

Northeastern Local School District

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Fiscal Year Ended June 30, 2020



Northeastern Local School District
1414 Bowman Rd.
Springfield, Ohio 45502
www.nelsd.org





Comprehensive Annual Financial Report

Northeastern Local School District Springfield Ohio

For the Fiscal Year Ended June 30, 2020

Prepared by: Dale R Miller, Treasurer/CFO





INTRODUCTORY SECTION

COMPREHENSIVE ANNUAL FINANCE REPORT

For the Fiscal Year Ended June 30, 2020





*Northeastern Local School District
Comprehensive Annual Financial Report
For Fiscal Year Ended June 30, 2020*

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December 30, 2020

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

We are pleased to present the Comprehensive Annual Financial Report (CAFR) of the Northeastern Local School District (District) for the fiscal year ended June 30, 2019. This CAFR is prepared in accordance with accounting principles generally accepted in the United States of America (GAAP) and in conformance with standards of financial reporting established by the Governmental Accounting Standards Board (GASB) using guidelines recommended by the Government Finance Officers Association of the United States and Canada (GFOA). The intent of this report is to provide taxpayers of the Northeastern Local School District with comprehensive financial data in a format that enables them to gain a true understanding of the School District's financial affairs as well as provide management with better financial information for future decision making.

Superintendent:
Dr. John P. Kronour

Treasurer:
Dale R. Miller

Board Members:
Joel Augustus
Dr. John Crankshaw
Jill Parker
Steve Schwitzgable
Jeff Yinger

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

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

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

The basic financial statements of the School District for the fiscal year ended June 30, 2020, were audited by Perry and Associates whose unmodified opinion is included at the beginning of the Financial Section of this report.

ORGANIZATION OF THE SCHOOL DISTRICT AND REPORTING ENTITY

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

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

The Board members represent a cross section of professions found in the Clark County and surrounding areas. The Board members on June 30, 2020, were as follows:

| <u>Board Member</u> | <u>Service as a Board Member</u> | | |
|---------------------|----------------------------------|----------------|----------------------|
| | <u>Began</u> | <u>Expires</u> | |
| Jill Parker | 01/01/16 | 12/31/23 | Board President |
| Joel Augustus | 01/01/16 | 12/31/23 | Board Vice-President |
| Dr. John Crankshaw | 01/01/18 | 12/31/21 | Board Member |
| Steve Schwitzgable | 01/01/16 | 12/31/21 | Board Member |
| Jeff Yinger | 01/01/18 | 12/31/21 | Board Member |

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

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

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

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

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

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

THE SCHOOL DISTRICT AND ITS FACILITIES

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

Currently, the District serves approximately 3,091 students, in five (5) buildings. The original construction of the buildings are the 1952 Northeastern High School, the 1961 Northridge Middle & Elementary and South Vienna Middle and Elementary, the 1972 Rolling Hills Elementary, and the 1978 Kenton Ridge High School. Enrollment has remained stable for Northeastern Local School District compared to the fiscal year ending June 30, 2019. The School District estimates enrollment be approximately 3,100 for the fiscal years ending June 30, 2020. The School District's enrollment figures do not include students living within the School District's attendance area who attend charter schools. Currently, the School District has 192 students attending charter schools.

In May 2018 Northeastern Local School District's taxpayers approved a bond levy for the construction of two (2) new pre-Kindergarten through 12th grade facilities. One on the Kenton Ridge property and one on the South Vienna property. The District anticipates opening the new facilities in August 2023.

SERVICES PROVIDED BY THE SCHOOL DISTRICT

The School District provides a wide variety of educational and support services as mandated by the Ohio Revised Code or by Board directives. At the center of the School District's services are the instructional programs. The School District offers regular instructional programs daily to students in Grades pre-K through 12. The School District serves approximately 100 students with an interest in vocational education, and approximately 325 children who need individual instruction or are physically or mentally handicapped. These students receive service through the wide array of special education programs offered in the School District. The School District issued 154 diplomas to our Kenton Ridge High School graduates and 93 to our Northeastern High School graduates in 2020.

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

In addition to the educational services provided, the School District's fleet of 31 buses traveled approximately 2,200 miles each day providing transportation services to 2,459 public and 131 private and parochial students. Many of the School District's students walk to school because of the proximity of neighborhood schools to the students' homes. The Food Service Department serves over 1,150 breakfast and lunch meals daily for a total of over 205,000 meals served annually through the School District's lunchrooms.

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

EMPLOYEE RELATIONS

The School District currently has 379 full-time and part-time employees. There are two organizations representing School District employees. The Northeastern Local Education Association (NELEA) represents certificated employees, including teachers and educational specialists, for collective bargaining purposes. Classified employees, which include bus drivers, cooks, and clerical staff, are represented for collective bargaining purposes by the Northeastern Local Association of School Employees (NELASE). During the summer of 2019, the Board successfully concluded negotiations with both labor organizations on a multi-year agreement for wages and fringe benefits. The NELEA's wage agreement is in effect for the period August 1, 2019, through July 31, 2022. The NELASE's wage agreement is in effect for the period July 1, 2019, through June 30, 2022.

ECONOMIC CONDITION AND OUTLOOK

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

Due to COVID-19 closures unemployment rates statewide rose rapidly from 4.7% in February to 17.4% in April. Since April the unemployment shows rates have improved to 8.8% in August and are trending lower according to the Ohio Office of Budget and Management. As unemployment rates drop this positively impacts state and local revenues for districts. These indicators suggest the state of Ohio's overall economy is rebounding and should be able to maintain stable funding through the foundation program through the forecast period.

FINANCIAL OUTLOOK

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

For fiscal year 2020, the School District's General Fund revenues exceeded its expenditures primarily due to a complete fiscal year of collection of the earned income tax. The School District intends to continue monitoring its revenue and expenditure streams in order to provide consistency each fiscal year. We continue to address the difficult issues of educating our student in person and online during the COVID-19 pandemic.

FINANCIAL PLANNING AND POLICIES

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

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

DISTRICT GOALS

In fiscal year 2020 the Board approved goals for the District to ensure that the quality of educational opportunities for our students are the best available. The goals identified are as follows:

- 1) Improve student achievement across the District.
- 2) Engage the Community during the construction phases of the building project.
- 3) Focus our communications plans to engage our stakeholders.

The School District will continue to revisit the plan annually to make adjustments as necessary to strive to the highest success of the community and its schools.

MAJOR INITIATIVES AND EVENTS

The Northeastern Local School District is excited about our future. The District continues to press forward even during a pandemic with new buildings and curriculum upgrades. The two new buildings have had groundbreaking and visible progress on the new sites. The fourth year of a One-to-One District Wide Technology Plan that expanded to all students during the pandemic. We are working on a curriculum update to our mathematics programming across all grades this year. Finally, we continue to work to upgrade our school bus and maintenance equipment initiatives.

The best way that we can share the construction progress is with two live links to what is happening real time at the new **NE PreK-12 site**, <http://construction.northeastern.k12.oh.us/#view>, and the **new KR PreK-12 site**, <http://krconstruction.northeastern.k12.oh.us/#view>, take a look. This is a fun way to watch what is going on daily at each building project.

The one-to-one technology implementation for our students began its fourth year. Students are assigned a Chromebook that they can use in class and at home each day of the school year. This became a necessity as we were required to go to virtual learning during the last nine weeks of the 2020 school year. We have continued this as needed during the 2020-21 school year for all grades when we are designated as virtual. All other times grades 3-12 have the one-to-one capabilities.

NELSD continues to upgrade our curriculum, this year mathematics is the focus. Teachers are working with our curriculum director to evaluate what works best with our students and the needs of 21st century learners. A new mathematics adoption will take place this spring. After the adoption, professional development will be planned with staff as the new resources are added. There is always a slight learning curve as new curriculum guides are issued and resources are put in place, but learning how best to implement this curriculum is a strength of our staff.

