schedule of the School District's Proportionate Share of the Net Pension Liability
Last Ten Fiscal Years

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
School Employees Retirement System (SERS) of Ohio				
School District's proportion of the net pension liability	0.133510%	0.130503%	0.138633%	0.143856%
School District's proportionate share of the net pension liability	\$ 6,829,833	\$ 7,210,965	\$ 7,498,373	\$ 5,307,866
School District's covered payroll	\$ 5,595,171	\$ 5,365,129	\$ 5,171,971	\$ 4,841,579
School District's proportionate share of the net pension liability as a percentage of its covered payroll	122.07%	134.40%	144.98%	109.63%
Plan fiduciary net position as a percentage of total pension liability	78.52%	76.06%	75.82%	82.86%
	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
State Teachers Retirement System (STRS) of Ohio				
School District's proportion of the net pension liability	0.1390669%	0.1377500%	0.1365016%	0.1360620%
School District's proportionate share of the net pension liability	\$ 26,758,726	\$ 29,664,368	\$ 30,344,475	\$ 17,396,752
School District's covered payroll	\$ 19,301,800	\$ 18,605,657	\$ 17,745,857	\$ 16,789,164
School District's proportionate share of the net pension liability as a percentage of its covered payroll	138.63%	159.44%	170.99%	103.62%
Plan fiduciary net position as a percentage of total pension liability	82.55%	80.02%	78.88%	87.80%

The amounts presented are as of the School District's measurement date which is the prior fiscal year end.

See accompanying notes to the Required Supplementary Information

2020	2019	2018	2017	2016	2015
0.147374%	0.140676%	0.140163%	0.143253%	0.140683%	0.143087%
\$ 9,747,614	\$ 8,416,862	\$ 8,027,366	\$ 8,559,020	\$ 10,296,668	\$ 8,164,694
\$ 4,949,707	\$ 4,871,526	\$ 4,738,304	\$ 4,603,907	\$ 4,380,143	\$ 4,304,165
196.93%	172.78%	169.41%	185.91%	235.08%	189.69%
68.55%	70.85%	71.36%	69.50%	62.98%	69.16%

2020	2019	2018	2017	2016	2015
0.1349207%	0.1347205%	0.1339095%	0.1307642%	0.1292870%	0.1268107%
\$ 32,646,004	\$ 29,792,629	\$ 29,443,692	\$ 31,063,318	\$ 43,276,266	\$ 35,046,760
\$ 16,282,814	\$ 15,926,307	\$ 15,356,657	\$ 14,676,979	\$ 13,858,886	\$ 13,517,443
200.49%	187.07%	191.73%	211.65%	312.26%	259.27%
75.50%	77.40%	77.30%	75.30%	66.80%	72.10%

Highland Local School District
Required Supplementary Information
Schedule of School District Contributions - Pension
Last Ten Fiscal Years

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>
School Employees Retirement System (SERS) of Ohio				
Contractually required contribution	\$ 847,519	\$ 783,324	\$ 751,118	\$ 724,076
Contributions in relation to contractually required contribution	<u>(847,519)</u>	<u>(783,324)</u>	<u>(751,118)</u>	<u>(724,076)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
School District covered payroll	\$ 6,053,707	\$ 5,595,171	\$ 5,365,129	\$ 5,171,971
Contributions as a percentage of covered payroll	14.00%	14.00%	14.00%	14.00%

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>
State Teachers Retirement System (STRS) of Ohio				
Contractually required contribution	\$ 2,832,924	\$ 2,702,252	\$ 2,604,792	\$ 2,484,420
Contributions in relation to contractually required contribution	<u>(2,832,924)</u>	<u>(2,702,252)</u>	<u>(2,604,792)</u>	<u>(2,484,420)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
School District covered payroll	\$ 20,235,171	\$ 19,301,800	\$ 18,605,657	\$ 17,745,857
Contributions as a percentage of covered payroll	14.00%	14.00%	14.00%	14.00%

See accompanying notes to the Required Supplementary Information

2021	2020	2019	2018	2017	2016
\$ 677,821	\$ 692,959	\$ 657,656	\$ 639,671	\$ 644,547	\$ 613,220
(677,821)	(692,959)	(657,656)	(639,671)	(644,547)	(613,220)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ 4,841,579	\$ 4,949,707	\$ 4,871,526	\$ 4,738,304	\$ 4,603,907	\$ 4,380,143
14.00%	14.00%	13.50%	13.50%	14.00%	14.00%

2021	2020	2019	2018	2017	2016
\$ 2,350,483	\$ 2,279,594	\$ 2,229,683	\$ 2,149,932	\$ 2,054,777	\$ 1,940,244
(2,350,483)	(2,279,594)	(2,229,683)	(2,149,932)	(2,054,777)	(1,940,244)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ 16,789,164	\$ 16,282,814	\$ 15,926,307	\$ 15,356,657	\$ 14,676,979	\$ 13,858,886
14.00%	14.00%	14.00%	14.00%	14.00%	14.00%

Highland Local School District
Required Supplementary Information
Schedule of the School District's Proportionate Share of the Net OPEB Liability (Asset)
Last Nine Fiscal Years (1)

	<u>2024</u>	<u>2023</u>	<u>2022</u>
School Employees Retirement System (SERS) of Ohio			
School District's proportion of the net OPEB liability	0.135429%	0.134740%	0.142124%
School District's proportionate share of the net OPEB liability	\$ 1,379,337	\$ 2,219,761	\$ 1,995,436
School District's covered payroll	\$ 5,595,171	\$ 5,365,129	\$ 5,171,971
School District's proportionate share of the net OPEB liability as a percentage of its covered payroll	24.65%	41.37%	38.58%
Plan fiduciary net position as a percentage of total OPEB liability	44.50%	30.02%	30.34%
	<u>2024</u>	<u>2023</u>	<u>2022</u>
State Teachers Retirement System (STRS) of Ohio			
School District's proportion of the net OPEB liability or asset	0.1390669%	0.1377500%	0.1365016%
School District's proportionate share of the net OPEB liability (asset)	\$ (2,637,834)	\$ (2,679,047)	\$ (3,534,481)
School District's covered payroll	\$ 19,301,800	\$ 18,605,657	\$ 17,745,857
School District's proportionate share of the net OPEB liability (asset) as a percentage of its covered payroll	-13.67%	-14.40%	-19.92%
Plan fiduciary net position as a percentage of total OPEB liability or asset	158.01%	168.52%	230.73%

(1) Ten years of information will be presented as information becomes available. Information prior to 2016 is not available.
The amounts presented are as of the School District's measurement date which is the prior fiscal year end.

See accompanying notes to the Required Supplementary Information

2021	2020	2019	2018	2017	2016
0.148393%	0.152896%	0.144317%	0.142401%	0.145432%	0.142568%
\$ 2,808,467	\$ 3,322,928	\$ 3,629,261	\$ 3,950,597	\$ 3,903,002	\$ 4,063,727
\$ 4,841,579	\$ 4,949,707	\$ 4,871,526	\$ 4,738,304	\$ 4,603,907	\$ 4,380,143
58.01%	67.13%	74.50%	83.38%	84.78%	92.78%
24.08%	18.17%	15.57%	13.57%	12.46%	11.49%

2021	2020	2019	2018	2017	2016
0.1360620%	0.1349207%	0.1347205%	0.1339095%	0.1307642%	0.1292870%
\$ (2,868,756)	\$ (2,371,228)	\$ (2,231,295)	\$ (2,151,789)	\$ 5,101,937	\$ 6,914,304
\$ 16,789,164	\$ 16,282,814	\$ 15,926,307	\$ 15,356,657	\$ 14,676,979	\$ 13,858,886
-17.09%	-14.56%	-14.01%	-14.01%	34.76%	49.89%
174.70%	182.10%	174.70%	176.00%	47.10%	37.30%

Highland Local School District
Required Supplementary Information
Schedule of School District Contributions - OPEB
Last Ten Fiscal Years

	2025	2024	2023	2022
School Employees Retirement System (SERS) of Ohio				
Contractually required contribution (1)	\$ 104,649	\$ 93,807	\$ 100,934	\$ 94,708
Contributions in relation to contractually required contribution	<u>(104,649)</u>	<u>(93,807)</u>	<u>(100,934)</u>	<u>(94,708)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
School District covered payroll	\$ 6,053,707	\$ 5,595,171	\$ 5,365,129	\$ 5,171,971
Contributions as a percentage of covered payroll	1.73%	1.68%	1.88%	1.83%

	2025	2024	2023	2022
State Teachers Retirement System (STRS) of Ohio				
Contractually required contribution	\$ -	\$ -	\$ -	\$ -
Contributions in relation to contractually required contribution	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
School District covered payroll	\$ 20,235,171	\$ 19,301,800	\$ 18,605,657	\$ 17,745,857
Contributions as a percentage of covered payroll	0.00%	0.00%	0.00%	0.00%

(1) Includes surcharge

See accompanying notes to the Required Supplementary Information

2021	2020	2019	2018	2017	2016
\$ 97,038	\$ 98,065	\$ 113,157	\$ 101,539	\$ 79,557	\$ 72,149
<u>(97,038)</u>	<u>(98,065)</u>	<u>(113,157)</u>	<u>(101,539)</u>	<u>(79,557)</u>	<u>(72,149)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 4,841,579	\$ 4,949,707	\$ 4,871,526	\$ 4,738,304	\$ 4,603,907	\$ 4,380,143
2.00%	1.98%	2.32%	2.14%	1.73%	1.65%

2021	2020	2019	2018	2017	2016
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 16,789,164	\$ 16,282,814	\$ 15,926,307	\$ 15,356,657	\$ 14,676,979	\$ 13,858,886
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Highland Local School District
Notes to Required Supplementary Information
For the Fiscal Year Ended June 30, 2025

Net Pension Liability

School Employees Retirement System (SERS) of Ohio

Changes in benefit terms: There was no change in benefit terms for fiscal year 2025. See the notes to the basic financial statements for benefit terms.

Changes in assumptions: There was a change in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2025. See the notes to the basic financial statements for the methods and assumptions in this calculation.

State Teachers Retirement System (STRS) of Ohio

Changes in benefit terms: There was a change in benefit terms for fiscal year 2025. See the notes to the basic financial statements for benefit terms.

Changes in assumptions: There was no change in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2025. See the notes to the basic financial statements for the methods and assumptions in this calculation.

Net OPEB Liability

School Employees Retirement System (SERS) of Ohio

Changes in benefit terms: There was no change in benefit terms for fiscal year 2025. See the notes to the basic financial statements for benefit terms.

Changes in assumptions: There was a change in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2025. See the notes to the basic financial statements for the methods and assumptions in this calculation.

State Teachers Retirement System (STRS) of Ohio

Changes in benefit terms: There was no change in benefit terms for fiscal year 2025. See the notes to the basic financial statements for benefit terms.

Changes in assumptions: There was a change in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2025. See the notes to the basic financial statements for the methods and assumptions in this calculation.

**Combining Statements for Nonmajor
Governmental Funds**

COMBINING STATEMENTS – NONMAJOR GOVERNMENTAL FUNDS

NONMAJOR SPECIAL REVENUE FUNDS

The special revenue funds are used to account for the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes. The title of each special revenue fund is descriptive of the activities accounted for therein. A description of the School District's nonmajor special revenue funds follows:

Food Service

To account for all revenues and expenditures related to the provision of food services, including breakfast and lunch, for the School District's students and staff.

Special Trust

To account for the use of donations used to provide educational experiences for the School District's elementary students.

Miscellaneous Local Grant

To account for a number of small local grants that are restricted for specific expenditures.

Student Managed Student Activity

To account for those student activity programs which have student participation in the activity and have students involved in the management of the program. This fund typically includes those student activities which consist of a student body, student president, student treasurer, and faculty advisor.

District Managed Student Activity

To account for those student activity programs which have student participation in the activity, but do not have student management of the programs. This fund includes athletic programs as well as band, cheerleading, dance, and other similar types of activities.

Auxiliary Services

To account for state monies used to provide services and materials for pupils attending non-public schools within the School District.

Miscellaneous State Grant

To account for monies restricted from state agencies which are not classified elsewhere.

Elementary and Secondary School Emergency Relief

To account for emergency relief grants to school districts related to the COVID-19 pandemic. Restrictions include, but are not limited to, providing for coordination of preparedness and response efforts, training and professional development of staff, planning and coordination during long-term closure, and purchasing technology for students.

IDEA, Part B

To account for federal funds for the provision of full educational opportunities to disabled children at the preschool, elementary and secondary levels; assist in the training of teachers, supervisors and other specialists in providing educational services to the disabled.

Title III

To account for monies to develop and carry out elementary and secondary school programs, including activities at the pre-school level, to meet the educational needs of children of limited English proficiency.

Title I

To account for federal funds for services provided to meet special educational needs of educationally deprived children.

Title IV-A

To account for federal funds for services intended to improve students' academic achievement by providing all students with access to a well-rounded education, improving school conditions for student learning and improving the use of technology in order to improve the academic achievement and digital literacy of all students.

IDEA Preschool Grant

To account for federal funds used for the improvement and expansion of services for disabled children ages three through five years.

Improving Teacher Quality

To account for monies to hire additional classroom teachers grades 1 through 3, so that the number of students per teacher will be reduced.

Miscellaneous Federal Grants

To account for various monies received through state agencies from the federal government or directly from the federal government which are not classified elsewhere. A separate cost center must be used for each grant.

NONMAJOR CAPITAL PROJECTS FUNDS

Capital projects funds are established to account for financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities. The nonmajor capital projects fund are:

Permanent Improvement

To account for the acquisition, construction, or improvement of capital facilities other than those financed by proprietary and trust funds.

Building

The building capital projects fund is used to account for the receipts and expenditures related to all special bond funds in the district. All proceeds from the sale of bonds, notes, or certificate of indebtedness, except premium and accrued interest, must be paid into this fund. Expenditures recorded here represent the costs of acquiring capital facilities including real property.

Capital Projects

A fund used to accumulate money for one or more capital projects. Specifically, for constructing, adding to, renovating, remodeling, furnishing, equipping and otherwise improving school district buildings and facilities and clearing, improving and equipping their sites

Sales Tax

To account for shared sales tax monies to be used for permanent improvement projects.

NONMAJOR PERMANENT FUNDS

Permanent funds are established to account for resources that are restricted to the extent that only earnings, not principal, may be used for purposes that support the School District's programs.

Sharon Elementary Trust

To account for principal trust amounts received and related interest income. The interest portion of the trust can be used for the upkeep and maintenance of the Sharon Elementary garden.

Endowment

To account for all other principal trust amounts received and related interest income. The interest portion of the trust can be used to support the School District's programs.