Finally, the District is continuing to upgrade our bus fleet and maintenance efforts. The District added two new buses this year. We are working to update our capital plan that cycles the purchases of needed equipment for District maintenance needs. It is so important that NELSD continues to maintain all of our facilities as we look to the future with new educational buildings coming online. There are many other support buildings and grounds that need constant attention.

AWARDS AND ACKNOWLEDGEMENTS

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

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Northeastern Local School District for its comprehensive annual financial report for the fiscal year ended June 30, 2019. The District received the first award with that report. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

Finally, this report would not have been possible without the support of the Board of Education, without their leadership and commitment to excellence, this report would not be possible.

Sincerely,



Dale R Miller
Treasurer/CFO



Dr. John P Kronour
Superintendent

The Northeastern Local School District Officials

(937)325-7615

www.northeastern.k12.oh.us

John P. Kronour, Ph.D
Superintendent
(937) 325-7615

Dale R Miller
Treasurer/CFO
(937) 325-7615

Board of Education
Mrs. Jill Parker, President
Mr. Joel Augustus, Vice President

Board Members
Dr. John Crankshaw
Mr. Steve Schwitzgable
Mr. Jeff Yinger

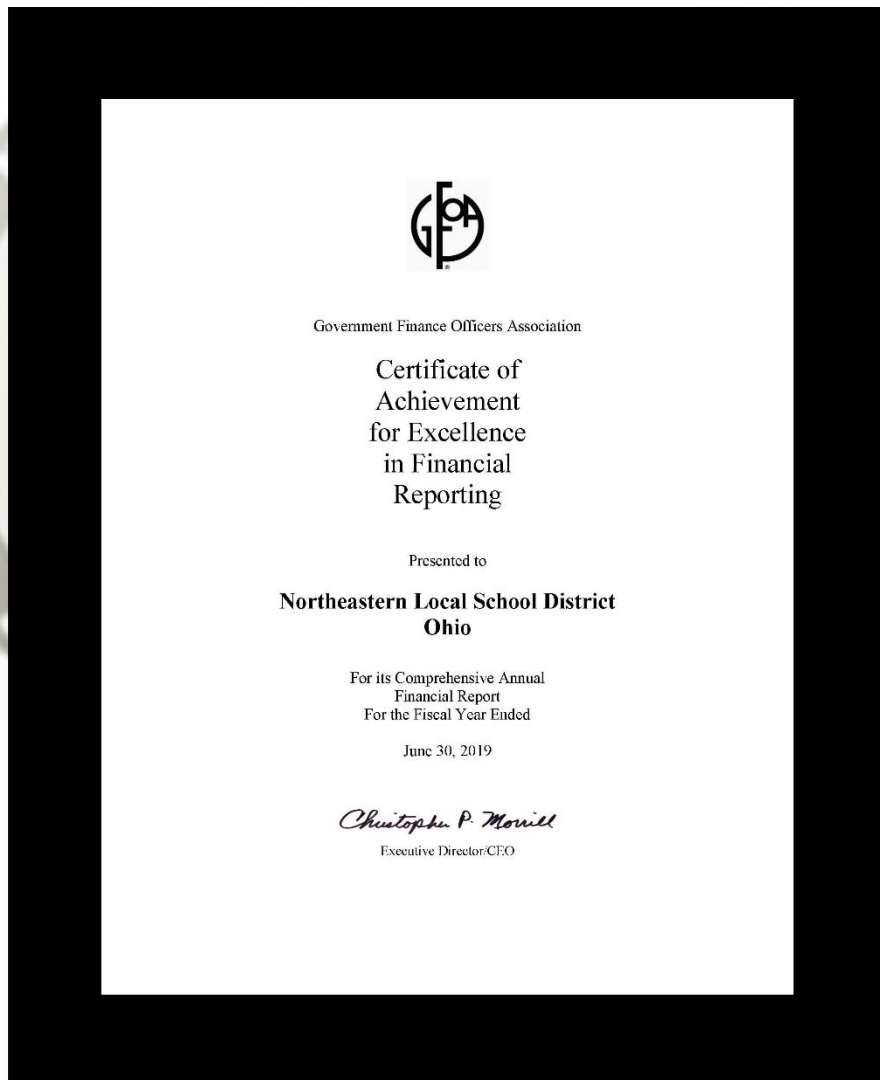
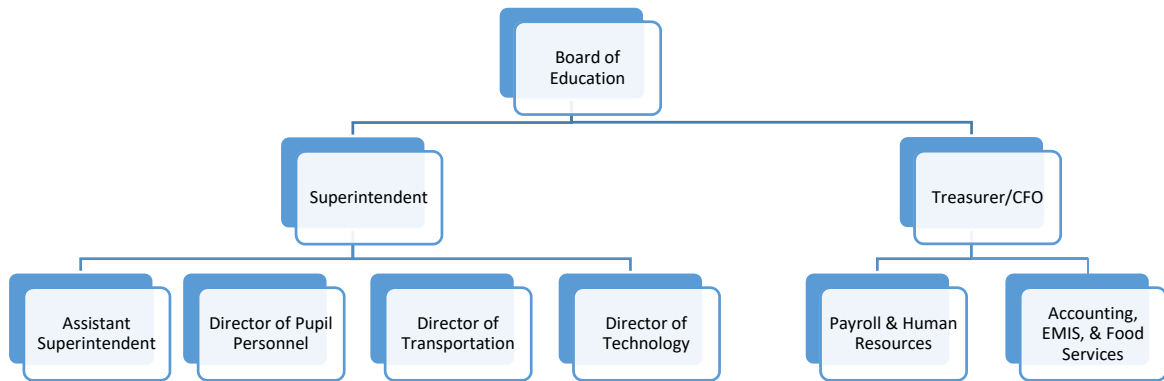
Assistant Superintendent
Director of Pupil Personnel
Director of Technology
Director of Transportation
Assistant Treasurer

Mr. Shawn Blazer
Mr. Steve Linson
Mr. John Schmid
Mr. Randy Phares
Mrs. Teri Molden



The Northeastern Local School District

Table of Organization





FINANCIAL SECTION

COMPREHENSIVE ANNUAL FINANCE REPORT

For the Fiscal Year Ended June 30, 2020





INDEPENDENT AUDITOR'S REPORT

December 30, 2020

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

To the Board of Education:

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of **Northeastern Local School District**, Clark County, Ohio (the School District), as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for preparing and fairly presenting these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes designing, implementing, and maintaining internal control relevant to preparing and fairly presenting financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to opine on these financial statements based on our audit. We audited in accordance with auditing standards generally accepted in the United States of America and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require us to plan and perform the audit to reasonably assure the financial statements are free from material misstatement.

An audit requires obtaining evidence about financial statement amounts and disclosures. The procedures selected depend on our judgment, including assessing the risks of material financial statement misstatement, whether due to fraud or error. In assessing those risks, we consider internal control relevant to the School District's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not to the extent needed to opine on the effectiveness of the School District's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of management's accounting policies and the reasonableness of their significant accounting estimates, as well as our evaluation of the overall financial statement presentation.

We believe the audit evidence we obtained is sufficient and appropriate to support our audit opinions.

Tax - Accounting - Audit - Review - Compilation - Agreed Upon Procedure - Consultation - Bookkeeping - Payroll - Litigation Support - Financial Investigations
Members: American Institute of Certified Public Accountants
• Ohio Society of CPAs • West Virginia Society of CPAs • Association of Certified Fraud Examiners • Association of Certified Anti-Money Laundering Specialists •

Opinion

In our opinion, the 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 Northeastern Local School District, Clark County, Ohio, as of June 30, 2020, and the respective changes in financial position and the budgetary comparison for the General Fund thereof for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 22 to the financial statements, the financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the District. We did not modify our opinion regarding this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require this presentation to include *Management's discussion and analysis* and schedules of net pension and other postemployment benefits liabilities and pension and other postemployment benefits contributions listed in the table of contents, to supplement the basic financial statements. Although this information is not part of the basic financial statements, the Governmental Accounting Standards Board considers it essential for placing the basic financial statements in an appropriate operational, economic, or historical context. We applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, consisting of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, to the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not opine or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to opine or provide any other assurance.

Supplementary and Other Information

Our audit was conducted to opine on the School District's basic financial statements taken as a whole.

The introductory section, the financial section's combining statements, individual fund statements and schedules and the statistical section information present additional analysis and are not a required part of the basic financial statements.

The Schedule of Expenditures of Federal Awards presents additional analysis as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards and is not a required part of the financial statements.

The schedule is management's responsibility, and derives from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. We subjected the schedule to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling the schedule directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves in accordance with auditing standards generally accepted in the United States of America. In our opinion, this schedule is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

We did not subject the introductory section and statistical information to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion or any other assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 30, 2020, on our consideration of the School District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School District's internal control over financial reporting and compliance.

A handwritten signature in cursive script that reads "Perry & Associates CPAs A.C.".

Perry & Associates
Certified Public Accountants, A.C.
Marietta, Ohio

Northeastern Local School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2020
Unaudited

The discussion and analysis of the Northeastern Local School District's financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2020. The intent of this discussion and analysis is to look at the School District's financial performance as a whole; readers should also review the transmittal letter, the financial statements and the notes to the basic financial statements to enhance their understanding of the School District's financial performance.

Financial Highlights

Key financial highlights for fiscal year 2020 are as follows:

Total net position for fiscal year 2020 increased \$6.285 million from fiscal year 2019 net position. This increase was primarily due to the construction of the building reported as Work In Progress and revenues sources of property tax collections on the bond levy for a complete fiscal year.

General revenues accounted for \$41,788,629 or 88% of total revenues. Program specific revenues accounted for \$5,892,323 or 12% of total revenues of \$47,680,952.

The School District had \$41,405,601 in expenses related to governmental activities; only \$5,892,323 of these expenses were offset by program specific charges for services, grants, contributions, and interest. General revenues (primarily grants and entitlements, property taxes and the earned income tax) of \$41,788,629 were adequate to provide for these programs.

Using this Basic Financial Report

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand Northeastern Local School District as a financial whole, an entire operating entity.

The Statement of Net Position and the Statement of Activities provide information about the activities of the whole School District, presenting both an aggregated view of the School District's finances and a longer-term view of those statements. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. The fund financial statements also look at the School District's most significant funds with all other non-major funds presented in total in one column.

Reporting the School District as a Whole

One of the most important questions asked about the School District is "How did we do financially during fiscal year 2020?" The Statement of Net Position and the Statement of Activities, which appear first in the School District's financial statements, report information on the School District as a whole and its activities in a way that helps answer this question. These government-wide financial statements include all assets, deferred outflows, liabilities and deferred inflows using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. This basis of accounting takes into account all of the current fiscal year's revenues and expenses regardless of when cash is received or paid.

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

Northeastern Local School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2020
Unaudited

Reporting the School District's Most Significant Funds

Fund Financial Statements

Fund financial reports provide detailed information about the School District's major funds. The School District uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the School District's major funds. The major funds for Northeastern Local School District are the General Fund, Debt Service Fund, and Building Construction Fund.

Governmental Funds

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

Fiduciary Funds

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

The School District as a Whole

Recall that the Statement of Net Position provides the perspective of the School District as a whole. Table 1 provides a summary of the School District's Net Position for fiscal year 2020 compared to fiscal year 2019:

Northeastern Local School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2020
Unaudited

(Table 1)
Net Position

| Assets: | 2020 | 2019 |
|--|----------------|----------------|
| Current and Other | \$ 121,304,413 | \$117,485,213 |
| Capital Assets, Net | 17,728,270 | 16,464,204 |
| Total Assets | 139,032,683 | 133,949,417 |
| Deferred Outflows of Resources: | | |
| Pension | 6,380,083 | 8,865,891 |
| OPEB | 634,320 | 409,211 |
| Total Deferred Outflows or Resources | 7,014,403 | 9,275,102 |
| Liabilities: | 2020 | 2019 |
| Current and Other Liabilities | \$ 4,051,554 | \$ 4,088,085 |
| Long-term Liabilities | | |
| Due Within One Year | 833,626 | 971,264 |
| Due In More than One Year | | |
| Net Pension Liability | 35,389,074 | 35,956,981 |
| Net OPEB | 3,521,500 | 3,960,343 |
| Other Amounts | 80,373,866 | 81,185,776 |
| Total Liabilities | 124,169,620 | 126,162,449 |
| Deferred Inflows of Resources | | |
| Property Taxes | 11,930,587 | 12,971,968 |
| Deferred Inflows -Pension | 2,905,721 | 3,257,895 |
| Deferred Inflows -OPEB | 3,738,861 | 3,805,263 |
| Total Deferred Inflows of Resources | 18,575,169 | 20,035,126 |
| Net Position | | |
| Net Investment in Capital Assets | 18,631,496 | 14,339,871 |
| Restricted | 3,775,238 | 4,187,545 |
| Unrestricted | (19,104,439) | (21,500,472) |
| Total Net Position (restated) | \$ 3,302,295 | \$ (2,973,056) |

The net pension liability (NPL) is the second largest single liability reported by the School District at June 30, 2020 and is reported pursuant to GASB Statement 68, "Accounting and Financial Reporting for Pensions—an Amendment of GASB Statement 27." In fiscal year 2018, the School District adopted GASB Statement 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions," which significantly revises accounting for costs and liabilities related to other postemployment benefits (OPEB). For reasons discussed below, many end users of this financial statement will gain a clearer understanding of the School District's actual financial condition by adding deferred inflows related to pension and OPEB, the net pension liability and the net OPEB liability to the reported net position and subtracting deferred outflows related to pension and OPEB.

Northeastern Local School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2020
Unaudited

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

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

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

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

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

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

Northeastern Local School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2020
Unaudited

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

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

- Property Tax collections include the entire collection on a fiscal year of the Bond Levy for the Construction of two new PreK-12 buildings.
- The Pension and Employee Benefits liabilities drop from \$39.9 million to \$38.9 million.

Table 2 shows the changes in Net Position for fiscal years 2020 and 2019:

Table 2
Changes in Net Position

| Revenues: | <u>2020</u> | <u>2019</u> |
|--|----------------------|-----------------------|
| Program Revenues: | | |
| Charges for Services | 3,375,649 | 3,476,089 |
| Operation Grants and Contributions | 2,516,674 | 2,059,674 |
| General Revenues: | | |
| Property Taxes | 18,399,275 | 16,677,291 |
| Income Taxes | 5,395,851 | 4,998,002 |
| Grants and Entitlements | 15,270,540 | 15,126,275 |
| Other | 2,722,963 | 2,984,703 |
| Total Revenues | \$ 47,680,952 | \$ 45,322,034 |
| Program Expenses: | | |
| Instruction | 23,524,073 | 18,717,497 |
| Support Services: | | |
| Pupils & Instructional Staff | 3,782,798 | 2,995,657 |
| Board of Education, Administration, Fiscal | 3,825,883 | 2,934,329 |
| Operation and Maintenance | 2,433,656 | 2,378,007 |
| Pupil Transportation | 2,204,768 | 2,217,919 |
| Central | 32,702 | 27,393 |
| Operation of Non-Instructional Services: | 1,467,005 | 1,204,222 |
| Extracurricular Activities | 948,654 | 961,625 |
| Capital Outlay | - | 831,823 |
| Interest and Fiscal Charges | 3,186,062 | 1,992,863 |
| Cost of Debt Issuance | - | 867,674 |
| Total Expenses | \$ 41,405,601 | \$ 35,129,009 |
| Change In Net Position | 6,275,351 | 10,193,025 |
| Net Position, Beginning of Year | (2,973,056) | (13,166,081) |
| Net Position, End of Year | \$ 3,302,295 | \$ (2,973,056) |

The revenues within the Statement of Activities reflects the increases for new 7.96 mil bond construction levy collected in fiscal year 2020, interest on the building construction cash balance, and strong growth in the income tax collections. Grants and Entitlements programs small increase is as a result of the School District has a limited opportunity for growth based on the funding formula provisions in the State biennium budget that determines a significant portion of the district resources.