Highland Local School District
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2025

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Nonmajor Permanent Funds	Total Nonmajor Governmental Funds
<u>Assets:</u>				
Equity in pooled cash and investments	\$ 1,707,208	\$ 6,780,450	\$ 48,996	\$ 8,536,654
Receivables:				
Accounts	18,103	-	-	18,103
Intergovernmental	252,642	1,863,665	-	2,116,307
Inventory held for resale	25,597	-	-	25,597
Total assets	<u>\$ 2,003,550</u>	<u>\$ 8,644,115</u>	<u>\$ 48,996</u>	<u>\$ 10,696,661</u>
<u>Liabilities:</u>				
Accounts payable	\$ 35,560	\$ 114,660	\$ -	\$ 150,220
Accrued wages	230,658	-	-	230,658
Interfund payable	63,353	-	-	63,353
Intergovernmental payable	49,989	-	-	49,989
Unearned revenue	58,498	-	-	58,498
Total liabilities	<u>438,058</u>	<u>114,660</u>	<u>-</u>	<u>552,718</u>
<u>Deferred inflows of resources</u>				
Unavailable revenue	<u>253,281</u>	<u>1,275,443</u>	<u>-</u>	<u>1,528,724</u>
<u>Fund balance:</u>				
Nonspendable	-	-	40,500	40,500
Restricted	1,539,777	4,754,012	8,496	6,302,285
Committed	-	2,500,000	-	2,500,000
Unassigned	<u>(227,566)</u>	<u>-</u>	<u>-</u>	<u>(227,566)</u>
Total fund balances	<u>1,312,211</u>	<u>7,254,012</u>	<u>48,996</u>	<u>8,615,219</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 2,003,550</u>	<u>\$ 8,644,115</u>	<u>\$ 48,996</u>	<u>\$ 10,696,661</u>

Highland Local School District
Combining Statement of Revenues, Expenditures
and Changes in Fund Balances
Nonmajor Governmental Funds
For the Fiscal Year Ended June 30, 2025

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Nonmajor Permanent Funds	Total Nonmajor Governmental Funds
<u>Revenues:</u>				
Intergovernmental	\$ 1,722,757	\$ 2,438,510	\$ -	\$ 4,161,267
Interest	59,253	7,158	2,037	68,448
Extracurricular activities	530,178	-	-	530,178
Gifts and donations	75,303	47,000	-	122,303
Charges for services	1,249,568	-	-	1,249,568
Miscellaneous	41,336	107,580	-	148,916
Total revenues	<u>3,678,395</u>	<u>2,600,248</u>	<u>2,037</u>	<u>6,280,680</u>
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular	254,422	5,561	-	259,983
Special	978,932	-	-	978,932
Other	768	-	-	768
Support services:				
Pupils	92,055	-	-	92,055
Instructional staff	-	90,674	-	90,674
Operation and maintenance of plant	31,855	134,971	-	166,826
Pupil transportation	285	-	-	285
Operation of non-instructional services:				
Food service operations	1,744,645	-	-	1,744,645
Extracurricular activities	652,948	-	-	652,948
Capital outlay	166,339	412,301	-	578,640
Debt service:				
Principal retirement	-	957,895	-	957,895
Interest and fiscal charges	519	280,972	-	281,491
Total expenditures	<u>3,922,768</u>	<u>1,882,374</u>	<u>-</u>	<u>5,805,142</u>
Excess of revenues over (under) expenditures	<u>(244,373)</u>	<u>717,874</u>	<u>2,037</u>	<u>475,538</u>
<u>Other financing sources:</u>				
Transfers in	<u>133,532</u>	<u>3,128,640</u>	<u>-</u>	<u>3,262,172</u>
Net change in fund balances	(110,841)	3,846,514	2,037	3,737,710
Fund balances at beginning of year	<u>1,423,052</u>	<u>3,407,498</u>	<u>46,959</u>	<u>4,877,509</u>
Fund balances at end of year	<u>\$ 1,312,211</u>	<u>\$ 7,254,012</u>	<u>\$ 48,996</u>	<u>\$ 8,615,219</u>

Highland Local School District
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2025

	Food Service	Special Trust	Miscellaneous Local Grant	Student Managed Student Activity	District Managed Student Activity
<u>Assets:</u>					
Equity in pooled cash and investments	\$ 1,218,504	\$ 8,968	\$ 10,997	\$ 86,826	\$ 345,258
Receivables:					
Accounts	188	-	-	610	11,680
Intergovernmental	-	-	-	-	1
Inventory held for resale	25,597	-	-	-	-
Total assets	\$ 1,244,289	\$ 8,968	\$ 10,997	\$ 87,436	\$ 356,939
<u>Liabilities:</u>					
Accounts payable	\$ -	\$ 800	\$ 300	\$ 7,894	\$ 12,651
Accrued wages	83,442	-	-	-	6,675
Interfund payable	-	-	-	-	-
Intergovernmental payable	26,220	-	-	-	97
Unearned revenue	58,498	-	-	-	-
Total liabilities	168,160	800	300	7,894	19,423
<u>Deferred inflows of resources</u>					
Unavailable revenue	-	-	-	610	30
<u>Fund balances:</u>					
Restricted	1,076,129	8,168	10,697	78,932	337,486
Unassigned	-	-	-	-	-
Total fund balances	1,076,129	8,168	10,697	78,932	337,486
Total liabilities, deferred inflows of resources and fund balances	\$ 1,244,289	\$ 8,968	\$ 10,997	\$ 87,436	\$ 356,939

<u>Auxiliary Services</u>	<u>Miscellaneous State Grant</u>	<u>Elementary and Secondary School Emergency Relief</u>	<u>IDEA, Part B</u>	<u>Title III</u>	<u>Title I</u>	<u>Title IV-A</u>
\$ 36,655	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
5,625	-	-	-	-	-	-
-	-	-	208,008	-	24,156	-
-	-	-	-	-	-	-
<u>\$ 42,280</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 208,008</u>	<u>\$ -</u>	<u>\$ 24,156</u>	<u>\$ -</u>
\$ 13,915	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	116,670	-	23,871	-
-	-	-	49,417	-	5,059	-
-	-	-	19,984	-	3,688	-
-	-	-	-	-	-	-
<u>13,915</u>	<u>-</u>	<u>-</u>	<u>186,071</u>	<u>-</u>	<u>32,618</u>	<u>-</u>
-	-	-	208,008	-	24,156	-
28,365	-	-	-	-	-	-
-	-	-	(186,071)	-	(32,618)	-
<u>28,365</u>	<u>-</u>	<u>-</u>	<u>(186,071)</u>	<u>-</u>	<u>(32,618)</u>	<u>-</u>
<u>\$ 42,280</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 208,008</u>	<u>\$ -</u>	<u>\$ 24,156</u>	<u>\$ -</u>

(Continued)

Highland Local School District
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2025

	IDEA Preschool Grant	Improving Teacher Quality	Miscellaneous Federal Grant	Total Nonmajor Special Revenue Funds
<u>Assets:</u>				
Equity in pooled cash and cash equivalents	\$ -	\$ -	\$ -	\$ 1,707,208
Receivables:				
Accounts	-	-	-	18,103
Intergovernmental	15,052	5,425	-	252,642
Inventory held for resale	-	-	-	25,597
Total assets	<u>\$ 15,052</u>	<u>\$ 5,425</u>	<u>\$ -</u>	<u>\$ 2,003,550</u>
<u>Liabilities:</u>				
Accounts payable	\$ -	\$ -	\$ -	\$ 35,560
Accrued wages	-	-	-	230,658
Interfund payable	3,452	5,425	-	63,353
Intergovernmental payable	-	-	-	49,989
Unearned revenue	-	-	-	58,498
Total liabilities	<u>3,452</u>	<u>5,425</u>	<u>-</u>	<u>438,058</u>
<u>Deferred inflows of resources</u>				
Unavailable revenue	<u>15,052</u>	<u>5,425</u>	<u>-</u>	<u>253,281</u>
<u>Fund balances:</u>				
Restricted	-	-	-	1,539,777
Unassigned	<u>(3,452)</u>	<u>(5,425)</u>	<u>-</u>	<u>(227,566)</u>
Total fund balances	<u>(3,452)</u>	<u>(5,425)</u>	<u>-</u>	<u>1,312,211</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 15,052</u>	<u>\$ 5,425</u>	<u>\$ -</u>	<u>\$ 2,003,550</u>

H

Highland Local School District
Combining Statement of Revenues, Expenditures
and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2025

	Food Service	Special Trust	Miscellaneous Local Grant	Student Managed Student Activity	District Managed Student Activity
<u>Revenues:</u>					
Intergovernmental	\$ 359,295	\$ -	\$ 46,352	\$ -	\$ -
Interest	56,188	372	-	-	-
Extracurricular activities	-	-	-	145,241	384,937
Gifts and donations	-	-	-	12,843	62,460
Charges for services	1,249,568	-	-	-	-
Miscellaneous	-	-	-	-	41,336
Total revenues	<u>1,665,051</u>	<u>372</u>	<u>46,352</u>	<u>158,084</u>	<u>488,733</u>
<u>Expenditures:</u>					
Current:					
Instruction:					
Regular	-	-	48,239	-	-
Special	-	-	-	-	-
Other	-	-	-	-	-
Support services:					
Pupils	-	-	-	-	-
Operation and maintenance of plant	-	-	-	-	-
Pupil transportation	-	-	-	-	-
Operation of non-instructional services:					
Food service operations	1,744,645	-	-	-	-
Extracurricular activities	-	799	-	164,906	487,243
Capital outlay	160,113	-	-	-	6,226
Debt service:					
Interest and fiscal charges	-	-	-	-	519
Total expenditures	<u>1,904,758</u>	<u>799</u>	<u>48,239</u>	<u>164,906</u>	<u>493,988</u>
Excess of revenues over (under) expenditures	<u>(239,707)</u>	<u>(427)</u>	<u>(1,887)</u>	<u>(6,822)</u>	<u>(5,255)</u>
<u>Other financing sources:</u>					
Transfers in	-	-	-	-	133,532
Net change in fund balances	(239,707)	(427)	(1,887)	(6,822)	128,277
Fund balances (deficit) at beginning of year	<u>1,315,836</u>	<u>8,595</u>	<u>12,584</u>	<u>85,754</u>	<u>209,209</u>
Fund balances (deficits) at end of year	<u>\$ 1,076,129</u>	<u>\$ 8,168</u>	<u>\$ 10,697</u>	<u>\$ 78,932</u>	<u>\$ 337,486</u>

<u>Auxiliary Services</u>	<u>Miscellaneous State Grant</u>	<u>Elementary and Secondary School Emergency Relief</u>	<u>IDEA, Part B</u>	<u>Title III</u>	<u>Title I</u>	<u>Title IV-A</u>
\$ 200,853	\$ 3,204	\$ 150,358	\$ 781,087	\$ 5,601	\$ 102,557	\$ 13,750
2,693	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>203,546</u>	<u>3,204</u>	<u>150,358</u>	<u>781,087</u>	<u>5,601</u>	<u>102,557</u>	<u>13,750</u>
95,869	-	50,030	-	-	-	12,000
-	-	-	838,198	-	121,671	-
-	-	768	-	-	-	-
75,433	1,650	-	7,429	-	-	-
31,855	-	-	-	-	-	-
-	-	-	-	-	285	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>203,157</u>	<u>1,650</u>	<u>50,798</u>	<u>845,627</u>	<u>-</u>	<u>121,956</u>	<u>12,000</u>
<u>389</u>	<u>1,554</u>	<u>99,560</u>	<u>(64,540)</u>	<u>5,601</u>	<u>(19,399)</u>	<u>1,750</u>
-	-	-	-	-	-	-
389	1,554	99,560	(64,540)	5,601	(19,399)	1,750
<u>27,976</u>	<u>(1,554)</u>	<u>(99,560)</u>	<u>(121,531)</u>	<u>(5,601)</u>	<u>(13,219)</u>	<u>(1,750)</u>
<u>\$ 28,365</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (186,071)</u>	<u>\$ -</u>	<u>\$ (32,618)</u>	<u>\$ -</u>

(Continued)

Highland Local School District
Combining Statement of Revenues, Expenditures
and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2025

	IDEA Preschool Grant	Improving Teacher Quality	Miscellaneous Federal Grant	Total Nonmajor Special Revenue Funds
<u>Revenues:</u>				
Intergovernmental	\$ 15,611	\$ 44,089	\$ -	\$ 1,722,757
Interest	-	-	-	59,253
Extracurricular activities	-	-	-	530,178
Gifts and donations	-	-	-	75,303
Charges for services	-	-	-	1,249,568
Miscellaneous	-	-	-	41,336
Total revenues	<u>15,611</u>	<u>44,089</u>	<u>-</u>	<u>3,678,395</u>
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular	-	48,284	-	254,422
Special	19,063	-	-	978,932
Other	-	-	-	768
Support services:				
Pupils	-	-	7,543	92,055
Operation and maintenance of plant	-	-	-	31,855
Pupil transportation	-	-	-	285
Operation of non-instructional services:				
Food service operations	-	-	-	1,744,645
Extracurricular activities	-	-	-	652,948
Capital outlay	-	-	-	166,339
Debt service:				
Interest and fiscal charges	-	-	-	519
Total expenditures	<u>19,063</u>	<u>48,284</u>	<u>7,543</u>	<u>3,922,768</u>
Excess of revenues over (under) expenditures	<u>(3,452)</u>	<u>(4,195)</u>	<u>(7,543)</u>	<u>(244,373)</u>
<u>Other financing sources:</u>				
Transfers in	-	-	-	133,532
Net change in fund balances	(3,452)	(4,195)	(7,543)	(110,841)
Fund balances at beginning of year	-	(1,230)	7,543	1,423,052
Fund balances at end of year	<u>\$ (3,452)</u>	<u>\$ (5,425)</u>	<u>\$ -</u>	<u>\$ 1,312,211</u>

H

Highland Local School District
Combining Balance Sheet
Nonmajor Capital Projects Funds
June 30, 2025

	<u>Permanent Improvement</u>	<u>Building</u>	<u>Capital Projects</u>	<u>Sales Tax</u>	<u>Total Nonmajor Capital Projects Funds</u>
<u>Assets:</u>					
Equity in pooled cash and investments	\$ 2,279,217	\$ 72,967	\$ 2,500,000	\$ 1,928,266	\$ 6,780,450
<u>Receivables:</u>					
Intergovernmental	-	-	-	1,863,665	1,863,665
Total assets	<u>\$ 2,279,217</u>	<u>\$ 72,967</u>	<u>\$ 2,500,000</u>	<u>\$ 3,791,931</u>	<u>\$ 8,644,115</u>
<u>Liabilities:</u>					
Accounts payable	\$ -	\$ -	\$ -	\$ 114,660	\$ 114,660
<u>Deferred inflows of resources</u>					
Unavailable revenue	-	-	-	1,275,443	1,275,443
<u>Fund balance:</u>					
Restricted	2,279,217	72,967	-	2,401,828	4,754,012
Committed	-	-	2,500,000	-	2,500,000
Total fund balance	<u>2,279,217</u>	<u>72,967</u>	<u>2,500,000</u>	<u>2,401,828</u>	<u>7,254,012</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 2,279,217</u>	<u>\$ 72,967</u>	<u>\$ 2,500,000</u>	<u>\$ 3,791,931</u>	<u>\$ 8,644,115</u>

Highland Local School District
Combining Statement of Revenues, Expenditures
and Changes in Fund Balances
Nonmajor Capital Projects Funds
For the Fiscal Year Ended June 30, 2025

	<u>Permanent Improvement</u>	<u>Building</u>	<u>Capital Projects</u>	<u>Sales Tax</u>	<u>Total Nonmajor Capital Projects Funds</u>
<u>Revenues:</u>					
Intergovernmental	\$ -	\$ -	\$ -	\$ 2,438,510	\$ 2,438,510
Interest	-	7,158	-	-	7,158
Gifts and donations	47,000	-	-	-	47,000
Miscellaneous	-	-	-	107,580	107,580
Total revenues	<u>47,000</u>	<u>7,158</u>	<u>-</u>	<u>2,546,090</u>	<u>2,600,248</u>
<u>Expenditures:</u>					
Current:					
Instruction:					
Regular	-	-	-	5,561	5,561
Support services:					
Instructional staff	-	-	-	90,674	90,674
Operation and maintenance of plant	-	121,211	-	13,760	134,971
Capital outlay	-	44,202	-	368,099	412,301
Debt service:					
Principal retirement	-	-	-	957,895	957,895
Interest and fiscal charges	-	-	-	280,972	280,972
Total expenditures	<u>-</u>	<u>165,413</u>	<u>-</u>	<u>1,716,961</u>	<u>1,882,374</u>
Excess of revenues over expenditures	<u>47,000</u>	<u>(158,255)</u>	<u>-</u>	<u>829,129</u>	<u>717,874</u>
<u>Other financing sources:</u>					
Transfers in	-	-	2,500,000	628,640	3,128,640
Net change in fund balances	47,000	(158,255)	2,500,000	1,457,769	3,846,514
Fund balances at beginning of year	2,232,217	231,222	-	944,059	3,407,498
Fund balances at end of year	<u>\$ 2,279,217</u>	<u>\$ 72,967</u>	<u>\$ 2,500,000</u>	<u>\$ 2,401,828</u>	<u>\$ 7,254,012</u>

Highland Local School District
Combining Balance Sheet
Nonmajor Permanent Funds
June 30, 2025

	Sharon Elementary Trust	Endowment	Total Nonmajor Permanent Funds
	<u> </u>	<u> </u>	<u> </u>
<u>Assets:</u>			
Equity in pooled cash and investments	\$ 10,173	\$ 38,823	\$ 48,996
	<u> </u>	<u> </u>	<u> </u>
<u>Liabilities:</u>			
Total liabilities	\$ -	\$ -	\$ -
	<u> </u>	<u> </u>	<u> </u>
<u>Fund balance:</u>			
Nonspendable	8,000	32,500	40,500
Restricted	2,173	6,323	8,496
Total fund balance	<u>10,173</u>	<u>38,823</u>	<u>48,996</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 10,173</u>	<u>\$ 38,823</u>	<u>\$ 48,996</u>

Highland Local School District
Combining Statement of Revenues, Expenditures
and Changes in Fund Balances
Nonmajor Permanent Funds
For the Fiscal Year Ended June 30, 2025

	Sharon Elementary Trust	Endowment	Total Nonmajor Permanent Funds
	<u> </u>	<u> </u>	<u> </u>
<u>Revenues:</u>			
Interest	\$ 418	\$ 1,619	\$ 2,037
	<u> </u>	<u> </u>	<u> </u>
<u>Expenditures:</u>			
Current:			
Total expenditures	-	-	-
	<u> </u>	<u> </u>	<u> </u>
Net change in fund balances	418	1,619	2,037
	<u> </u>	<u> </u>	<u> </u>
Fund balances at beginning of year	9,755	37,204	46,959
Fund balances at end of year	<u>\$ 10,173</u>	<u>\$ 38,823</u>	<u>\$ 48,996</u>

**Individual Fund Schedules of Revenues, Expenditures and Changes
in Fund Balance – Budget (Non-GAAP Basis) and Actual
Governmental Funds – Major and Nonmajor**

MAJOR GENERAL FUND

The general fund is the main 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.

FUNDS BEING REPORTED AS PART OF THE GENERAL FUND

The following funds are legally budgeted as separate special revenue funds but are being reported as part of the general fund for GAAP reporting purposes.

Uniform School Supplies

To account for the purchase and sale of school supplies as adopted by the Board of Education for resale to students of the School District.

Public School Support

To account for specific local revenue sources (other than taxes) generated by individual school buildings (i.e. sales of pictures, profits from vending machines, etc.). Expenditures include field trips, materials, equipment and other items to supplement co-curricular and extra-curricular programs.

Latchkey and Community Education

To account for income and expenditures made in connection with goods and services provided relative to the School District's before and after school care program and personal enrichment addressing the unique interests of individuals and meeting the community needs.

Termination Benefits

To account for accumulated resources for paying termination benefits for eligible retirees or for paying salaries when the number of pay periods exceed the usual and customary for a year.

MAJOR DEBT SERVICE FUND

The debt service fund is used to account for the accumulation of resources and the payment of general obligation bond principal and interest and certain other long-term obligations from governmental resources when the government is obligated in some manner for the payment. It is also used to account for the accumulation of resources and the payment of general obligation notes payable, as required by Ohio Law.

Highland Local School District
Schedule of Revenues, Expenditures and Changes in Fund Balance-
Budget (Non-GAAP Basis) and Actual
For the Fiscal Year Ended June 30, 2025

General Fund

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Taxes	\$ 29,423,353	\$ 29,452,179	\$ 28,826
Intergovernmental	9,969,746	9,868,437	(101,309)
Interest	1,441,750	1,438,089	(3,661)
Tuition and fees	317,338	294,287	(23,051)
Rent	17,741	21,536	3,795
Extracurricular activities	370,993	383,162	12,169
Miscellaneous	59,677	78,214	18,537
Total revenues	41,600,598	41,535,904	(64,694)
<u>Expenditures:</u>			
Current:			
Instruction:			
Regular	18,864,918	19,820,700	(955,782)
Special	7,124,897	6,663,265	461,632
Student intervention services	256,477	259,646	(3,169)
Other	115,442	107,029	8,413
Support services:			
Pupils	3,669,753	3,721,647	(51,894)
Instructional staff	1,001,590	978,631	22,959
Board of education	33,149	28,473	4,676
Administration	2,881,797	2,731,400	150,397
Fiscal	1,016,452	1,008,820	7,632
Business	16,957	16,181	776
Operation and maintenance of plant	4,218,172	4,156,401	61,771
Pupil transportation	3,042,312	3,087,760	(45,448)
Central	337,493	319,693	17,800
Operation of non-instructional services:			
Food service operations	1,000	-	1,000
Extracurricular activities	1,445,939	1,392,390	53,549
Total expenditures	44,026,348	44,292,036	(265,688)
Excess of revenues under expenditures	(2,425,750)	(2,756,132)	(330,382)
<u>Other financing sources (uses):</u>			
Proceeds from the sale of capital assets	16,498	11,226	(5,272)
Refund of prior year expenditures	331,348	395,668	64,320
Advances in	11,174	153,452	142,278
Advances out	(81,000)	(63,353)	17,647
Transfers in	27,500	27,500	-
Transfers out	(5,526,888)	(4,009,532)	1,517,356
Total other financing sources (uses)	(5,221,368)	(3,485,039)	1,736,329
Net change in fund balance	(7,647,118)	(6,241,171)	1,405,947
Fund balance at beginning of year	22,515,719	22,515,719	-
Prior year encumbrances appropriated	631,813	631,813	-
Fund balance at end of year	\$ 15,500,414	\$ 16,906,361	\$ 1,405,947

Highland Local School District
Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget (Non-GAAP Basis) and Actual
For the Fiscal Year Ended June 30, 2025

Uniform School Supplies Fund

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Tuition and fees	\$ 55,000	\$ 51,116	\$ (3,884)
<u>Expenditures:</u>			
Current:			
Instruction:			
Regular	95,000	86,478	8,522
<u>Other financing sources:</u>			
Advances out	(10,000)	-	10,000
Net change in fund balance	(50,000)	(35,362)	14,638
Fund balance at beginning of year	99,232	99,232	-
Fund balance at end of year	<u>\$ 49,232</u>	<u>\$ 63,870</u>	<u>\$ 14,638</u>

Public School Support Fund

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Tuition and fees	\$ 10,560	\$ 9,970	\$ (590)
Extracurricular activities	62,704	63,793	1,089
Gifts and donations	11,336	5,085	(6,251)
Total revenues	84,600	78,848	(5,752)
<u>Expenditures:</u>			
Current:			
Extracurricular activities	130,259	90,589	39,670
Excess of revenues under expenditures	(45,659)	(11,741)	33,918
<u>Other financing sources (uses):</u>			
Transfers in	400	-	(400)
Transfers out	(524)	-	524
Total other financing sources (uses)	(124)	-	124
Net change in fund balance	(45,783)	(11,741)	34,042
Fund balance at beginning of year	134,699	134,699	-
Prior year encumbrances appropriated	11,266	11,266	-
Fund balance at end of year	<u>\$ 100,182</u>	<u>\$ 134,224</u>	<u>\$ 34,042</u>

Highland Local School District
Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget (Non-GAAP Basis) and Actual
For the Fiscal Year Ended June 30, 2025

Latchkey and Community Education Fund

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Tuition and fees	\$ 227,000	\$ 231,110	\$ 4,110
Extracurricular activities	45,000	40,994	(4,006)
Total revenues	<u>272,000</u>	<u>272,104</u>	<u>104</u>
<u>Expenditures:</u>			
Current:			
Operation of non-instructional services:			
Community services	<u>308,770</u>	<u>246,156</u>	<u>62,614</u>
Excess of revenues over (under) expenditures	<u>(36,770)</u>	<u>25,948</u>	<u>62,718</u>
<u>Other financing sources:</u>			
Refund of prior year expenditures	<u>-</u>	<u>66</u>	<u>66</u>
Net change in fund balance	(36,770)	26,014	62,784
Fund balance at beginning of year	240,938	240,938	-
Prior year encumbrances appropriated	<u>1,370</u>	<u>1,370</u>	<u>-</u>
Fund balance at end of year	<u>\$ 205,538</u>	<u>\$ 268,322</u>	<u>\$ 62,784</u>

Termination Benefits Fund

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Total revenues	\$ -	\$ -	\$ -
<u>Expenditures:</u>			
Current:			
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>
<u>Other financing sources:</u>			
Transfers in	<u>1,376,000</u>	<u>1,376,000</u>	<u>-</u>
Net change in fund balance	1,376,000	1,376,000	-
Fund balance at beginning of year	-	-	-
Fund balance at end of year	<u>\$ 1,376,000</u>	<u>\$ 1,376,000</u>	<u>\$ -</u>

Highland Local School District
Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget (Non-GAAP Basis) and Actual
For the Fiscal Year Ended June 30, 2025

Debt Service Fund

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Taxes	\$ 4,886,100	\$ 4,886,679	\$ 579
Intergovernmental	345,000	344,329	(671)
Total revenues	<u>5,231,100</u>	<u>5,231,008</u>	<u>(92)</u>
<u>Expenditures:</u>			
Current:			
Support services:			
Administration	6,000	5,011	989
Fiscal	92,999	64,592	28,407
Debt service:			
Principal retirement	3,446,000	3,446,000	-
Interest and fiscal charges	2,083,651	2,083,650	1
Total expenditures	<u>5,628,650</u>	<u>5,599,253</u>	<u>29,397</u>
Excess of revenues under expenditures	<u>(397,550)</u>	<u>(368,245)</u>	<u>29,305</u>
Net change in fund balance	(397,550)	(368,245)	29,305
Fund balance at beginning of year	7,436,976	7,436,976	-
Fund balance at end of year	<u>\$ 7,039,426</u>	<u>\$ 7,068,731</u>	<u>\$ 29,305</u>

Highland Local School District
Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget (Non-GAAP Basis) and Actual
For the Fiscal Year Ended June 30, 2025

Food Service Fund

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Intergovernmental	\$ 276,139	\$ 287,436	\$ 11,297
Interest	53,918	56,188	2,270
Charges for services	1,267,212	1,253,573	(13,639)
Total revenues	<u>1,597,269</u>	<u>1,597,197</u>	<u>(72)</u>
<u>Expenditures:</u>			
Current:			
Operation of non-instructional services:			
Food service operations	<u>2,085,250</u>	<u>1,832,237</u>	<u>253,013</u>
Excess of revenues under expenditures	<u>(487,981)</u>	<u>(235,040)</u>	<u>252,941</u>
<u>Other financing sources:</u>			
Refund of prior year expenditures	731	209	(522)
Transfers out	(5,905)	-	5,905
Total other financing sources (uses)	<u>(5,174)</u>	<u>209</u>	<u>5,383</u>
Net change in fund balance	(493,155)	(234,831)	258,324
Fund balance at beginning of year	1,453,181	1,453,181	-
Fund balance at end of year	<u>\$ 960,026</u>	<u>\$ 1,218,350</u>	<u>\$ 258,324</u>

Special Trust Fund

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Interest	\$ 550	\$ 372	\$ (178)
<u>Expenditures:</u>			
Current:			
Instruction:			
Extracurricular activities	<u>4,000</u>	<u>2,499</u>	<u>1,501</u>
Excess of revenues under expenditures	<u>(3,450)</u>	<u>(2,127)</u>	<u>1,323</u>
Net change in fund balance	(3,450)	(2,127)	1,323
Fund balance at beginning of year	10,095	10,095	-
Prior year encumbrances appropriated	1,000	1,000	-
Fund balance at end of year	<u>\$ 7,645</u>	<u>\$ 8,968</u>	<u>\$ 1,323</u>

Highland Local School District
Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget (Non-GAAP Basis) and Actual
For the Fiscal Year Ended June 30, 2025

Miscellaneous Local Grant Fund

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Intergovernmental	\$ 65,000	\$ 46,352	\$ (18,648)
<u>Expenditures:</u>			
Current:			
Instruction:			
Regular	75,000	48,451	26,549
Excess of revenues under expenditures	(10,000)	(2,099)	7,901
Net change in fund balance	(10,000)	(2,099)	7,901
Fund balance at beginning of year	12,584	12,584	-
Prior year encumbrances appropriated	-	-	-
Fund balance at end of year	\$ 2,584	\$ 10,485	\$ 7,901

Student Managed Student Activity Fund

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Extracurricular activities	\$ 139,002	\$ 145,301	\$ 6,299
Gifts and donations	3,135	12,843	9,708
Total revenues	142,137	158,144	16,007
<u>Expenditures:</u>			
Current:			
Extracurricular activities	211,895	171,019	40,876
Excess of revenues under expenditures	(69,758)	(12,875)	56,883
<u>Other financing sources (uses):</u>			
Transfers in	22,863	2,803	(20,060)
Transfers out	(3,678)	(2,803)	875
Total other financing sources (uses)	19,185	-	(19,185)
Net change in fund balance	(50,573)	(12,875)	37,698
Fund balance at beginning of year	84,655	84,655	-
Prior year encumbrances appropriated	6,233	6,233	-
Fund balance at end of year	\$ 40,315	\$ 78,013	\$ 37,698

Highland Local School District
Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget (Non-GAAP Basis) and Actual
For the Fiscal Year Ended June 30, 2025

District Managed Student Activity Fund

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Extracurricular activities	\$ 359,895	\$ 381,042	\$ 21,147
Gifts and donations	44,458	62,460	18,002
Miscellaneous	35,629	40,231	4,602
Total revenues	<u>439,982</u>	<u>483,733</u>	<u>43,751</u>
<u>Expenditures:</u>			
Current:			
Extracurricular activities	<u>516,691</u>	<u>504,795</u>	<u>11,896</u>
Excess of revenues under expenditures	<u>(76,709)</u>	<u>(21,062)</u>	<u>55,647</u>
<u>Other financing sources (uses):</u>			
Refund of prior year expenditures	1,310	-	(1,310)
Transfers in	143,708	145,855	2,147
Transfers out	(94,324)	(12,323)	82,001
Total other financing sources (uses)	<u>50,694</u>	<u>133,532</u>	<u>82,838</u>
Net change in fund balance	(26,015)	112,470	138,485
Fund balance at beginning of year	211,804	211,804	-
Prior year encumbrances appropriated	11,015	11,015	-
Fund balance at end of year	<u>\$ 196,804</u>	<u>\$ 335,289</u>	<u>\$ 138,485</u>

Highland Local School District
Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget (Non-GAAP Basis) and Actual
For the Fiscal Year Ended June 30, 2025

Auxiliary Services Fund

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Intergovernmental	\$ 203,776	\$ 200,853	\$ (2,923)
Interest	2,500	2,693	193
Total revenues	<u>206,276</u>	<u>203,546</u>	<u>(2,730)</u>
<u>Expenditures:</u>			
Current:			
Instruction:			
Regular	137,868	125,192	12,676
Support services:			
Pupils	76,010	75,433	577
Instructional staff	31,856	42,379	(10,523)
Total expenditures	<u>245,734</u>	<u>243,004</u>	<u>2,730</u>
Excess of revenues under expenditures	<u>(39,458)</u>	<u>(39,458)</u>	<u>-</u>
Net change in fund balance	(39,458)	(39,458)	-
Fund balance at beginning of year	25,522	25,522	-
Prior year encumbrances appropriated	13,936	13,936	-
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Highland Local School District
Schedule of Revenues, Expenditures
and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2025