Northeastern Local School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2020
Unaudited

Grants and Entitlements made up \$15.3 million or 36.5% of the total general revenues for governmental activities of the Northeastern Local School District for fiscal year 2020. Property Tax revenues made up \$18.4 million or 44.0% of the total general revenues for governmental activities. Income Tax revenues are \$5.4 million or 12.9% of the total general revenues for governmental activities. Grants Entitlements, Property Tax, and Income Tax totaled \$41.8 million, or 87.6% of total revenues.

The School District's Funds

On a modified accrual basis of accounting, all governmental funds had total revenues of \$47.4 million and expenditures of \$42.4 million. The net change in fund balances in the Governmental Funds was an increase of \$4,963,485. The increase in the General Fund was \$3,613,697 as a result of receiving additional local taxes were higher than the prior year and efforts made to keep costs under control.

The fund balance for the Debt Service Fund had an increase of \$14,493, collections and expenditures will remain consistent with the debt schedule, the ending fund balance of \$1,886,492.

The fund balance for the Building Construction fund is from the issuance of the \$79,335,000 debt that will be combined with \$40,389,146 from the State of Ohio to construct two Pre-K to 12 educational facilities. The interest income and the State contribution generated \$2,332,491 and the related expenditures of \$1,949,131 as construction began resulted in the ending fund balance of \$80,124,452.

General Fund Budgeting Highlights

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

During the course of fiscal year 2020, the School District revised its budget as it attempted to deal with unexpected changes in revenues and expenditures. A variance comparison is presented between the final budgeted amount and the actual amounts.

For the General Fund, original and final budget basis revenues (excluding other financial sources) were \$33.9 million, 34.2 million respectively with final actual revenues (excluding other financial sources) of \$35.6 million for a difference of \$1.8 million. The excess of actual revenue over final budgeted revenues is due primarily to an increase in property tax revenue.

Original budget basis appropriations (excluding other financial uses) were \$33.9 million with final budget basis appropriations (excluding other financial uses) of \$34.3 million for an increase of 0.3 million. Actual expenditures were less than budgeted expenditures by \$0.7 million. The primary reason for the decrease is due to the School District closely monitoring expenditures to keep expenditures at or below the budgeted appropriations.

The COVID-19 pandemic caused the Governor ordered a reduction of state foundation funding by \$300.5 million to be reduced from districts bi-monthly payments by the end of June 2020. The reductions were made using an equalized per-pupil approach which resulted in districts with less local capacity to raise revenue to receive smaller percentage decreases. The state-share index that was last calculated in FY19 was used to apportion the FY20 ordered reduction to traditional public-school districts. HB164 reimbursed approximately 70 districts that had originally had more than 6% deducted from the state funding reduction in FY20. At this time the state funding for FY21 is being reduced \$646,989 from the FY19 amount, which is the same cut received in FY20.

Northeastern Local School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2020
Unaudited

The School District's ending unobligated cash balance was \$2.3 million above the final budgeted amount.

Capital Assets and Debt Administration

Capital Assets

At the end of fiscal year 2020, the School District had \$17.7 million invested in land, construction in progress, buildings, furniture and equipment, and vehicles in governmental activities. The major portion of the additions is related to the land purchase and construction in progress for the building construction. (See Note 10 of the Notes to the Basic Financial Statements).

Debt

At June 30, 2020, the School District had total bonded debt outstanding in the amount of \$78,535,000 bonded debt outstanding and \$690,000 due within one year. The School District also had capital lease obligations outstanding of \$74,648. See Note 15 of the Notes to the Basic Financial Statements for capital lease details and Note 16 for details on the long-term obligations.

As of June 30, 2020, the School District's overall legal debt margin was \$554,538. On August 23, 2018 the district issued \$79,335,000 in Bonds for new facilities supported by a 7.96 mil levy.

Current Financial Issues and Concerns

The Board of Education is committed to the process used to generate the Five Year forecast in budgeting building as it has proved valuable in maintaining fiscal stability in the District. The actual expenditures in the General fund were .9% above budget.

One of the most significant concerns for fiscal year 2020 is related to the biennium State budget (HB166) as there are several variables and uncertainties related to some provisions that could increase District expenditures in the form of school choice scholarships or vouchers, additional special education costs, school reform initiatives and college credit plus. A second concern is continuing related to the funding model by the state as it relates to our enrollment and the State froze the funding at the same level in fiscal year 2020.

Contacting the School District's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the School District's finances and to show the School District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Treasurer's Office at Northeastern Local School District, 1414 Bowman Road, Springfield, Ohio 45502, or call (937) 325-7615.



Northeastern Local School District

Statement of Net Position

June 30, 2020

| | <u>Governmental Activities</u> |
|---|------------------------------------|
| <u>Assets:</u> | |
| Equity in Pooled Cash, Cash Equivalents and Investments | \$98,557,133 |
| Restricted Assets: | |
| Cash and Cash Equivalents with Escrow Agent | 10,000 |
| Materials and Supplies Inventory | 76,707 |
| Accrued Interest Receivable | 875,627 |
| Accounts Receivable | 95,398 |
| Intergovernmental Receivable | 196,740 |
| Prepaid Items | 49,901 |
| Property Taxes Receivable | 17,375,540 |
| Income Tax Receivable | 2,031,524 |
| Capital Assets: | |
| Land and Construction In Progress | 4,627,070 |
| Depreciable Capital Assets, Net | 13,101,200 |
| Net OPEB Assets | 2,035,843 |
| <i>Total Assets</i> | <u>139,032,683</u> |
| <u>Deferred Outflows of Resources:</u> | |
| Deferred Pension Liability | 6,380,083 |
| Deferred OPEB | 634,320 |
| <i>Total Deferred Outflows of Resources</i> | <u>7,014,403</u> |
| <u>Liabilities:</u> | |
| Accounts Payable | 86,375 |
| Accrued Wages and Benefits Payable | 2,970,911 |
| Intergovernmental Payable | 651,361 |
| Accrued Interest Payable | 264,331 |
| Matured Compensated Absences Payable | 78,576 |
| Long-Term Liabilities: | |
| Due Within One Year | 833,626 |
| Due in More Than One Year: | |
| Net Pension Liability | 35,389,074 |
| Net OPEB Liability | 3,521,500 |
| Other Long-Term Liabilities | 80,373,866 |
| <i>Total Liabilities</i> | <u>124,169,620</u> |
| <u>Deferred Inflows of Resources:</u> | |
| Property Taxes | 11,930,587 |
| Deferred Pension | 2,905,721 |
| Deferred OPEB | 3,738,861 |
| <i>Total Deferred Inflows of Resources</i> | <u>18,575,169</u> |
| <u>Net Position:</u> | |
| Net Investment in Capital Assets | 18,631,496 |
| Restricted for: | |
| Debt Service | 1,886,492 |
| Capital Improvements | 1,038,982 |
| Other Purposes | 849,764 |
| Unrestricted(Deficit) | <u>(19,104,439)</u> |
| <i>Total Net Position</i> | <u><u>\$3,302,295</u></u> |