Miscellaneous State Grant Fund

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Intergovernmental	\$ 10,000	\$ 5,896	\$ (4,104)
<u>Expenditures:</u>			
Current:			
Support services:			
Pupils	3,204	3,204	-
Operation and maintenance of plant	9,515	9,515	-
Pupil transportation	4,103	-	4,103
Total expenditures	16,822	12,719	4,103
Excess of revenues under expenditures	(6,822)	(6,823)	(1)
<u>Other financing uses:</u>			
Refund of prior year receipts	(2,693)	(2,692)	1
Net change in fund balance	(9,515)	(9,515)	-
Fund balance at beginning of year	-	-	-
Prior year encumbrances appropriated	9,515	9,515	-
Fund balance at end of year	\$ -	\$ -	\$ -

Highland Local School District
Schedule of Revenues, Expenditures
and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2025

ESSER Fund

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Intergovernmental	\$ 170,711	\$ 170,711	\$ -
<u>Expenditures:</u>			
Current:			
Instruction:			
Regular	50,030	50,030	-
Student intervention services	46,191	46,191	-
Total expenditures	96,221	96,221	-
Excess of revenues over expenditures	74,490	74,490	-
<u>Other financing uses:</u>			
Advances out	(74,490)	(74,490)	-
Net change in fund balance	-	-	-
Fund balance at beginning of year	-	-	-
Fund balance at end of year	\$ -	\$ -	\$ -

Highland Local School District
Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget (Non-GAAP Basis) and Actual
For the Fiscal Year Ended June 30, 2025

IDEA, Part B Fund

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Intergovernmental	\$ 1,103,339	\$ 834,201	\$ (269,138)
<u>Expenditures:</u>			
Current:			
Instruction:			
Special	846,759	814,026	32,733
Support services:			
Pupils	11,650	7,429	4,221
Total expenditures	858,409	821,455	36,954
Excess of revenues over expenditures	244,930	12,746	(232,184)
<u>Other financing sources (uses):</u>			
Advances in	-	49,417	49,417
Advances out	(244,930)	(62,163)	182,767
Total other financing sources (uses)	(244,930)	(12,746)	232,184
Net change in fund balance	-	-	-
Fund balance at beginning of year	-	-	-
Fund balance at end of year	\$ -	\$ -	\$ -

Title III Fund

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Intergovernmental	\$ 12,510	\$ 5,491	\$ (7,019)
<u>Expenditures:</u>			
Current:			
Instruction:			
Special	10,045	3,026	7,019
Excess of revenues over expenditures	2,465	2,465	-
<u>Other financing uses:</u>			
Advances out	(2,465)	(2,465)	-
Net change in fund balance	-	-	-
Fund balance at beginning of year	(3,136)	(3,136)	-
Prior year encumbrances appropriated	3,136	3,136	-
Fund balance at end of year	\$ -	\$ -	\$ -

Highland Local School District
Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget (Non-GAAP Basis) and Actual
For the Fiscal Year Ended June 30, 2025

Title I Fund

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Intergovernmental	\$ 137,854	\$ 111,892	\$ (25,962)
<u>Expenditures:</u>			
Current:			
Instruction:			
Special	129,192	108,004	21,188
Support services:			
Pupil transportation	-	285	(285)
Total expenditures	129,192	108,289	20,903
Excess of revenues over expenditures	8,662	3,603	(5,059)
<u>Other financing sources (uses):</u>			
Advances in	-	5,059	5,059
Advances out	(8,662)	(8,662)	-
Total other financing sources (uses)	(8,662)	(3,603)	5,059
Net change in fund balance	-	-	-
Fund balance at beginning of year	-	-	-
Fund balance at end of year	\$ -	\$ -	\$ -

Title IV-A Fund

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Intergovernmental	\$ 19,946	\$ 13,750	\$ (6,196)
<u>Expenditures:</u>			
Current:			
Instruction:			
Regular	18,197	12,000	6,197
Special	(1)	-	(1)
Total expenditures	18,196	12,000	6,196
Excess of revenues over expenditures	1,750	1,750	-
<u>Other financing uses:</u>			
Advances out	(1,750)	(1,750)	-
Net change in fund balance	-	-	-
Fund balance at beginning of year	-	-	-
Fund balance at end of year	\$ -	\$ -	\$ -

Highland Local School District
Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget (Non-GAAP Basis) and Actual
For the Fiscal Year Ended June 30, 2025

IDEA Preschool Grant Fund

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Intergovernmental	\$ 19,363	\$ 15,611	\$ (3,752)
<u>Expenditures:</u>			
Current:			
Instruction:			
Special	19,363	19,063	300
Excess of revenues under expenditures	-	(3,452)	(3,452)
<u>Other financing sources:</u>			
Advances in	-	3,452	3,452
Net change in fund balance	-	-	-
Fund balance at beginning of year	-	-	-
Fund balance at end of year	\$ -	\$ -	\$ -

Improving Teacher Quality Fund

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Intergovernmental	\$ 51,304	\$ 44,089	\$ (7,215)
<u>Expenditures:</u>			
Current:			
Instruction:			
Regular	50,074	48,284	1,790
Excess of revenues over (under) expenditures	1,230	(4,195)	(5,425)
<u>Other financing sources (uses):</u>			
Advances in	-	5,425	5,425
Advances out	(1,230)	(1,230)	-
Total other financing sources (uses)	(1,230)	4,195	5,425
Net change in fund balance	-	-	-
Fund balance at beginning of year	-	-	-
Fund balance at end of year	\$ -	\$ -	\$ -

Highland Local School District
Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget (Non-GAAP Basis) and Actual
For the Fiscal Year Ended June 30, 2025

Miscellaneous Federal Grant Fund

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Intergovernmental	\$ 3,365	\$ -	\$ (3,365)
<u>Expenditures:</u>			
Current:			
Support services:			
Operation and maintenance of plant	190,845	179,937	10,908
Total expenditures	190,845	179,937	10,908
Excess of revenues under expenditures	(187,480)	(179,937)	7,543
<u>Other financing (uses):</u>			
Refund of prior year receipts	-	(7,543)	(7,543)
Net change in fund balance	(187,480)	(187,480)	-
Fund balance at beginning of year	6,043	6,043	-
Prior year encumbrances appropriated	181,437	181,437	-
Fund balance at end of year	\$ -	\$ -	\$ -

Highland Local School District
Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget (Non-GAAP Basis) and Actual
For the Fiscal Year Ended June 30, 2025

Permanent Improvement Fund

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Miscellaneous	\$ 50,000	\$ 47,000	\$ (3,000)
<u>Expenditures:</u>			
Capital outlay	50,000	-	50,000
Excess of revenues over expenditures	-	47,000	47,000
Net change in fund balance	-	47,000	47,000
Fund balance at beginning of year	2,232,217	2,232,217	-
Prior year encumbrances appropriated	-	-	-
Fund balance at end of year	<u>\$ 2,232,217</u>	<u>\$ 2,279,217</u>	<u>\$ 47,000</u>

Building Fund

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Interest	\$ 7,200	\$ 7,158	\$ (42)
<u>Expenditures:</u>			
Capital outlay	241,062	177,513	63,549
Excess of revenues under expenditures	(233,862)	(170,355)	63,507
Net change in fund balance	(233,862)	(170,355)	63,507
Fund balance at beginning of year	209,475	209,475	-
Prior year encumbrances appropriated	27,842	27,842	-
Fund balance at end of year	<u>\$ 3,455</u>	<u>\$ 66,962</u>	<u>\$ 63,507</u>

Highland Local School District
Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget (Non-GAAP Basis) and Actual
For the Fiscal Year Ended June 30, 2025

Capital Projects Fund

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Total revenues	\$ -	\$ -	\$ -
<u>Expenditures:</u>			
Current:			
Total expenditures	-	-	-
Excess of revenues over (under) expenditures	-	-	-
<u>Other financing uses:</u>			
Transfers in	2,500,000	2,500,000	-
Net change in fund balance	2,500,000	2,500,000	-
Fund balance at beginning of year	-	-	-
Fund balance at end of year	<u>\$ 2,500,000</u>	<u>\$ 2,500,000</u>	<u>\$ -</u>

Sales Tax Fund

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Intergovernmental	\$ 2,414,000	\$ 2,413,012	\$ (988)
<u>Expenditures:</u>			
Current:			
Instruction:			
Regular	353,058	36,139	316,919
Support services:			
Instructional staff	225,000	114,660	110,340
Operation and maintenance of plant	105,318	23,986	81,332
Pupil transportation	342,463	318,463	24,000
Capital outlay	1,250,000	1,238,867	11,133
Total expenditures	2,275,839	1,732,115	543,724
Excess of revenues over expenditures	138,161	680,897	542,736
<u>Other financing uses:</u>			
Transfers out	(27,500)	(27,500)	-
Net change in fund balance	110,661	653,397	542,736
Fund balance at beginning of year	276,292	276,292	-
Prior year encumbrances appropriated	853,339	853,339	-
Fund balance at end of year	<u>\$ 1,240,292</u>	<u>\$ 1,783,028</u>	<u>\$ 542,736</u>

Highland Local School District
Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget (Non-GAAP Basis) and Actual
For the Fiscal Year Ended June 30, 2025

Sharon Elementary Trust Fund

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Interest	\$ 450	\$ 418	\$ (32)
<u>Expenditures:</u>			
<u>Current:</u>			
Total expenditures	-	-	-
Net change in fund balance	450	418	(32)
Fund balance at beginning of year	9,755	9,755	-
Fund balance at end of year	<u>\$ 10,205</u>	<u>\$ 10,173</u>	<u>\$ (32)</u>

Highland Local School District
Schedule of Revenues, Expenses and Changes in
Net Position - Budget (Non-GAAP Basis) and Actual
For the Fiscal Year Ended June 30, 2025

Endowment Fund

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Interest	\$ 2,000	\$ 1,619	\$ (381)
<u>Expenses:</u>			
Current:			
Instruction:			
Pupils	3,600	3,600	
Excess of revenues under expenditures	(1,600)	(1,981)	(381)
Net change in net position	(1,600)	(1,981)	(381)
Fund balance at beginning of year	40,804	40,804	-
Fund balance at end of year	<u>\$ 39,204</u>	<u>\$ 38,823</u>	<u>\$ (381)</u>

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STATISTICAL SECTION

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Statistical Section

This part of the School District's Annual Comprehensive Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the School District's overall financial health.

<u>Contents</u>	<u>Page(s)</u>
Financial Trends These schedules contain trend information to help the reader understand how the School District's financial position has changed over time.	S2 - S13
Revenue Capacity These schedules contain information to help the reader understand and assess the factors affecting the School District's ability to generate its most significant local revenue source, the property tax.	S14 - S21
Debt Capacity These schedules present information to help the reader assess the affordability of the School District's current levels of outstanding debt and the School District's ability to issue additional debt in the future.	S22 - S26
Economic and Demographic Information These schedules offer economic and demographic indicators to help the reader understand the environment within which the School District's financial activities take place and to provide information that facilitates comparisons of financial information over time and among governments.	S27 - S28
Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the School District's financial report relates to the services the School District provides and the activities it performs.	S29 - S35

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

Highland Local School District

Net Position by Component (1)

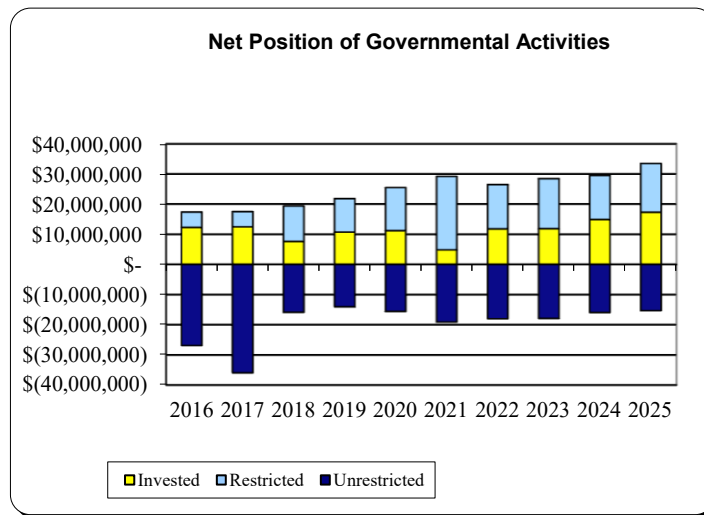
Last Ten Fiscal Years

	<u>2016</u>	Restated <u>2017 (3)</u>	<u>2018</u>	<u>2019</u>	Restated <u>2020</u>
Net investment in capital assets	\$ 12,269,221	\$ 12,464,682	\$ 7,602,037	\$ 10,715,758	\$ 11,213,691
Restricted for:					
Capital projects	960,113	1,335,852	1,190,066	3,379,320	4,992,937
Debt service	3,766,510	3,320,181	10,116,860	7,140,281	8,604,836
Food service	260,717	288,159	264,565	306,194	215,280
OPEB	-	-	-	-	-
Extracurricular	104,692	99,317	111,191	114,155	286,073
Permanent fund - scholarships					
Nonexpendable	9,536	8,596	8,703	8,895	8,996
Other purposes	9,512	14,035	88,908	137,876	164,183
Unrestricted	<u>(26,873,044)</u>	<u>(35,930,672)</u>	<u>(15,865,487)</u>	<u>(14,025,415)</u>	<u>(15,544,801)</u>
Total net position	<u>\$ (9,492,743)</u>	<u>\$ (18,399,850)</u>	<u>\$ 3,516,843</u>	<u>\$ 7,777,064</u>	<u>\$ 9,941,195</u>

(1) Accrual basis of accounting

(2) The School District implemented GASB 68 during fiscal year 2015 and as a result 2014 was restated.

(3) The School District implemented GASB 75 during fiscal year 2018 and as a result 2017 was restated.