See accompanying notes to the basic financial statements

Northeastern Local School District
Statement of Activities
For the Fiscal Year Ended June 30, 2020

| | | Program Revenues | | Net (Expense) Revenue and Changes in Net Position |
|--|----------------------|-------------------------|--|---|
| | Expenses | Charges for Services | Operating Grants, Contributions, and Interest | Governmental Activities |
| <u>Governmental Activities:</u> | | | | |
| Instruction: | | | | |
| Regular | \$ 16,711,230 | \$ 2,633,522 | \$ 106,712 | \$ (13,970,996) |
| Special | 5,146,060 | - | 988,114 | (4,157,946) |
| Vocational | 532,161 | - | 157,115 | (375,046) |
| Student Intervention Services | 39,400 | - | - | (39,400) |
| Other | 1,095,222 | - | - | (1,095,222) |
| Support Services: | | | | |
| Pupils | 2,428,908 | - | 604,320 | (1,824,588) |
| Instructional Staff | 1,353,890 | 400 | 12,797 | (1,340,693) |
| Board of Education | 150,623 | - | - | (150,623) |
| Administration | 2,668,449 | - | - | (2,668,449) |
| Fiscal | 1,006,811 | - | - | (1,006,811) |
| Operation and Maintenance of Plant | 2,433,656 | - | 43,892 | (2,389,764) |
| Pupil Transportation | 2,204,768 | - | - | (2,204,768) |
| Central | 32,702 | - | - | (32,702) |
| Operation of Non-Instructional Services | 1,467,005 | 533,099 | 603,072 | (330,834) |
| Extracurricular Activities | 948,654 | 208,628 | 652 | (739,374) |
| Interest and Fiscal Charges | 3,186,062 | - | - | (3,186,062) |
| Total Governmental Activities | \$ 41,405,601 | \$ 3,375,649 | \$ 2,516,674 | (35,513,278) |
| <u>General Revenues:</u> | | | | |
| Property Taxes | | | | 18,399,275 |
| Income Taxes | | | | 5,395,851 |
| Operating Grants and Entitlements not Restricted to Specific Programs | | | | 15,270,540 |
| Investment Earnings | | | | 2,260,041 |
| Miscellaneous | | | | 462,922 |
| Total General Revenues | | | | 41,788,629 |
| Change in Net Position | | | | 6,275,351 |
| Net Position at Beginning of Year | | | | (2,973,056) |
| Net Position at End of Year | | | | \$3,302,295 |

See accompanying notes to the basic financial statements

Northeastern Local School District

Balance Sheet
Governmental Funds
June 30, 2020

| | General | Debt Service Fund | Building Construction Fund | Nonmajor Governmental Funds | Total Governmental Funds |
|---|----------------------|-------------------------|----------------------------------|-----------------------------------|--------------------------------|
| <u>Assets:</u> | | | | | |
| Equity in Pooled Cash, Cash Equivalents and Investments | \$ 15,505,480 | \$ 1,262,818 | \$ 79,791,496 | \$ 1,997,374 | \$ 98,557,133 |
| Cash and Cash Equivalents with Escrow Agent | - | - | | 10,000 | 10,000 |
| Receivables: | | | | | |
| Property Taxes | 12,754,072 | 3,938,909 | - | 682,559 | 17,375,540 |
| Income Tax | 2,031,524 | - | - | - | 2,031,524 |
| Accounts | 95,398 | - | - | - | 95,398 |
| Intergovernmental | 109,258 | - | | 87,482 | 196,740 |
| Accrued Interest | 542,671 | - | 332,956 | | 875,627 |
| Interfund | 41,784 | - | - | - | 41,784 |
| Materials and Supplies Inventory | 52,020 | | - | 24,687 | 76,707 |
| Prepaid Items | 18,401 | - | - | 31,493 | 49,894 |
| Total Assets | \$ 31,150,608 | \$ 5,201,727 | \$ 80,124,452 | \$ 2,833,595 | \$ 119,310,382 |
| <u>Liabilities:</u> | | | | | |
| Accounts Payable | 82,843 | - | - | 3,532 | 86,375 |
| Accrued Wages and Benefits Payable | 2,687,769 | - | - | 167,357 | 2,855,126 |
| Intergovernmental Payable | 611,957 | - | - | 39,404 | 651,361 |
| Interfund Payable | - | - | - | 41,784 | 41,784 |
| Matured Compensated Absences Payable | 78,075 | - | - | 501 | 78,576 |
| Total Liabilities | 3,460,644 | - | - | 252,578 | 3,713,222 |
| <u>Deferred Inflows of Resources:</u> | | | | | |
| Property Taxes Not Levied for Current Year | 8,173,233 | 3,222,898 | - | 534,456 | 11,930,587 |
| Unavailable Delinquent Property Tax Revenues | 590,748 | 92,337 | - | 19,100 | 702,185 |
| Unavailable Income Tax Revenues | 447,461 | - | - | - | 447,461 |
| Total Deferred Inflows of Resources | 9,211,442 | 3,315,235 | - | 553,556 | 13,080,233 |
| <u>Fund Balances:</u> | | | | | |
| Nonspendable | 70,421 | - | - | 49,097 | 119,518 |
| Restricted | 11,000 | 1,886,492 | 80,124,452 | 1,888,746 | 83,910,690 |
| Assigned | - | - | - | 148,547 | 148,547 |
| Unassigned (Deficit) | 18,397,101 | - | - | (58,929) | 18,338,172 |
| Total Fund Balances | 18,478,522 | 1,886,492 | 80,124,452 | 2,027,461 | 102,516,927 |
| Total Liabilities, Deferred Inflows of Resources and Fund Balances | \$ 31,150,608 | \$ 5,201,727 | \$ 80,124,452 | \$ 2,833,595 | \$ 119,310,382 |

See accompanying notes to the basic financial statements

Northeastern Local School District
Reconciliation of Total Governmental Fund Balances to
Net Position of Governmental Activities
June 30, 2020

Total Governmental Fund Balances \$102,516,927

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

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

| | | |
|--------------------------|---------------------|------------|
| Land | 1,337,854 | |
| Construction in Progress | 3,289,216 | |
| Other Capital Assets | 33,502,695 | |
| Accumulated Depreciation | <u>(20,401,494)</u> | |
| Total | | 17,728,271 |

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

| | | |
|----------------|----------------|-----------|
| Property Taxes | 702,185 | |
| Income Tax | <u>447,461</u> | |
| Total | | 1,149,646 |

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

| | | |
|---------------------------|--------------------|--------------|
| Bonds Payable | (78,535,000) | |
| Accrued Interest on Bonds | (264,331) | |
| Bond Issuance Costs | | |
| Premium on Bonds | (1,683,715) | |
| Capital Leases | (74,648) | |
| Compensated Absences | <u>(1,029,945)</u> | |
| Total Liabilities | | (81,587,639) |

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

| | | |
|--|--------------------|---------------------|
| Net OPEB Assets | 2,035,843 | |
| Deferred Outflows - Pension | 6,380,083 | |
| Deferred Outflows - Post Employment Benefits | 634,320 | |
| Deferred Inflows - Pension | (2,905,721) | |
| Deferred Inflows - Post Employment Benefits | (3,738,861) | |
| Net Pension Liability | (35,389,074) | |
| Net Post Employment Benefits | <u>(3,521,500)</u> | |
| | | <u>(36,504,910)</u> |