	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
\$	4,826,918	\$ 11,756,833	\$ 11,874,200	\$ 14,924,267	\$ 17,307,220
	14,497,196	4,541,273	6,065,745	4,566,253	6,009,123
	8,932,995	8,683,443	8,281,966	7,814,894	7,535,033
	433,105	1,072,565	1,303,966	1,288,251	1,038,640
	-	-	497,383	502,831	1,050,658
	256,367	278,204	329,382	304,546	425,226
	47,183	44,720	45,819	46,959	48,996
	210,571	88,196	55,498	57,851	78,024
	(19,089,897)	(18,001,921)	(17,860,446)	(15,906,548)	(15,306,732)
\$	<u>10,114,438</u>	<u>\$ 8,463,313</u>	<u>\$ 10,593,513</u>	<u>\$ 13,599,304</u>	<u>\$ 18,186,188</u>

Highland Local School District

Changes in Net Position of Governmental Activities (1)

Last Ten Fiscal Years

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Expenses					
Regular instruction	\$ 14,162,358	\$ 15,870,373	\$ 5,285,569	\$ 12,089,722	\$ 16,208,602
Special instruction	4,331,543	5,181,399	3,167,093	6,631,525	8,548,942
Vocational instruction	69,303	37,571	23,368	55,685	26,164
Other	124,877	185,166	50,752	154,374	204,534
Pupil support	1,791,332	2,118,044	1,182,426	2,111,671	2,590,923
Instructional staff support	737,460	863,139	714,192	781,045	773,783
Board of education	30,352	26,775	25,098	27,916	25,207
Administration	2,302,043	2,283,744	1,274,496	2,141,399	2,549,384
Fiscal	929,845	938,096	892,117	1,001,510	995,770
Business	11,130	9,516	6,372	6,098	8,175
Operation and maintenance of plant	4,094,454	3,101,055	2,863,685	3,137,148	3,283,643
Pupil transportation	1,925,930	2,204,211	2,050,329	2,404,882	2,457,677
Central	239,897	276,541	228,324	251,380	289,216
Food service operations	1,229,889	1,251,539	1,214,335	1,272,819	1,214,557
Community services	212,439	254,799	215,252	262,174	263,954
Extracurricular activities	1,979,082	2,104,804	1,600,041	2,012,939	2,245,846
Interest and fiscal charges	1,967,160	719,740	1,755,417	3,350,797	2,809,773
<i>Total expenses</i>	<u>\$ 36,139,094</u>	<u>\$ 37,426,512</u>	<u>\$ 22,548,866</u>	<u>\$ 37,693,084</u>	<u>\$ 44,496,150</u>
Program Revenues					
Charges for services:					
Regular instruction	\$ 358,747	\$ 346,075	\$ 317,759	\$ 295,402	\$ 334,235
Special instruction	163,452	199,652	133,989	130,705	63,629
Operation and maintenance of plant	53,264	35,788	44,172	47,254	19,826
Food service operations	942,032	944,597	951,375	1,013,114	823,662
Community services	256,694	254,410	244,308	258,754	201,708
Extracurricular activities	674,155	681,599	662,839	638,508	529,648
Operating grants and contributions:					
Regular instruction	151,032	155,953	205,400	251,068	175,870
Special instruction	638,750	574,197	651,707	810,417	804,387
Other instruction	-	-	-	-	-
Pupil support	104,940	99,831	88,287	86,344	217,017
Instructional staff support	25,485	25,556	30,585	29,829	17,602
Administration	121,529	128,914	121,834	132,320	137,940
Business	321	-	-	-	-
Operation and maintenance of plant	-	-	-	18,007	40,000
Pupil transportation	-	-	-	-	-
Food service operations	215,529	212,990	208,388	219,197	194,249
Community services	-	-	-	-	-
Extracurricular activities	18,549	15,536	5,409	14,128	24,670
Capital grants and contributions:					
Operation and maintenance of plant					
Extracurricular activities	113,958	-	-	-	-
<i>Total program revenues</i>	<u>\$ 3,838,437</u>	<u>\$ 3,679,666</u>	<u>\$ 3,672,709</u>	<u>\$ 3,950,842</u>	<u>\$ 3,590,208</u>

	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
\$	16,688,227	\$ 13,799,242	\$ 16,244,582	17,089,399	20,031,932
	8,501,579	8,837,678	9,871,789	10,182,042	6,138,534
	3,415	3,415	3,313	-	-
	281,435	214,569	473,027	413,488	416,489
	2,654,135	2,748,249	3,201,549	3,383,730	3,611,357
	788,658	1,040,528	861,011	742,763	988,733
	24,435	31,133	26,966	26,934	27,893
	2,488,433	2,281,376	2,561,053	2,708,277	2,542,660
	942,916	883,446	979,071	983,459	1,020,545
	13,377	8,015	8,735	9,425	13,288
	3,474,140	8,314,174	4,846,260	5,222,759	5,307,554
	2,324,706	2,307,155	2,283,892	2,605,077	3,225,286
	292,522	265,694	292,289	281,093	295,406
	1,318,714	1,753,213	1,584,312	1,773,280	1,860,311
	209,818	277,409	268,243	260,990	211,191
	2,329,774	2,401,591	2,641,978	2,815,486	2,940,665
	2,271,040	2,341,327	2,317,382	2,285,094	1,393,228
\$	<u>44,607,324</u>	<u>\$ 47,508,214</u>	<u>\$ 48,465,452</u>	<u>50,783,296</u>	<u>50,025,072</u>
\$	212,673	\$ 274,422	\$ 292,452	\$ 313,341	\$ 265,728
	85,529	49,596	53,966	67,753	42,797
	2,323	14,575	21,610	16,376	32,526
	93,861	182,223	1,223,158	1,263,486	1,249,568
	97,316	265,340	293,368	270,627	272,104
	592,347	793,322	859,598	918,565	1,014,944
	585,715	594,262	596,480	827,395	370,858
	835,531	1,166,087	1,255,650	961,120	1,203,512
	-	-	-	280,303	-
	266,332	195,796	627,406	635,891	211,959
	7,175	6,495	234,193	180,696	-
	110,958	-	-	-	-
	-	-	-	-	-
	71,722	-	27,706	777,562	32,136
	-	-	-	96,154	-
	1,327,442	2,097,082	501,436	506,804	415,483
	-	-	126,623	-	-
	46,575	37,406	55,100	42,811	81,178
	-	-	-	-	-
	-	-	85,000	75,000	47,000
\$	<u>4,341,264</u>	<u>\$ 5,678,077</u>	<u>\$ 6,254,923</u>	<u>\$ 7,233,884</u>	<u>\$ 5,239,793</u>

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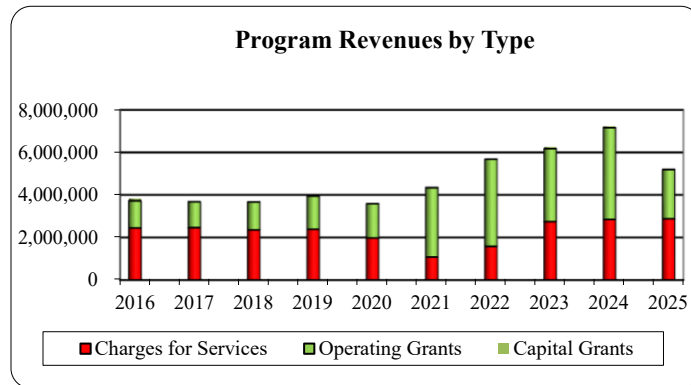
Highland Local School District

Changes in Net Position of Governmental Activities (1)

Last Ten Fiscal Years

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Net expense	\$ (32,300,657)	\$ (33,746,846)	\$ (18,876,157)	\$ (33,742,242)	\$ (40,905,942)
General revenues					
Property taxes levied for:					
General purposes	\$ 21,450,297	\$ 22,698,203	\$ 24,660,093	\$ 20,024,771	\$ 24,242,557
Debt service	1,956,302	2,128,513	4,647,882	4,556,826	5,788,860
Shared revenue restricted for:					
Permanent improvement projects	1,565,729	1,480,978	1,451,160	1,596,959	1,678,276
Grants and entitlements not restricted to specific programs	8,671,654	8,812,247	8,751,184	8,894,392	8,417,536
Gain on sale of capital assets	-	-	-	5,461	-
Investment earnings	261,413	335,398	748,826	2,209,551	2,235,821
Increase (decrease) in fair value of investments	116,156	(121,897)	(384,928)	487,287	252,513
Miscellaneous	409,493	404,771	918,633	227,216	276,979
Capital contributions	-	-	-	-	-
Total general revenues	\$ 34,431,044	\$ 35,738,213	\$ 40,792,850	\$ 38,002,463	\$ 42,892,542
Restatement	-	-	-	-	177,531
Change in net position	\$ 2,130,387	\$ 1,991,367	\$ 21,916,693	\$ 4,260,221	\$ 1,986,600

(1) Accrual basis of accounting



<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
<u>\$ (40,266,060)</u>	<u>\$ (41,830,137)</u>	<u>\$ (42,210,529)</u>	<u>\$ (43,549,412)</u>	<u>\$ (44,785,279)</u>
\$ 23,460,404	\$ 24,649,385	\$ 27,338,532	\$ 28,236,292	\$ 29,893,146
5,767,341	4,782,746	4,650,241	4,691,898	4,962,110
1,870,555	2,156,969	2,328,585	2,504,945	2,533,101
8,823,970	8,120,713	8,992,761	9,218,731	9,738,062
-	-	210,534	-	-
485,682	251,277	58,168	1,224,897	2,035,244
(160,584)	(902,362)	583,663	600,559	-
191,935	1,120,284	178,245	77,881	210,500
-	-	-	-	-
<u>\$ 40,439,303</u>	<u>\$ 40,179,012</u>	<u>\$ 44,340,729</u>	<u>\$ 46,555,203</u>	<u>\$ 49,372,163</u>
-	-	-	-	-
<u>\$ 173,243</u>	<u>\$ (1,651,125)</u>	<u>\$ 2,130,200</u>	<u>\$ 3,005,791</u>	<u>\$ 4,586,884</u>

Highland Local School District

Program Revenues of Governmental Activities by Function (1)

Last Ten Fiscal Years

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Governmental activities:					
<i>Function</i>					
Regular instruction	\$ 509,779	\$ 502,028	\$ 523,159	\$ 546,470	\$ 510,105
Special instruction	802,202	773,849	785,696	941,122	868,016
Vocational	-	3,358	3,292	5,795	5,765
Other	-	-	-	-	-
Pupil support	104,940	99,831	88,287	86,344	217,017
Instructional staff support	25,485	25,556	30,585	29,829	17,602
Administration	121,529	128,914	121,834	132,320	137,940
Business	321	-	-	-	-
Operation and maintenance of plant	53,264	36,998	47,537	65,261	59,826
Pupil transportation	-	-	-	-	-
Operation of food service	1,157,561	1,157,587	1,159,763	1,232,311	1,017,911
Community services	256,694	254,410	244,308	258,754	201,708
Extracurricular activities	806,662	697,135	668,248	652,636	554,318
Total program revenues	<u>\$ 3,838,437</u>	<u>\$ 3,679,666</u>	<u>\$ 3,672,709</u>	<u>\$ 3,950,842</u>	<u>\$ 3,590,208</u>

(1) Accrual basis of accounting

<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
\$ 798,388	\$ 868,684	\$ 888,932	\$ 1,140,736	\$ 636,586
921,060	1,215,683	1,309,616	1,028,873	1,246,309
5,765	1,471	1,177	-	-
-	-	-	280,303	-
266,332	195,796	627,406	635,891	211,959
7,175	6,495	234,193	180,696	-
110,958	-	-	-	-
-	-	-	-	-
74,045	14,575	49,316	793,938	64,662
-	-	-	96,154	-
1,421,303	2,279,305	1,724,594	1,770,290	1,665,051
97,316	265,340	419,991	270,627	272,104
638,922	830,728	999,698	1,036,376	1,143,122
<u>\$ 4,341,264</u>	<u>\$ 5,678,077</u>	<u>\$ 6,254,923</u>	<u>\$ 7,233,884</u>	<u>\$ 5,239,793</u>

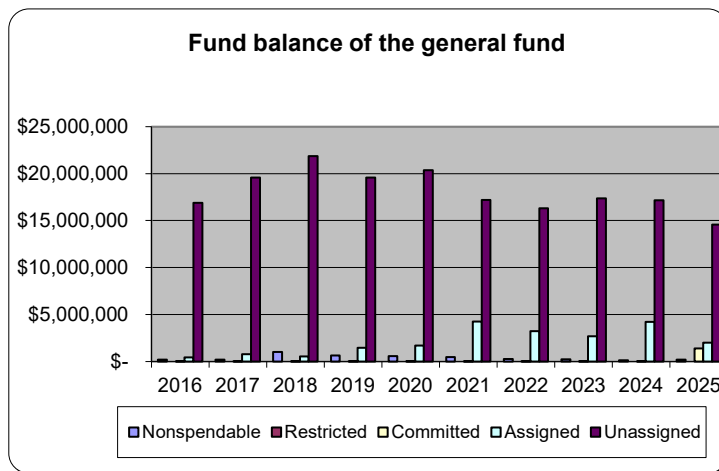
Highland Local School District

Fund Balances, Governmental Funds (1)

Last Ten Fiscal Years

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
General fund					
Nonspendable	\$ 166,157	\$ 197,059	\$ 997,430	\$ 624,424	\$ 567,047
Committed	11,000	11,000	11,000	11,000	11,000
Assigned	424,289	759,385	520,143	1,445,082	1,698,552
Unassigned	16,887,863	19,578,280	21,868,120	19,562,924	20,356,628
<i>Total general fund</i>	<u>17,489,309</u>	<u>20,545,724</u>	<u>23,396,693</u>	<u>21,643,430</u>	<u>22,633,227</u>
All other governmental funds					
Nonspendable	8,364	17,030	16,633	17,261	8,000
Restricted	4,493,670	4,410,459	74,348,323	70,417,929	64,899,863
Committed	-	-	-	-	-
Unassigned (deficit)	(68,765)	(58,743)	(87,548)	(3,132)	(51,395)
<i>Total all other governmental funds</i>	<u>4,433,269</u>	<u>4,368,746</u>	<u>74,277,408</u>	<u>70,432,058</u>	<u>64,856,468</u>
<i>Total governmental funds</i>	<u>\$ 21,922,578</u>	<u>\$ 24,914,470</u>	<u>\$ 97,674,101</u>	<u>\$ 92,075,488</u>	<u>\$ 87,489,695</u>

(1) Modified accrual basis of accounting



<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
\$ 454,648	\$ 265,883	\$ 204,482	\$ 114,212	\$ 175,006
11,000	11,000	11,000	11,000	1,387,000
4,244,885	3,220,607	2,661,320	4,219,802	1,994,699
<u>17,194,104</u>	<u>16,305,749</u>	<u>17,359,912</u>	<u>17,155,140</u>	<u>14,573,053</u>
<u>21,904,637</u>	<u>19,803,239</u>	<u>20,236,714</u>	<u>21,500,154</u>	<u>18,129,758</u>
40,500	40,500	40,500	40,500	40,500
29,330,206	13,902,395	15,212,019	13,041,092	13,966,790
-	-	-	-	2,500,000
<u>(89,853)</u>	<u>(82,725)</u>	<u>(140,492)</u>	<u>(244,445)</u>	<u>(227,566)</u>
<u>29,280,853</u>	<u>13,860,170</u>	<u>15,112,027</u>	<u>12,837,147</u>	<u>16,279,724</u>
<u>\$ 51,185,490</u>	<u>\$ 33,663,409</u>	<u>\$ 35,348,741</u>	<u>\$ 34,337,301</u>	<u>\$ 34,409,482</u>

Highland Local School District
Changes in Fund Balances, Governmental Funds (1)
Last Ten Fiscal Years

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Revenues										
Taxes	\$23,490,296	\$24,914,419	\$29,325,034	\$24,618,354	\$30,014,951	\$ 29,251,636	\$ 29,452,790	\$31,945,383	\$32,807,484	\$34,838,456
Intergovernmental	11,287,420	11,554,256	11,510,554	11,930,790	11,597,177	13,758,566	14,393,328	14,549,149	15,678,208	14,347,852
Interest	262,524	338,133	753,803	2,218,522	2,240,520	486,270	253,331	994,825	1,292,006	1,495,153
Increase (decrease) in the fair value of investments	116,156	(121,897)	(384,928)	487,287	252,513	(160,584)	(902,362)	(308,877)	600,559	601,381
Tuition and fees	764,106	773,575	679,582	585,879	555,923	398,771	523,845	590,556	611,530	590,599
Rent	46,455	42,842	42,934	51,662	19,826	2,323	13,927	11,679	18,534	20,743
Extracurricular activities	699,567	695,695	664,100	632,104	526,238	573,792	876,576	859,360	924,705	1,020,912
Gifts and donations	19,305	15,383	7,483	13,631	24,475	46,779	92,147	142,153	120,529	127,388
Charges for services	942,032	944,597	951,375	1,013,114	823,662	93,861	527,213	1,223,158	1,263,486	1,249,568
Miscellaneous	422,437	421,233	934,347	250,151	303,267	200,392	718,354	213,611	106,614	240,571
<i>Total revenues</i>	<u>38,050,298</u>	<u>39,578,236</u>	<u>44,484,284</u>	<u>41,801,494</u>	<u>46,358,552</u>	<u>44,651,806</u>	<u>45,949,149</u>	<u>50,220,997</u>	<u>53,423,655</u>	<u>54,532,623</u>
Expenditures										
Current:										
Instruction:										
Regular	13,642,936	14,338,758	14,769,997	13,790,006	14,697,436	14,966,378	13,566,235	14,984,241	16,107,191	19,729,795
Special	4,315,340	4,869,281	5,768,351	7,283,006	7,961,901	7,895,612	9,535,185	9,834,304	10,305,222	6,803,810
Vocational	87,290	30,867	64,016	65,889	21,809	-	-	-	-	-
Other	125,211	174,493	141,874	175,210	193,825	267,797	228,320	463,524	431,038	413,676
Support services:										
Pupil	1,759,635	1,922,505	2,257,825	2,347,356	2,367,324	2,447,927	2,894,218	3,127,398	3,375,038	3,712,592
Instructional staff	709,411	802,380	774,763	755,621	710,996	729,086	1,008,314	843,917	713,102	943,975
Board of education	30,551	26,143	26,764	28,013	24,065	23,796	31,956	26,966	26,934	27,893
Administration	2,276,407	2,163,151	2,309,547	2,364,665	2,333,733	2,287,529	2,472,382	2,559,277	2,710,475	2,690,424
Fiscal	938,937	907,351	947,389	1,000,170	963,215	908,972	934,935	1,011,233	1,024,428	1,054,899
Business	10,796	9,183	6,038	5,764	7,815	12,354	8,729	8,735	9,425	13,288
Operation and maintenance of plant	3,736,098	2,587,423	2,685,373	2,750,086	2,741,838	2,967,557	7,732,053	3,802,248	4,031,200	4,163,607
Pupil transportation	1,748,542	1,950,876	1,929,135	2,140,543	2,091,604	1,962,035	2,260,124	2,222,645	2,497,323	3,061,832
Central	238,531	264,272	249,362	252,349	268,102	275,629	294,117	310,303	298,605	312,709
Operation of non-instructional services:										
Food service operations	1,144,359	1,130,060	1,180,680	1,190,156	1,088,224	1,196,734	1,626,433	1,482,714	1,675,715	1,744,645
Community services	215,499	245,601	236,798	263,434	247,304	198,034	302,910	287,656	267,386	237,899
Extracurricular activities	1,432,934	1,294,532	1,377,175	1,381,042	1,414,977	1,498,359	1,651,672	1,803,936	1,977,265	2,126,095
Capital outlay	2,218,716	439,076	1,490,632	3,240,212	8,470,542	45,669,857	12,332,624	1,015,464	2,264,319	614,024