Net Position of Governmental Activities \$3,302,295

See accompanying notes to the basic financial statements

Northeastern Local School District
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended June 30, 2020

| | General | Debt Service Fund | Building Construction Fund | Nonmajor Governmental Funds | Total Governmental Funds |
|---|----------------------|-------------------------|----------------------------------|-----------------------------------|--------------------------------|
| <u>Revenues:</u> | | | | | |
| Property Taxes | \$ 13,656,345 | \$ 3,919,654 | \$ - | \$ 737,205 | \$ 18,313,204 |
| Income Taxes | 5,395,851 | - | - | - | 5,395,851 |
| Intergovernmental | 14,697,403 | 146,457 | 802,866 | \$ 2,174,678 | 17,821,404 |
| Investment Earnings | 723,874 | - | 1,529,625 | 8,942 | 2,262,441 |
| Tuition and Fees | 2,664,095 | - | - | - | 2,664,095 |
| Extracurricular Activities | 66,639 | - | - | 217,135 | 283,774 |
| Charges for Services | 10,310 | - | - | 441,665 | 451,975 |
| Contributions and Donations | 32,738 | - | - | 19,436 | 52,174 |
| Miscellaneous | 102,541 | - | - | 4,990 | 107,531 |
| Total Revenues | 37,349,796 | 4,066,111 | 2,332,491 | 3,604,051 | 47,352,449 |
| <u>Expenditures:</u> | | | | | |
| Current: | | | | | |
| Instruction: | | | | | |
| Regular | 15,821,471 | - | - | 162,448 | 15,983,919 |
| Special | 3,976,487 | - | - | 976,544 | 4,953,031 |
| Vocational | 458,921 | - | - | - | 458,921 |
| Student Intervention Services | 39,400 | - | - | - | 39,400 |
| Other | 1,095,067 | - | - | - | 1,095,067 |
| Support Services: | | | | | |
| Pupils | 2,123,891 | - | - | 214,904 | 2,338,795 |
| Instructional Staff | 1,282,452 | - | - | - | 1,282,452 |
| Board of Education | 143,444 | - | - | - | 143,444 |
| Administration | 2,517,166 | - | - | - | 2,517,166 |
| Fiscal | 879,208 | 63,256 | - | 13,084 | 955,548 |
| Operation and Maintenance of Plant | 2,306,870 | - | - | 19,098 | 2,325,968 |
| Pupil Transportation | 2,045,120 | - | - | 1,222 | 2,046,342 |
| Central | 16,618 | - | - | 11,665 | 28,283 |
| Operation of Non-Instructional Services | - | - | - | 1,235,323 | 1,235,323 |
| Extracurricular Activities | 770,667 | - | - | 229,277 | 999,944 |
| Capital Outlay | 47,868 | - | 1,949,131 | - | 1,996,999 |
| Debt Service: | | | | | |
| Principal Retirement | - | 800,000 | - | - | 800,000 |
| Interest and Fiscal Charges | - | 3,188,362 | - | - | 3,188,362 |
| Total Expenditures | 33,524,650 | 4,051,618 | 1,949,131 | 2,863,565 | 42,388,964 |
| Excess of Revenues Over (Under) Expenditures | 3,825,146 | 14,493 | 383,360 | 740,486 | 4,963,485 |
| <u>Other Financing Sources (Uses):</u> | | | | | |
| Transfers In | - | - | - | 211,449 | 211,449 |
| Transfers Out | (211,449) | - | - | - | (211,449) |
| Total Other Financing Sources (Uses) | (211,449) | - | - | 211,449 | - |
| Net Change in Fund Balances | 3,613,697 | 14,493 | 383,360 | 951,935 | 4,963,485 |
| Fund Balances at Beginning of Year | 14,864,825 | 1,871,999 | 79,741,092 | 1,075,526 | 97,553,442 |
| Fund Balances at End of Year | \$ 18,478,522 | \$ 1,886,492 | \$ 80,124,452 | \$ 2,027,461 | \$ 102,516,927 |

See accompanying notes to the basic financial statements

Northeastern Local School District
Reconciliation of the Statement of Revenues, Expenditures
and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
For the Fiscal Year Ended June 30, 2020

Net Change in Fund Balances - Total Governmental Funds \$4,963,485

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

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

| | | |
|--|-----------|-----------|
| Capital Assets Additions | 2,150,759 | |
| Carrying Value of Capital Assets Deletions | (140,492) | |
| Depreciation Expense | (746,200) | |
| Total | | 1,264,067 |

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

| | | |
|---------------------------|--------|--------|
| Delinquent Property Taxes | 24,273 | |
| Total | | 24,273 |

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

| | | |
|---|-----------|---------|
| Principal Retirement | 800,000 | |
| Interest Payable | (264,331) | |
| Net (Increase) decrease in Capital Leases | (40,522) | |
| Amortization of Bond Premium | 46,770 | |
| Total | | 541,917 |

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

| | | |
|---------------------------|-----------|-----------|
| Pension Plan Contribution | 2,757,520 | |
| OPEB Plan Contribution | 89,612 | |
| Total | | 2,847,132 |

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

| | | |
|-----------------------|-------------|-------------|
| Pension Expense | (4,323,247) | |
| Negative OPEB Expense | 638,753 | |
| Total | | (3,684,494) |

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

These activities consist of:

| | | |
|-------------------------------|---------|--|
| Long-Term Compensated Absence | 318,971 | |
|-------------------------------|---------|--|

Change in Net Position of Governmental Activities \$6,275,351

See accompanying notes to the basic financial statements

Northeastern Local Schools
Schedule of Revenues Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund
For the Fiscal Year Ended June 30, 2020

| | Original Budget | Final Budget | Actual | Variance with Final Budget |
|--|-----------------|--------------|------------|-------------------------------|
| REVENUES: | | | | |
| Property and Other Local Taxes | 11,716,299 | 11,600,000 | 12,255,485 | 655,485 |
| Income Tax | 4,450,000 | 4,450,000 | 5,440,547 | 990,547 |
| Intergovernmental | 14,954,658 | 14,947,630 | 14,637,448 | (310,183) |
| Interest | 227,035 | 227,035 | 448,131 | 221,096 |
| Tuition and Fees | 2,516,787 | 2,516,787 | 2,633,522 | 116,735 |
| Extracurricular Activities | 80,917 | 80,917 | 59,419 | (21,498) |
| Gifts and Donations | - | - | - | - |
| Miscellaneous | 25,895 | 25,895 | 158,695 | 132,800 |
| Total Revenues | 33,971,591 | 33,848,264 | 35,633,247 | 1,784,983 |
| EXPENDITURES: | | | | |
| Current: | | | | |
| Instruction: | | | | |
| Regular | 16,021,332 | 16,191,673 | 15,948,719 | (242,954) |
| Special | 3,683,963 | 3,697,072 | 3,877,438 | 180,366 |
| Vocational | 658,295 | 666,970 | 508,805 | (158,166) |
| Other | 854,051 | 847,813 | 1,133,974 | 286,162 |
| Support Services: | | | | |
| Pupils | 2,104,518 | 2,161,641 | 2,108,233 | (53,408) |
| Instructional Staff | 1,385,811 | 1,422,106 | 1,342,861 | (79,245) |
| Board of Education | 156,659 | 174,832 | 142,920 | (31,913) |
| Administration | 2,621,471 | 2,641,347 | 2,483,158 | (158,189) |
| Fiscal | 1,109,713 | 1,072,229 | 877,214 | (195,014) |
| Operation and Maintenance of Plant | 2,391,086 | 2,456,582 | 2,318,537 | (138,045) |
| Pupil Transportation | 2,090,050 | 2,094,874 | 2,046,149 | (48,726) |
| Central | 80,000 | 50,800 | 19,629 | (31,172) |
| Operation of Non-Instructional/Shared Services: | | | | |
| Community Services | - | - | (424) | (424) |
| Extracurricular Activities: | | | | |
| Academic Oriented Activities | 49,266 | 49,266 | 40,035 | (9,231) |
| Sport Oriented Activities | 688,301 | 688,601 | 681,503 | (7,098) |
| School and Public Service Co-Curricular Activities | 28,021 | 28,021 | 35,558 | 7,537 |
| Total Expenditures | 33,922,537 | 34,243,827 | 33,564,307 | (679,520) |
| Excess of Revenues Over (Under) Expenditures | 49,054 | (395,563) | 2,068,940 | 2,464,503 |
| OTHER FINANCING SOURCES AND USES: | | | | |
| Advances In | 93,839 | 93,839 | 46,228 | (47,611) |
| Refund of Prior Year Expenditures | 357,897 | 357,897 | 86,004 | (271,893) |
| Transfers Out | (42,000) | (292,000) | (211,449) | (80,551) |
| Advances Out | - | (50,000) | (41,784) | (8,216) |
| Total Other Financing Sources and Uses | 409,736 | 109,736 | (121,002) | (408,271) |
| Net Change in Fund Balances | 458,790 | (285,827) | 1,947,938 | 2,233,766 |
| Fund Balance (Deficit) at Beginning of Year | 14,043,770 | 14,043,770 | 14,043,770 | |
| Prior Year Encumbrances Appropriated | 578,602 | 578,602 | 578,602 | |
| Fund Balance (Deficit) at End of Year | 13,923,958 | 13,179,341 | 15,413,106 | 2,233,766 |