Highland Local School District

Changes in Fund Balances, Governmental Funds (1)

Last Ten Fiscal Years (Continued)

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Debt service:										
Principal retirement	1,838,475	2,269,048	7,909,966	4,166,240	2,365,381	3,459,679	3,750,070	3,894,160	4,181,878	4,445,902
Interest and fiscal charges	1,472,466	1,161,344	1,470,226	4,210,045	3,118,449	2,796,957	2,846,953	2,707,866	2,549,651	2,374,503
Bond issuance costs	210,308	-	626,950	-	512,970	69,250	-	-	-	-
<i>Total expenditures</i>	<u>38,152,442</u>	<u>36,586,344</u>	<u>46,222,861</u>	<u>47,409,807</u>	<u>51,601,510</u>	<u>89,633,542</u>	<u>63,477,230</u>	<u>50,386,587</u>	<u>54,446,195</u>	<u>54,471,568</u>
<i>Excess of revenues over (under) expenditures</i>	<u>(102,144)</u>	<u>2,991,892</u>	<u>(1,738,577)</u>	<u>(5,608,313)</u>	<u>(5,242,958)</u>	<u>(44,981,736)</u>	<u>(17,528,081)</u>	<u>(165,590)</u>	<u>(1,022,540)</u>	<u>61,055</u>
Other financing sources (uses)										
Sale of capital assets	-	-	27,600	9,700	-	-	6,000	1,631,248	11,000	11,226
Lease-purchase agreement	-	-	-	-	142,835	8,500,000	-	-	-	-
Lease proceeds	-	-	-	-	-	-	-	219,674	-	-
Bonds issued	19,205,000	-	-	-	53,945,000	-	-	-	-	-
Payment to refunded bond escrow agent	-	-	-	-	(61,128,743)	-	-	-	-	-
Premium on refunding bonds issued	3,817,887	-	-	-	7,698,073	-	-	-	-	-
Notes issued	-	-	5,900,000	-	-	-	-	-	-	-
General obligation bonds issued	-	-	63,000,000	-	-	-	-	-	-	-
Premium on notes bonds and notes issued	-	-	5,570,608	-	-	-	-	-	-	-
Current refunding - principal	(22,325,000)	-	-	-	-	-	-	-	-	-
Transfers in	380,000	-	-	25,000	3,000	64,000	10,000	50,000	50,000	3,262,172
Transfers out	(380,000)	-	-	(25,000)	(3,000)	(64,000)	(10,000)	(50,000)	(50,000)	(3,262,172)
<i>Total other financing sources (uses)</i>	<u>697,887</u>	<u>-</u>	<u>74,498,208</u>	<u>9,700</u>	<u>657,165</u>	<u>8,500,000</u>	<u>6,000</u>	<u>1,850,922</u>	<u>11,000</u>	<u>11,226</u>
<i>Net change in fund balances</i>	<u>\$ 595,743</u>	<u>\$ 2,991,892</u>	<u>\$72,759,631</u>	<u>\$ (5,598,613)</u>	<u>\$ (4,585,793)</u>	<u>\$ (36,481,736)</u>	<u>\$ (17,522,081)</u>	<u>\$ 1,685,332</u>	<u>\$ (1,011,540)</u>	<u>\$ 72,281</u>
Debt service as a percentage of noncapital expenditures	9.2%	9.5%	21.0%	19.0%	12.7%	14.2%	12.9%	13.4%	12.9%	12.7%

S 13

(1) Modified accrual basis of accounting

Note: For 2016 - 2025, Governmental Funds includes general, debt service, special revenue, capital projects and permanent funds.

Highland Local School District

Assessed and Estimated Actual Value of Taxable Property

Last Ten Collection Years

Collection Year	Real Property			Tangible Personal Property	
	Assessed Value		Estimated Actual Value	Public Utility	
	Residential/Agricultural	Commercial/Industrial/PU		Assessed Value	Estimated Actual Value
2016	\$ 673,255,790	\$ 57,289,400	\$ 2,087,271,971	\$ 13,344,730	\$ 15,699,682
2017	732,406,960	59,462,480	2,262,484,114	14,432,430	16,979,329
2018	755,249,520	60,191,990	2,329,832,886	15,134,480	17,805,271
2019	776,389,800	64,554,280	2,402,697,371	15,772,490	18,555,871
2020	868,985,580	72,972,360	2,691,308,400	17,574,780	20,676,212
2021	900,475,670	73,340,940	2,782,333,171	18,997,110	22,349,541
2022	927,250,750	79,159,770	2,875,458,629	20,204,740	23,770,282
2023	1,164,917,110	85,980,750	3,573,993,886	22,337,880	26,279,859
2024	1,198,143,750	86,529,510	3,670,495,029	23,198,650	27,292,529
2025	1,236,251,730	92,088,380	3,795,257,457	25,701,670	30,237,259

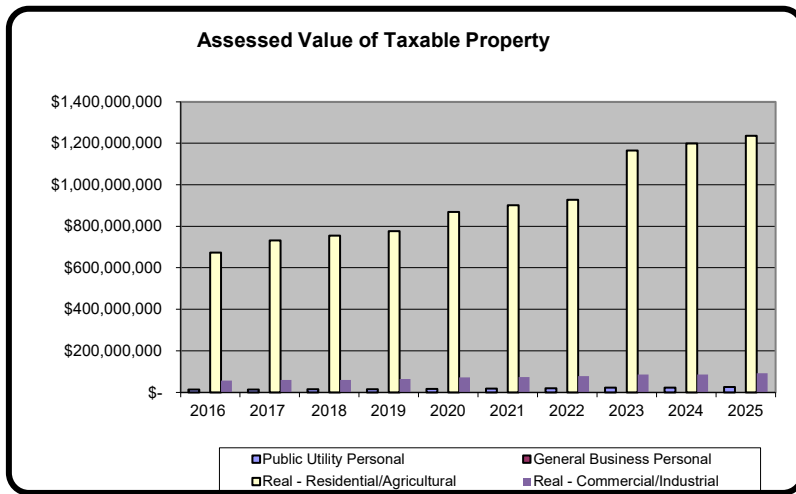
Real property is reappraised every six years with a State mandated update of the current market value in the third year following each reappraisal.

The assessed value of real property including public utility real property is 35% of estimated true value. The assessed value of public utility personal property ranges from 0% of true value for railroad property to 85% for electric transmission and distribution property.

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. Beginning in the 2006 collection year, the 10% rollback for commercial/industrial property was eliminated.

Source: Medina County Auditor and Summit County Fiscal Officer

		Total		
Assessed Value	Estimated Actual Value	Ratio	Total Direct Tax Rate	
\$ 743,889,920	\$ 2,102,971,654	35.37%	75.30	
806,301,870	2,279,463,443	35.37%	75.30	
830,575,990	2,347,638,157	35.38%	77.70	
856,716,570	2,421,253,242	35.38%	77.70	
959,532,720	2,711,984,612	35.38%	77.00	
992,813,720	2,804,682,712	35.40%	77.00	
1,026,615,260	2,899,228,911	35.41%	74.70	
1,273,235,740	3,600,273,745	35.36%	73.30	
1,307,871,910	3,697,787,558	35.37%	73.30	
1,354,041,780	3,825,494,716	35.40%	73.30	



Highland Local School District

Property Tax Rates - Direct and Overlapping Governments

Last Ten Collection Years

Collection Year		Direct Rates			Overlapping rates						
		Operating Millage	Debt		County Levy	Township	Vocational Education	Wadsworth City	Other	County Library	Total
			Service Millage	School District							
2025	Brunswick Hills	69.40	3.90	73.30	9.12	16.55	3.05	-	1.00	1.50	104.52
	Granger Twp.	69.40	3.90	73.30	9.12	7.80	3.05	-	1.00	1.50	95.77
	Hinckley Twp.	69.40	3.90	73.30	9.12	15.05	3.05	-	2.75	1.50	104.77
	Medina Twp.	69.40	3.90	73.30	9.12	8.60	3.05	-	1.00	1.50	96.57
	Montville Twp.	69.40	3.90	73.30	9.12	11.70	3.05	-	1.00	1.50	99.67
	Sharon Twp.	69.40	3.90	73.30	9.12	7.50	3.05	-	1.00	1.50	95.47
	Wadsworth City	69.40	3.90	73.30	9.12	-	3.05	6.90	1.00	1.50	94.87
	Wadsworth/Sharon	69.40	3.90	73.30	9.12	6.40	3.05	5.80	1.00	1.50	100.17
	Copley Twp.	69.40	3.90	73.30	13.19	21.72	3.05	-	2.00	1.90	115.16
2024	Brunswick Hills	69.40	3.90	73.30	9.12	16.55	3.05	-	1.00	1.50	104.52
	Granger Twp.	69.40	3.90	73.30	9.12	7.80	3.05	-	1.00	1.50	95.77
	Hinckley Twp.	69.40	3.90	73.30	9.12	15.05	3.05	-	2.75	1.50	104.77
	Medina Twp.	69.40	3.90	73.30	9.12	8.60	3.05	-	1.00	1.50	96.57
	Montville Twp.	69.40	3.90	73.30	9.12	11.45	3.05	-	1.00	1.50	99.42
	Sharon Twp.	69.40	3.90	73.30	9.12	7.50	3.05	-	1.00	1.50	95.47
	Wadsworth City	69.40		69.40	9.12	-	3.05	6.90	1.00	1.50	90.97
	Wadsworth/Sharon	69.40		69.40	9.12	6.40	3.05	5.80	1.00	1.50	96.27
	Copley Twp.	69.40	3.90	73.30	14.10	21.93	3.05	-	2.00	1.90	116.28
2023	Brunswick Hills	69.40	3.90	73.30	9.12	15.55	3.05	-	1.00	1.85	103.87
	Granger Twp.	69.40	3.90	73.30	9.12	5.60	3.05	-	1.00	1.85	93.92
	Hinckley Twp.	69.40	3.90	73.30	9.12	15.05	3.05	-	2.75	1.85	105.12
	Medina Twp.	69.40	3.90	73.30	9.12	8.60	3.05	-	1.00	1.85	96.92
	Montville Twp.	69.40	3.90	73.30	9.12	11.45	3.05	-	1.00	1.85	99.77
	Sharon Twp.	69.40	3.90	73.30	9.12	7.50	3.05	-	1.00	1.85	95.82
	Wadsworth City	69.40	3.90	73.30	9.12	-	3.05	6.90	1.00	1.85	95.22
	Wadsworth/Sharon	69.40	3.90	73.30	9.12	6.40	3.05	5.80	1.00	1.85	100.52
	Copley Twp.	69.40	3.90	73.30	14.10	22.21	3.05	-	2.00	1.90	116.56

Highland Local School District

Property Tax Rates - Direct and Overlapping Governments

Last Ten Collection Years

Collection Year		Direct Rates			Overlapping rates						
		Operating Millage	Debt		County Levy	Township	Vocational Education	Wadsworth City	Other	County Library	Total
			Service Millage	School District							
2022	Brunswick Hills	70.20	4.50	74.70	9.04	15.55	3.05	-	1.00	2.05	105.39
	Granger Twp.	70.20	4.50	74.70	9.04	5.60	3.05	-	1.00	2.05	95.44
	Hinckley Twp.	70.20	4.50	74.70	9.04	14.05	3.05	-	2.75	2.05	105.64
	Medina Twp.	70.20	4.50	74.70	9.04	8.50	3.05	-	1.00	2.05	98.34
	Montville Twp.	70.20	4.50	74.70	9.04	11.45	3.05	-	1.00	2.05	101.29
	Sharon Twp.	70.20	4.50	74.70	9.04	7.50	3.05	-	1.00	2.05	97.34
	Wadsworth City	70.20	4.50	74.70	9.04	-	3.05	6.40	1.00	2.05	96.24
	Wadsworth/Sharon Copley Twp.	70.20	4.50	74.70	9.04	6.40	3.05	5.30	1.00	2.05	101.54
2021	Brunswick Hills	70.60	6.40	77.00	9.04	15.55	3.05	-	1.00	2.15	107.79
	Granger Twp.	70.60	6.40	77.00	9.04	5.60	3.05	-	1.00	2.15	97.84
	Hinckley Twp.	70.60	6.40	77.00	9.04	14.05	3.05	-	2.75	2.15	108.04
	Medina Twp.	70.60	6.40	77.00	9.04	8.50	3.05	-	1.00	2.15	100.74
	Montville Twp.	70.60	6.40	77.00	9.04	11.45	3.05	-	1.00	2.15	103.69
	Sharon Twp.	70.60	6.40	77.00	9.04	7.65	3.05	-	1.00	2.15	99.89
	Wadsworth City	70.60	6.40	77.00	9.04	-	3.05	4.90	1.00	2.15	97.14
	Copley Twp.	70.60	6.40	77.00	12.70	18.40	3.05	-	1.46	2.56	115.17
2020	Brunswick Hills	70.60	6.40	77.00	8.04	14.35	3.05	-	1.00	2.15	105.59
	Granger Twp.	70.60	6.40	77.00	8.04	5.60	3.05	-	1.00	2.15	96.84
	Hinckley Twp.	70.60	6.40	77.00	8.04	14.05	3.05	-	2.75	2.15	107.04
	Medina Twp.	70.60	6.40	77.00	8.04	8.50	3.05	-	1.00	2.15	99.74
	Montville Twp.	70.60	6.40	77.00	8.04	11.45	3.05	-	1.00	2.15	102.69
	Sharon Twp.	70.60	6.40	77.00	8.04	7.90	3.05	-	1.00	2.15	99.14
	Wadsworth City	70.60	6.40	77.00	8.04	-	3.05	4.90	1.00	2.15	96.14
	Copley Twp.	70.60	6.40	77.00	12.70	18.40	3.05	-	1.46	2.56	115.17
2019	Brunswick Hills	71.30	6.40	77.70	8.04	14.35	3.05	-	1.00	2.15	106.29
	Granger Twp.	71.30	6.40	77.70	8.04	5.60	3.05	-	1.00	2.15	97.54
	Hinckley Twp.	71.30	6.40	77.70	8.04	14.05	3.05	-	2.75	2.15	107.74
	Medina Twp.	71.30	6.40	77.70	8.04	8.50	3.05	-	1.00	2.15	100.44
	Montville Twp.	71.30	6.40	77.70	8.04	11.45	3.05	-	1.00	2.15	103.39
	Sharon Twp.	71.30	6.40	77.70	8.04	7.90	3.05	-	1.00	2.15	99.84
	Wadsworth City	71.30	6.40	77.70	8.04	-	3.05	4.90	1.00	2.15	96.84
	Copley Twp.	71.30	6.40	77.70	12.70	18.40	3.05	-	1.46	2.56	115.87

(Continued)

Highland Local School District

Property Tax Rates - Direct and Overlapping Governments

Last Ten Collection Years

Collection Year		Direct Rates			Overlapping rates						
		Operating Millage	Debt Service Millage	Total School District	County Levy	Township	Vocational Education	Wadsworth City	Other	County Library	Total
2018	Brunswick Hills	71.30	6.40	77.70	8.04	14.35	3.05	-	1.00	2.15	106.29
	Granger Twp.	71.30	6.40	77.70	8.04	5.60	3.05	-	1.00	2.15	97.54
	Hinckley Twp.	71.30	6.40	77.70	8.04	14.05	3.05	-	2.75	2.15	107.74
	Medina Twp.	71.30	6.40	77.70	8.04	8.50	3.05	-	1.00	2.15	100.44
	Montville Twp.	71.30	6.40	77.70	8.04	11.70	3.05	-	1.00	2.15	103.64
	Sharon Twp.	71.30	6.40	77.70	8.04	7.90	3.05	-	1.00	2.15	99.84
	Wadsworth City	71.30	6.40	77.70	8.04	-	3.05	4.90	1.00	2.15	96.84
	Copley Twp.	71.30	6.40	77.70	12.70	16.90	3.05	-	1.46	2.56	114.37
2017	Brunswick Hills	72.30	3.00	75.30	8.04	14.35	3.05	-	1.00	2.10	103.84
	Granger Twp.	72.30	3.00	75.30	8.04	5.60	3.05	-	1.00	2.10	95.09
	Hinckley Twp.	72.30	3.00	75.30	8.04	13.05	3.05	-	2.75	2.10	104.29
	Medina Twp.	72.30	3.00	75.30	8.04	8.60	3.05	-	1.00	2.10	98.09
	Montville Twp.	72.30	3.00	75.30	8.04	10.70	3.05	-	1.00	2.10	100.19
	Sharon Twp.	72.30	3.00	75.30	8.04	7.90	3.05	-	1.00	2.10	97.39
	Wadsworth City	72.30	3.00	75.30	8.04	-	3.05	4.70	1.00	2.10	94.19
	Copley Twp.	72.30	3.00	75.30	12.70	16.90	3.05	-	1.46	2.60	112.01
2016	Brunswick Hills	72.30	3.00	75.30	8.04	11.85	3.05	-	0.75	2.10	101.09
	Granger Twp.	72.30	3.00	75.30	8.04	5.60	3.05	-	0.75	2.10	94.84
	Hinckley Twp.	72.30	3.00	75.30	8.04	13.05	3.05	-	2.75	2.10	104.29
	Medina Twp.	72.30	3.00	75.30	8.04	8.60	3.05	-	0.75	2.10	97.84
	Montville Twp.	72.30	3.00	75.30	8.04	10.65	3.05	-	0.75	2.10	99.89
	Sharon Twp.	72.30	3.00	75.30	8.04	7.65	3.05	-	0.75	2.10	96.89
	Wadsworth City	72.30	3.00	75.30	8.04	-	3.05	4.70	0.75	2.10	93.94
	Copley Twp.	72.30	3.00	75.30	12.70	16.90	3.05	-	1.46	2.62	112.03

S-18

Source: Medina County Auditor and Summit County Fiscal Officer

Note: The rates are per \$1,000 of assessed valuation. Data is presented on a calendar year basis because that is the manner in which the information is maintained by the County.

Highland Local School District
Property Tax Levies and Collections (1)
Last Ten Collection Years

Levy/ Collection Year (2)	Current Tax Levy	Current Tax Collections (1)	Percent of Current Tax Collections to Current Tax Levy	Delinquent Tax Collections (3)	Total Tax Collections	Percent of Total Tax Collections to Current Tax Levy
2015	\$ 26,046,940	\$ 25,445,841	97.69%	\$ 716,574	\$ 26,162,415	100.44%
2016	26,714,293	26,145,433	97.87	661,526	26,806,959	100.35
2017	27,904,657	27,508,860	98.58	564,050	28,072,910	100.60
2018	30,738,521	30,255,169	98.43	440,894	30,696,063	99.86
2019	31,216,227	30,841,177	98.80	493,567	31,334,744	100.38
2020	32,831,980	32,185,881	98.03	415,546	32,601,427	99.30
2021	33,899,940	33,127,433	97.72	707,995	33,835,428	99.81
2022	32,680,175	32,035,616	98.03	692,499	32,728,115	100.15
2023	36,157,823	35,637,336	98.56	685,121	36,322,457	100.46
2024	37,502,914	36,808,232	98.15	571,963	37,380,195	99.67

Source: Medina County Auditor and Summit County Fiscal Officer

- (1) Includes homestead exemptions and rollback of locally assessed taxes which are reimbursed by the State and reported as intergovernmental revenue.
- (2) The 2025 information cannot be presented because all collections have not been made by June 30, 2025.
- (3) The County's current reporting system does not track delinquent tax collections by tax year. Outstanding delinquencies are tracked in total by the date the parcel is first certified delinquent. Penalties and interest are applied to the total outstanding delinquent balance. The presentation will be updated as new information becomes available.

Highland Local School District

Principal Taxpayers

Real Estate Tax

2025 and 2016 (1)

Name of Taxpayer	2025		
	Assessed Value	Rank	Percent of Real Property Assessed Value
Medina Care, LLC	\$ 8,103,390	1	0.61%
Akron-Medina Corporate Park II, Inc.	4,015,340	2	0.30%
Kuchar Limited Liability Company	3,693,440	3	0.28%
Menard, Inc.	3,680,610	4	0.28%
RDC Investments, LLC	3,239,640	5	0.24%
SFS Stadler, Inc.	2,772,860	6	0.21%
Paula B Cosgrove Trustee	2,472,530	7	0.19%
Nelson Family Properties, LLC	2,428,010	8	0.18%
PWC7, LLC	1,905,430	9	0.14%
Mirror Lake Farm, LLC	1,577,510	10	0.12%
Totals	<u>\$ 33,888,760</u>		<u>2.55%</u>
Total assessed valuation	<u>\$ 1,328,340,110</u>		

Name of Taxpayer	2016		
	Assessed Value	Rank	Percent of Real Property Assessed Value
SFS Stadler, Inc.	\$ 2,501,720	1	0.34%
Panther II Transportation, Inc.	1,611,330	2	0.22%
Akron-Medina Corporate Park	1,362,010	3	0.19%
Structured Management	1,330,730	4	0.18%
Pinnacle Sports Complex, LLC	1,254,880	5	0.17%
Pleasant Valley Construction Co.	1,183,730	6	0.16%
Advanced Energy Technologies, LLC	1,058,750	7	0.15%
Pride One Route 18, LLC	1,032,500	8	0.14%
EBB Investments, LLC	1,013,540	9	0.14%
Sharon Club Company	952,980	10	0.13%
Totals	<u>\$ 13,302,170</u>		<u>1.82%</u>
Total assessed valuation	<u>\$ 730,545,190</u>		

Source: Medina County Auditor and Summit County Fiscal Officer

(1) The amounts presented represent the assessed values upon which 2025 and 2016 collections were based.

Highland Local School District

Principal Taxpayers

Public Utility Tax

2025 and 2016 (1)

Name of Taxpayer	2025 (2)		
	Assessed Value	Rank	Percent of Public Utility Assessed Value
Ohio Edison Company	\$ 13,944,820	1	54.26%
American Transmission Systems, Inc.	6,845,570	2	26.63%
Columbia Gas of Ohio, Inc.	3,644,030	3	14.18%
East Ohio Gas Company	836,910	4	3.26%
Cleveland Electric Illuminating	254,110	5	0.99%
Wheeling & Lake Erie Railroad	60,210	6	0.23%
Knox Energy Cooperative Association, Inc.	57,860	7	0.23%
Consumers Gas Cooperative	47,300	8	0.18%
CSL Ohio Systems, LLC	36,970	9	0.14%
Buckeye Pipe Line Co. LP	28,810	10	0.11%
Totals	<u>\$ 25,756,590</u>		<u>100.21%</u>
Total assessed valuation	<u>\$ 25,701,670</u>		

Name of Taxpayer	2016 (2)		
	Assessed Value	Rank	Percent of Public Utility Assessed Value
Ohio Edison Company	\$ 9,265,480	1	69.43%
American Transmission Systems, Inc.	1,940,080	2	14.54%
Columbia Gas of Ohio, Inc.	1,562,510	3	11.71%
East Ohio Gas Company	497,860	4	3.73%
CSL Ohio Systems, LLC	47,090	5	0.35%
Knox Energy Cooperative Association, Inc.	38,460	6	0.29%
Wheeling and Lake Erie Railroad	37,010	7	0.28%
Buckeye Pipe Line Co., LP	34,760	8	0.26%
Consumers Gas Cooperative	26,880	9	0.20%
Totals	<u>\$ 13,450,130</u>		<u>100.79%</u>
Total assessed valuation	<u>\$ 13,344,730</u>		

Source: Medina County Auditor and Summit County Fiscal Officer

(1) The amounts presented represent the assessed values upon which 2025 and 2016 collections were based.

(2) The School District's total assessed value is an estimate provided by the County Auditor that is reduced to reflect collections based upon the phase out of personal property. Reduced valuation amounts are not available by individual taxpayers.

Highland Local School District

Ratio of Outstanding Debt By Type

Last Ten Fiscal Years

Governmental Activities

<u>Fiscal Year</u>	<u>General Obligation Bonds</u>	<u>Direct borrowings - Lease-Purchase Agreement</u>	<u>Lease Payable</u>	<u>Total Primary Government</u>	<u>Percentage of Personal Income (1)</u>	<u>Population (2)</u>	<u>Per Capita</u>
2016	25,929,688	8,109,702	-	34,039,390	3.10%	18,016	1,889.40
2017	23,655,059	7,775,654	-	31,430,713	2.79%	18,428	1,705.60
2018	90,058,976	7,430,688	-	97,489,664	7.73%	19,061	5,114.61
2019	85,492,940	7,074,448	-	92,567,388	6.93%	18,915	4,893.86
2020	85,663,456	6,646,902	-	92,310,358	6.10%	19,346	4,771.55
2021	81,984,535	14,747,223	-	96,731,758	5.88%	20,114	4,809.18
2022	78,642,748	13,817,153	-	92,459,901	5.46%	19,947	4,635.28
2023	75,271,974	12,906,421	191,246	88,369,641	5.15%	19,947	4,430.22
2024	71,768,064	11,969,750	151,039	83,888,853	n/a	n/a	n/a
2025	67,297,344	11,011,855	108,032	78,417,231	n/a	n/a	n/a

Source: School District Financial Records

n/a - information is not available at this time.

(1) Personal income information is available on S-27.

(2) U.S. Census Bureau. 2023 represents latest available information on population.

Highland Local School District
Ratio of General Bonded Debt Outstanding
Last Ten Fiscal Years

Fiscal Year	Population	General Bonded Debt	Resources Available to Pay Principal	Net General Bonded Debt	Ratio of Net Bonded Debt to Estimated Actual Value (1)	Net Bonded Debt per Capita
2016	18,016	25,929,688	3,766,510	22,163,178	1.05%	1,230
2017	18,428	23,655,059	3,320,181	20,334,878	0.89%	1,103
2018	19,061	90,058,976	10,116,860	79,942,116	3.41%	4,194
2019	18,915	85,492,940	7,140,281	78,352,659	3.24%	4,142
2020	19,346	85,663,456	8,604,836	77,058,620	2.84%	3,983
2021	20,114	81,984,535	8,932,995	73,051,540	2.60%	3,632
2022	19,947	78,642,748	8,683,443	69,959,305	2.41%	3,507
2023	19,947	75,271,974	8,281,966	66,990,008	1.86%	3,358
2024	n/a	71,768,064	7,814,894	63,953,170	1.73%	n/a
2025	n/a	67,297,344	7,535,033	59,762,311	1.56%	n/a

Source: School District Financial Records

(1) See the Schedule of Assessed and Estimated Actual Value of Taxable Property on pages S-14 & S-15 for property value data.

n/a - information is not available at this time.

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

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Tax Valuation (2)	<u>\$ 743,889,920</u>	<u>\$ 806,301,870</u>	<u>\$ 830,575,990</u>	<u>\$ 856,716,570</u>
Debt Limit - 9% of Taxable Valuation (1)	<u>66,950,093</u>	<u>72,567,168</u>	<u>74,751,839</u>	<u>77,104,491</u>
Amount of Debt Applicable to Debt Limit				
General Obligation Bonds (3)	20,110,000	19,300,000	81,860,000	78,050,000
Less Amount Available in Debt Service	<u>(3,766,510)</u>	<u>(3,320,181)</u>	<u>(10,116,860)</u>	<u>(7,140,281)</u>
Amount of Debt Subject to Limit	<u>16,343,490</u>	<u>15,979,819</u>	<u>71,743,140</u>	<u>70,909,719</u>
Legal Debt Margin	<u>\$ 50,606,603</u>	<u>\$ 56,587,349</u>	<u>\$ 3,008,699</u>	<u>\$ 6,194,772</u>
Legal Debt Margin as a Percentage of the Debt Limit	75.59%	77.98%	4.02%	8.03%
Unvoted Debt Limit - .10% of Taxable Valuation (1)	\$ 743,890	\$ 806,302	\$ 830,576	\$ 856,717
Amount of Debt Subject to Limit	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Unvoted Legal Debt Margin	<u>\$ 743,890</u>	<u>\$ 806,302</u>	<u>\$ 830,576</u>	<u>\$ 856,717</u>
Unvoted Legal Debt Margin as a Percentage of the Unvoted Debt Limit	100.00%	100.00%	100.00%	100.00%

Source: School District Financial Records

(1) Ohio Bond Law sets a limit of 9% for overall debt and 1/10 of 1% for unvoted debt.

(2) Beginning in fiscal year 2006, HB530 changed the assessed valuation utilized in the legal debt margin calculation to exclude certain tangible personal property as well as railroad and telephone tangible property.

(3) Excludes accretion and premium on the bonds.