Northeastern Local School District
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2020

| | Private Purpose Trust | Agency |
|--|--------------------------|------------|
| | <hr/> | <hr/> |
| <u>Assets:</u> | | |
| Equity in Pooled Cash and Cash Equivalents | \$26,934 | \$ 358,545 |
| | <hr/> | <hr/> |
| <i>Total Assets</i> | 26,934 | 358,545 |
| | <hr/> | <hr/> |
| <u>Liabilities:</u> | | |
| Due to Students | - | 172,728 |
| Due to Other Governments | - | 185,817 |
| | <hr/> | <hr/> |
| <i>Total Liabilities</i> | - | \$ 358,545 |
| | <hr/> | <hr/> |
| <u>Net Position:</u> | | |
| Restricted - Nonexpendable | - | |
| Held in Trust for Scholarships | 26,934 | |
| | <hr/> | |
| <i>Total Net Position</i> | \$ 26,934 | |
| | <hr/> | |

See accompanying notes to the basic financial statements

Northeastern Local School District
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Fiscal Year Ended June 30, 2020

| | Private Purpose Trust |
|--|--------------------------|
| | <hr/> |
| <u>Additions:</u> | |
| Investment Earnings | \$0 |
| Contributions and Donations | 8,000 |
| Miscellaneous | 0 |
| | <hr/> |
| <i>Total Additions</i> | 8,000 |
| <u>Deductions:</u> | |
| Payment in Accordance with Trust Agreements | 10,326 |
| | <hr/> |
| <i>Change in Net Position</i> | (2,326) |
| <i>Net Position at Beginning of Year</i> | 29,260 |
| | <hr/> |
| <i>Net Position at End of Year</i> | \$26,934 |
| | <hr/> <hr/> |

See accompanying notes to the basic financial statements

**NORTHEASTERN LOCAL SCHOOL DISTRICT
CLARK COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

1. DESCRIPTION OF THE SCHOOL DISTRICT AND REPORTING ENTITY

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

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

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

Component units are legally separate organizations for which the School District is financially accountable. The School District is financially accountable for an organization if the School District appoints a voting majority of the organization's governing board and (1) the School District is able to significantly influence the programs or services performed or provided by the organization; or (2) the School District is legally entitled to or can otherwise access the organization's resources; (3) the School District is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; (4) or the School District is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the School District in that the School District approves the budget, the issuance of debt, or the levying of taxes. Component units may also include organizations that are fiscally dependent on the District in that the District approves the budget, the issuance of debt or the levying of taxes. Certain organizations are also included as component units if the nature and significance of the relationship between the primary government and the organization is such that exclusion by the primary government would render the primary government's financial statements incomplete or misleading. Based upon the application of these criteria, the District has no component units. The basic financial statements of the reporting entity include only those of the District (the primary government).

The School District participates in the Miami Valley Educational Computer Association (MVECA), Springfield/Clark County Career Technical Center and the Southwestern Ohio Educational Purchasing Council (SOEPC) which are defined as jointly governed organizations, and the Southwestern Ohio Educational Purchasing Council Workers' Compensation Group Rating Plan (GRP), which is defined as an insurance purchasing pool. These organizations are presented in Note 18 to the basic financial statements.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

**NORTHEASTERN LOCAL SCHOOL DISTRICT
CLARK COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

A. Basis of Presentation

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

1. Government-wide Financial Statements:

The statement of net position and the statement of activities display information about the School District as a whole. These statements include the financial activities of the primary government, except for fiduciary funds.

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

2. Fund Financial Statements:

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

B. Fund Accounting

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

1. Governmental Funds:

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

**NORTHEASTERN LOCAL SCHOOL DISTRICT
CLARK COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

Debt Service Fund - The debt service fund accounts for the collection of a 7.96 mill property tax levy passed in May 2018 (current mills 7.71) and the expenditures related to the construction of two new pre-K through 12 school buildings. The District issued \$79.3 million debt to fund the local share of the project, the debt will be paid each June and December until the final payment in June 2056.

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

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

2. Fiduciary Fund Types:

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

C. Measurement Focus

1. Government-wide Financial Statements:

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

2. Fund Financial Statements:

All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. The statement of revenues, expenditures and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental

**NORTHEASTERN LOCAL SCHOOL DISTRICT
CLARK COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

The private purpose trust fund is reported using the economic resources measurement focus.

D. Basis of Accounting

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

1. Revenues - Exchange and Non-Exchange Transactions:

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

Non-exchange transactions, in which the School District receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied (See Note 7). Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted, matching requirements, in which the School District must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the School District on a reimbursement basis. On a modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

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

2. Deferred Outflows/Inflows of Resources:

In addition to assets, the statements of financial position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. For the School District, deferred outflows of resources are reported on the government-wide statement of net position for pension and OPEB, which are further explained in Notes 12 and 13.

**NORTHEASTERN LOCAL SCHOOL DISTRICT
CLARK COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

In addition to liabilities, the statements of financial position report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized until that time. For the School District, deferred inflows of resources include property taxes, pension, and unavailable revenue. Property taxes represent amounts for which there is an enforceable legal claim as of June 30, 2019, but which were levied to finance fiscal year 2020 operations. These amounts have been recorded as a deferred inflow on both the government-wide statement of net position and governmental fund financial statements. Unavailable revenue is reported only on the governmental funds balance sheet, and represents receivables which will not be collected within the available period. For the School District, unavailable revenue includes delinquent property taxes, intergovernmental grants, and income tax revenues. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available. Deferred inflows of resources related to pension and OPEB are reported on the government-wide statement of net position. (See Notes 12 and 13)

Pensions/OPEB

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

3. Expenses/Expenditures:

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

E. Budgetary Data

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

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

**NORTHEASTERN LOCAL SCHOOL DISTRICT
CLARK COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

budgeted amounts in the budgetary statements reflect the amounts in the final amended certificate that was in effect at the time the final appropriations were passed by the Board of Education. Prior to fiscal year-end, the School District requested an amended certificate of estimated resources that reflects actual revenue for the fiscal year.

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

F. Cash and Cash Equivalents

To improve cash management, all cash received by the School District is pooled. Monies for all funds are maintained in this pool. Individual fund integrity is maintained through School District records. Each fund's interest in the pool is presented as "Equity in Pooled Cash and Cash Equivalents" on the balance sheet. The School District utilizes a financial institution to service bonded debt as principal and interest payments come due. The balance in this account is presented on the financial statements as "Cash and Cash Equivalents with Fiscal Agents" and represents deposits. The School District has segregated bank accounts for monies held separate from the School District's central bank account. These interest bearing depository accounts are presented in the combined balance sheet as "cash and cash equivalents in segregated accounts" since they are not required to be deposited into the School District treasury.

The Board of Education has, by resolution, specified the funds to receive an allocation of interest earnings. Interest revenue credited to the funds during fiscal year 2020 amounted to \$723,874 in the General Fund, \$1,529,625 to the Building Construction Fund, and \$8,942 to the Non Major Governmental Funds.

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

G. Prepaid Items

Payments made to vendors for services that will benefit periods beyond June 30, 2020, are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of the purchase and an expenditure/expense is reported in the year in which services are consumed.