<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
<u>\$ 959,532,720</u>	<u>\$ 992,813,720</u>	<u>\$ 1,026,615,260</u>	<u>\$ 1,273,235,740</u>	<u>\$ 1,307,871,910</u>	<u>\$ 1,354,041,780</u>
<u>86,357,945</u>	<u>89,353,235</u>	<u>92,395,373</u>	<u>114,591,217</u>	<u>117,708,472</u>	<u>121,863,760</u>
<u>76,255,000</u> <u>(8,604,836)</u>	<u>73,195,000</u> <u>(8,932,995)</u>	<u>70,375,000</u> <u>(8,683,443)</u>	<u>67,420,000</u> <u>(8,281,966)</u>	<u>64,215,000</u> <u>(7,814,894)</u>	<u>60,770,000</u> <u>(7,535,033)</u>
<u>67,650,164</u>	<u>64,262,005</u>	<u>61,691,557</u>	<u>59,138,034</u>	<u>56,400,106</u>	<u>53,234,967</u>
<u>\$ 18,707,781</u>	<u>\$ 25,091,230</u>	<u>\$ 30,703,816</u>	<u>\$ 55,453,183</u>	<u>\$ 61,308,366</u>	<u>\$ 68,628,793</u>
21.66%	28.08%	33.23%	48.39%	52.08%	56.32%
<u>\$ 959,533</u>	<u>\$ 992,814</u>	<u>\$ 1,026,615</u>	<u>\$ 1,273,236</u>	<u>\$ 1,307,872</u>	<u>\$ 1,354,042</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 959,533</u>	<u>\$ 992,814</u>	<u>\$ 1,026,615</u>	<u>\$ 1,273,236</u>	<u>\$ 1,307,872</u>	<u>\$ 1,354,042</u>
100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

Highland Local School District
Computation of Direct and Overlapping Debt
June 30, 2025

<u>Jurisdiction</u>	<u>Net General Tax Supported Debt (1)</u>	<u>Percent Overlapping (2)</u>	<u>Amount Applicable Highland Local School District</u>
Direct:			
Highland Local School District	\$ 78,417,231	100.00%	\$ 78,417,231
Overlapping:			
Medina County	31,605,188	16.96%	5,360,240
Summit County	65,905,000	0.07%	46,134
Wadsworth City	<u>20,437,273</u>	7.17%	<u>1,465,352</u>
	<u>117,947,461</u>		<u>6,871,726</u>
Total direct and overlapping debt:	<u>\$ 196,364,692</u>		<u>\$ 85,288,957</u>

Source: Medina County Auditor and Summit County Fiscal Officer

(1) All debt reported as of December 31, 2024, except for Highland Local School District which is reported as of June 30, 2025.

(2) Percentages were determined by dividing the assessed valuation of the political subdivisions located within the boundaries of the School District by the total assessed valuation of the political subdivisions.

Highland Local School District

Demographic and Economic Statistics

Last Ten Years

<u>Year</u>	<u>Population (1)</u>	<u>Personal Income (2) (in thousands)</u>	<u>Per Capita Personal Income</u>	<u>Unemployment Rate (3)</u>
2016	18,016	\$ 1,099,128,930	\$ 61,008	4.8%
2017	18,428	1,126,876,597	61,150	5.1%
2018	19,061	1,260,682,778	66,139	4.9%
2019	18,915	1,335,961,715	70,630	4.0%
2020	19,346	1,514,289,674	78,274	10.8%
2021	20,114	1,644,778,907	81,773	5.3%
2022	19,947	1,691,974,137	84,823	4.9%
2023	19,947	1,715,883,174	86,022	3.7%
2024	n/a	n/a	n/a	3.9%
2025	n/a	n/a	n/a	4.2%

Sources: (1) U.S. Bureau of Census, National Center for Education Statistics
(2) Ohio Department of Taxation
(3) U.S. Department of Labor, Bureau of Labor Statistics

n/a - information is not available at this time.

Highland Local School District
Principal Employers in Medina County
2025 and 2016

Employer	2025		
	Number of Employees	Rank	Percentage of Total County Employment
Cleveland Clinic	1,717	1	3.06%
Westfield Insurance	1,115	2	1.99%
Medina County	1,092	3	1.95%
Discount Drug Mart	892	4	1.59%
Medina City Schools	807	5	1.44%
Brunswick City Schools	772	6	1.37%
Stanley Black and Decker	750	7	1.34%
Sandridge Food Corporation	652	8	1.16%
Wadsworth City Schools	565	9	1.01%
Carlisle Brake & Friction	377	10	0.67%
Total	8,739		15.57%
Total employment within the County	56,122		

Employer	2016		
	Number of Employees	Rank	Percentage of Total County Employment
Westfield Group	1,522	1	2.87%
Medina County	1,038	2	1.96%
MTD Products	883	3	1.66%
Brunswick City School District	800	4	1.51%
Medina City School District	799	5	1.51%
Medina General Hospital	784	6	1.48%
Discount Drug Mart	682	7	1.29%
Sandridge Food Corporation	663	8	1.25%
Shiloh Industries, Inc.	634	9	1.19%
Wadsworth City School District	482	10	0.90%
Total	8,287		15.62%
Total employment within the County	53,040		

Source: Medina County Economic Development Corporation, U.S. Bureau of Census

Highland Local School District
School District Employees by Function/Program
Last Ten Fiscal Years

<u>Function/Program</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019 (1)</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Regular instruction										
Elementary classroom teachers	63	64	65.5	65	67	67	69	72	73	73
Middle school classroom teachers	34	34.25	34	34.25	34.25	36	35	36	34.5	32.25
High school classroom teachers	43.25	44.25	45.5	45	45.5	45.5	44.5	45.5	44.5	45.5
Special instruction										
Preschool teachers	2	2	2	2	2	2	2	3	3	3
Special education teachers	26	28	28	28	25	25	26	26	28	28
Tutors	7	7	7	6	6	6	6	7	7	7
Vocational instruction										
High school classroom teachers	1	0.5	1	1	0	0	0	0	0	0
Pupil support services										
Guidance counselors	6	6	6	6	6	5	6	6	6	6
Librarians	0	0	0	0	0	0	0	0	0	0
Psychologists	4	4	4	4	5	5	4	4	5	3
Speech and language pathologists	3	3	4	4	4	4	4	4	4	4
Aides	33.5	35.5	37.75	39.5	40	39.5	40.5	43.5	43	40
Computer	2	2	2	2	2	1	0	0	0	0
Library Aides	2	2	2	2	2	3	3	3	3	2
Secretaries/Clerical	17	18	18	18	17	16	16	16	16	14
Latchkey	6	6	6	5.5	5.5	5.5	6.5	5.5	5.5	3.5
Administrators										
Central Office	8	8	8	8	8	8	8	8	8	8
Elementary	3	3	3	3	3	3	4	4	4	4
Middle School	2	2	2	2	2	2	2	2	2	2
High school	3	3	3	3	3	3	3	3	3	3
Operation of plant										
Custodians & Maintenance	25	25.5	26.5	24.5	24.5	23.5	24.5	26.5	26	27.75
Pupil transportation										
Bus drivers	21	20	20	21.75	20.25	20.5	22	19.5	15.5	17.75
Bus Mechanics	2	2	2	2	2	2	2	2	2	2
Food service program										
Director	1	1	1	1	1	1	1	1	1	1
Cooks	13	12.5	12.5	12	12.5	11.5	13.25	13	14	13.75

Source: School District records

Method: Using 1.0 for each full-time employee and 0.75, 0.50 or 0.25 for each part-time employee as appropriate.

Highland Local School District

Operating Statistics

Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>Expenses</u>	<u>Enrollment</u>	<u>Expenditures Per Pupil (1)</u>	<u>Percentage Change</u>	<u>Pupil/Teacher Ratio</u>	<u>Percentage of students receiving free or reduced lunches</u>
2016	\$ 36,139,094	3,224	\$ 9,260	2.91%	19.0	8.33%
2017	\$ 37,426,512	3,196	\$ 9,480	2.38%	18.5	8.30%
2018	\$ 22,548,866 (2)	3,300	\$ 9,870	4.11%	18.8	7.72%
2019	\$ 37,693,084	3,253	\$ 10,012	1.44%	18.6	6.61%
2020	\$ 44,496,150	3,337	\$ 10,346	3.34%	19.2	5.16%
2021	\$ 44,607,324	3,320	\$ 10,725	3.66%	18.9	2.38%
2022	\$ 47,508,214	3,415	\$ 11,263	5.02%	19.3	3.51%
2023	\$ 48,465,452	3,436	\$ 11,861	5.31%	18.8	3.55%
2024	\$ 50,783,296	3,444	\$ 12,627	6.46%	18.8	10.19%
2025	\$ 50,025,072	3,386	\$ 13,725	8.70%	18.6	10.50%

Source: School District Records, Ohio Department of Education and Workforce

(1) Expenditures per pupil as calculated and published by the Ohio Department of Education and Workforce in the District Profile Report. The ODEW prescribed calculation excludes certain expenditures, including debt service and capital outlay.

(2) The School District reported a significant decrease in the net pension and net OPEB liabilities for fiscal year 2018.

Highland Local School District

Building Statistics

Last Ten Fiscal Years

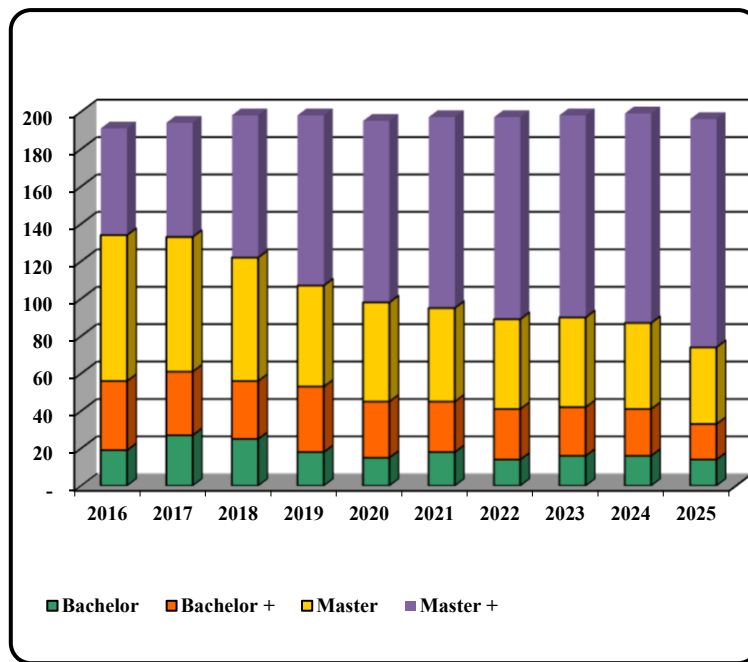
	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Highland High School										
Constructed in 2004										
Total building square footage	234,000	234,000	234,000	234,000	234,000	234,000	234,000	234,000	234,000	234,000
Enrollment grades 9-12	1,115	1,088	1,106	1,083	1,087	1,113	1,074	1,079	1,091	1,055
Student capacity	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200
Classrooms	49	49	49	49	49	49	49	49	49	49
Highland Middle School										
Constructed in 1958										
Total building square footage	115,972	115,972	115,972	115,972	115,972	115,972	115,972	115,972	115,972	115,972
Enrollment grades 6-8	765	756	780	770	771	787	756	767	790	812
Student capacity	850	850	850	850	850	850	850	850	850	850
Classrooms	35	36	36	36	36	36	36	36	36	36
Granger Elementary School										
Constructed in 1929/2021 (1)										
Total building square footage	60,081	60,081	60,081	60,081	60,081	60,081	76,008	76,008	76,008	76,008
Enrollment grades PS-5	462	479	487	500	524	462	516	530	506	509
Student capacity	525	525	525	525	525	525	650	650	650	650
Classrooms	29	29	29	29	29	29	37	37	37	37
Hinckley Elementary School										
Constructed in 1949/2021 (1)										
Total building square footage	52,265	52,265	52,265	52,265	52,265	52,265	63,108	63,108	63,108	63,108
Enrollment grades K-5	428	405	410	369	365	357	392	388	390	383
Student capacity	400	400	400	400	400	400	525	525	525	525
Classrooms	25	25	24	24	24	24	31	31	31	31
Sharon Elementary School										
Constructed in 1922/2021 (1)										
Total building square footage	54,960	54,960	54,960	54,960	54,960	54,960	83,147	83,147	83,147	83,147
Enrollment grades K-5	454	468	517	531	590	601	677	672	667	627
Student capacity	450	450	450	450	450	450	775	775	775	775
Classrooms	27	29	29	29	29	29	44	44	44	44

Source: School District Records

(1) New elementary school buildings were opened in September 2021

Highland Local School District
Full-Time Equivalent Certified Staff by Education
Last Ten Fiscal Years

<u>Degree</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>	<u>2024</u>	<u>2025</u>
Bachelor's Degree	19	27	25	18	15	18	14	16	16	14
Bachelor + 15	15	11	11	10	7	5	6	4	6	2
Bachelor + 30	22	23	20	25	23	22	21	22	19	17
Master's Degree	78	72	66	54	53	50	48	48	46	41
Master's + 15	31	33	45	58	54	52	49	48	44	43
Master's + 30	26	28	31	33	43	50	59	60	68	79
Total	191	194	198	198	195	197	197	198	199	196



Source: School District Records

Highland Local School District

Certified Staff Salaries

Last Ten Fiscal Years

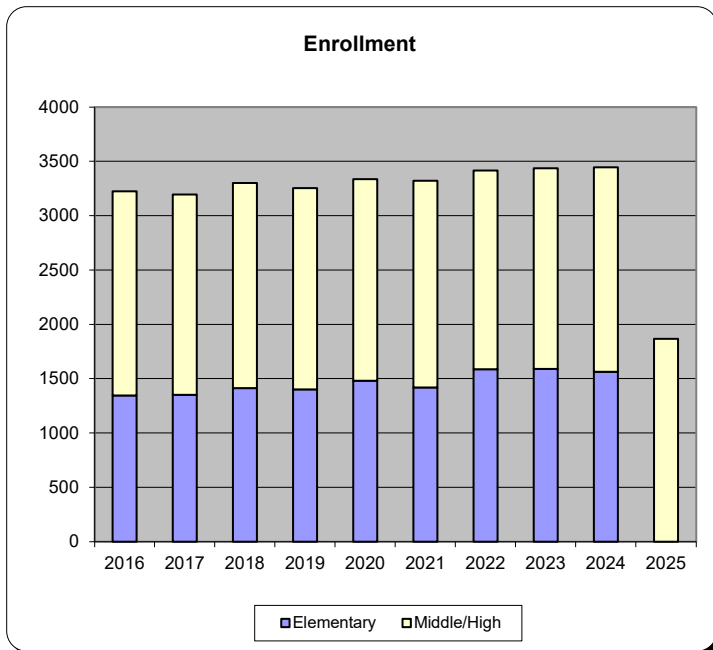
<u>Fiscal Year</u>	<u>Highland Local School District Average Salary</u>	<u>Statewide Average Salary</u>
2016	\$ 62,589	\$ 58,690
2017	65,672	60,433
2018	67,680	62,353
2019	71,686	63,916
2020	75,557	65,754
2021	76,799	67,654
2022	75,658	69,081
2023	79,329	66,399
2024	82,686	68,224
2025	75,965	70,816

Source: School District Records, Ohio Department of Education and Workforce.

Highland Local School District

**Enrollment Statistics
Last Ten Fiscal Years**

Fiscal Year	Highland Elementary Schools	Highland Middle/High School	Total
2016	1,344	1,880	3,224
2017	1,352	1,844	3,196
2018	1,414	1,886	3,300
2019	1,400	1,853	3,253
2020	1,479	1,858	3,337
2021	1,420	1,900	3,320
2022	1,585	1,830	3,415
2023	1,590	1,846	3,436
2024	1,563	1,881	3,444
2025	1,519	1,867	3,386



Source: School District Records

Highland Local School District

Attendance and Graduation Rates

Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>Highland Local School District Attendance Rate</u>	<u>Highland Local School District Graduation Rate</u>	<u>State Average</u>
2016	96.30%	97.70% (1)	83.60% (1)
2017	95.90%	97.90% (1)	84.10% (1)
2018	96.00%	98.50% (1)	85.30% (1)
2019	95.60%	98.50% (1)	85.90% (1)
2020	96.30%	98.90% (1)	88.30% (1)
2021	96.80%	97.50% (1)	87.00% (1)
2022	96.80%	95.00% (1)	87.30% (1)
2023	94.70%	97.70% (1)	88.40% (1)
2024	95.00%	97.30% (1)	88.30% (1)
2025	94.90%	n/a (1)	n/a (1)

Source: Ohio Department of Education

n/a - information is not available at this time or is no longer published.

(1) Beginning with the 2012-2013 Local Report Card, the Ohio Department of Education and Workforce implemented changes that affect the manner in which the graduation rate is reported. The graduation rate disclosed in the new Local Report Card represents a 4-year longitudinal graduation rate that takes into consideration the amount of time it takes an incoming freshman to successfully complete high school. Graduation rates are also published one year in arrears.