**NORTHEASTERN LOCAL SCHOOL DISTRICT
CLARK COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

H. Inventory

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

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

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

I. Capital Assets

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

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

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

| <u>Description</u> | <u>Estimated Lives</u> |
|----------------------------|------------------------|
| Land Improvements | 10-99 years |
| Buildings and Improvements | 20-100 years |
| Furniture and Equipment | 5-50 years |
| Vehicles | 20 years |

J. Compensated Absences

Vacation benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is probable that the School District will compensate the employees for the benefits through paid time off or some other means. The School District records a liability for accumulated unused vacation time when earned for all employees with more than one year of service.

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

**NORTHEASTERN LOCAL SCHOOL DISTRICT
CLARK COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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

K. Accrued Liabilities and Long-Term Obligations

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

In general, payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources, are reported as obligations of the governmental funds. However, compensated absences and contractually required pension and OPEB contributions that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are due for payment during the current fiscal year. General obligation bonds and other long-term obligations that will be paid from governmental funds are recognized as a liability in the fund financial statements when due.

L. Net Position

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

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

M. Fund Balance

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

Non-spendable – The non-spendable classification includes amounts that cannot be spent because they are not in spendable form or legally or contractually required to be maintained intact. The "not in spendable form" includes items that are not expected to be converted to cash.

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

**NORTHEASTERN LOCAL SCHOOL DISTRICT
CLARK COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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

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

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

N. Interfund Activity

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

Interfund transfers for the year ended June 30, 2020 consisted of a transfer from the General fund to the District's food service fund, in the amount of \$211,449, as reported on the fund financial statements.

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

O. Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the Board of Education and that are either unusual in nature or infrequent in occurrence. Neither type of transaction occurred during fiscal 2020.

**NORTHEASTERN LOCAL SCHOOL DISTRICT
CLARK COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

P. Estimates

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

3. CHANGE IN ACCOUNTING PRINCIPLES

For the fiscal year 2020, the School District implemented the Governmental Accounting Standards Board (GASB) Statement No. 83, *Certain Assets Retirement Obligations* and No. 88, *Certain Disclosures Related to Debt, including Direct Borrowing and Direct Placements*.

GASB Statement No.83 establishes uniform criteria for governments to recognize and measure certain assets retirement obligations (AROs), including obligations that may not have been previously reported, including requiring certain disclosures regarding AROs. The implementation of this accounting standard had no effect on the School District's financial statements for the current year.

GASB Statement No. 88 clarifies what information is to be disclosed in the notes to the financial statements related to debt, including direct borrowings and direct placements. It also clarifies which liabilities governments should include when disclosing information related to debt. Debt is defined for disclosure as a liability that arises from a contractual obligation to pay cash (or other assets that may be used in lieu of cash) in one or more payments to settle an amount that is fixed at the date the contractual obligation is established. Required disclosure include, unused line(s) of credit, assets pledged as collateral for debt, terms specified in debt agreement related to default, significant termination events and significant subjective acceleration clauses. The implementation of the accounting state had no effect on the School District's financial statements for the current year.

4. ACCOUNTABILITY AND COMPLIANCE

The School District had deficit fund balances in the following special revenue funds as of June 30, 2020:

| <u>Fund</u> | <u>Amount</u> |
|-------------------------------|---------------|
| Food Service | \$50,936 |
| Title VI-B Special Ed Grant | 17,396 |
| Title I-A Improving Program | 31,054 |
| Title II-A Improving Teaching | 818 |

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

**NORTHEASTERN LOCAL SCHOOL DISTRICT
CLARK COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

5. BUDGETARY BASIS OF ACCOUNTING

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

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

The following table summarizes the adjustments necessary to reconcile the GAAP basis statements to the budgetary basis statements for the major funds.

Net Change in Fund Balance

| | General Fund | Debt Service Fund | Building Construction Fund |
|---|---------------------|--------------------|----------------------------|
| GAAP Basis | \$ 3,613,697 | \$ 14,493 | \$ 383,360 |
| Net Adjustment for Revenue Accruals | (1,716,549) | (30,001) | 846,035 |
| Net Adjustment for Expenditure Accruals | (39,657) | - | (7,971) |
| Net Other Financing Sources | 90,447 | - | - |
| Budget Basis | <u>\$ 1,947,938</u> | <u>\$ (15,508)</u> | <u>\$ 1,221,424</u> |

6. DEPOSITS AND INVESTMENTS

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

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

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

**NORTHEASTERN LOCAL SCHOOL DISTRICT
CLARK COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

6. DEPOSITS AND INVESTMENTS (Continued)

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

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

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

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

Investments in stripped principal or interest obligations, reverse repurchase agreements and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage and short selling are also prohibited. An investment must mature within five years from the date of purchase unless matched to a specific obligation or debt of the School District, and must be purchased with the expectation it will be held to maturity.

**NORTHEASTERN LOCAL SCHOOL DISTRICT
CLARK COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

6. DEPOSITS AND INVESTMENTS (Continued)

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. Cash on Hand:

At year end, the School District had \$10,000 in cash on hand which is included on the financial statements of the School District as "Cash and Cash Equivalents in Segregated Accounts."

The following information classifies deposits and investments by categories of risk as defined in GASB Statement 3, "Deposits with Financial Institutions, Investments and Reverse Repurchase Agreements".

B. Deposits:

At year-end, the carrying amount of the School District's deposits and investments totaled \$98,557,133 and the bank balance was \$11,966 which was covered by federal depository insurance. Although the securities serving as collateral were held by the pledging financial institution's trust department in the School District's name and all State statutory requirements for the deposit of money had been followed, noncompliance with federal requirements could potentially subject the School District to a successful claim by the Federal Deposit Insurance Corporation.

C. Investments:

The District's investments at June 30, 2020 are summarized below:

| | Matures In | | Credit Rating | % of Portfolio |
|-------------------------------------|------------------------------|-----------------------------|------------------|-------------------|
| | 0-1 Years Before Maturity | 1-5 Year Before Maturity | | |
| Investment | | | | |
| Treasury Money Market | 16,128.87 | | | 0.02% |
| Commercial Paper | 30,197,912.45 | | P1, A1+ | 32.43% |
| Negotiable Certificate of Deposit | 7,984,773.88 | 9,007,108.85 | | 18.25% |
| US Treasury Notes | 4,184,714.50 | | Aaa, AA+ | 4.49% |
| US Treasury Bills | 4,234,574.57 | | P1, A1+ | 4.55% |
| US Government Agency Discount Notes | 2,747,390.96 | | P1, A1+ | 2.95% |
| US Government Agency Notes | 3,002,459.70 | 31,731,087.15 | Aaa, AA+ | 37.31% |
| Total Investments | 52,367,954.93 | 40,738,196.00 | | 100.00% |

The School District's investments in federal agency securities, negotiable certificates of deposit and commercial paper are valued using quoted market prices (Level 1 inputs).

**NORTHEASTERN LOCAL SCHOOL DISTRICT
CLARK COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

6. DEPOSITS AND INVESTMENTS (Continued)

D. Custodial Credit Risk:

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

E. Interest Rate Risk:

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

F. Credit Risk:

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

7. PROPERTY TAXES

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

Property taxes include amounts levied against all real property and public utility property. Real property tax revenues received in calendar year 2020 represent the collection of calendar year 2019 taxes. Real property taxes received in calendar year 2020 were levied after April 1, 2019, on the assessed values as of January 1, 2019, the lien date. Assessed values for real property taxes are established by State statute at 35 percent of appraised market value. Real property taxes are payable annually or semiannually. If paid annually, payment is due December 31; if paid semiannually, the first payment is due December 31, with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established. Public utility property tax revenues received in calendar year 2020 represent the collection of calendar year 2019 taxes. Public utility real and personal property taxes received in calendar year 2020 became a lien on December 31, 2018, were levied after April 1, 2019, and are collected with real property taxes. Public utility real property is assessed at 35 percent of true value; public utility tangible personal property is currently assessed at varying percentages of true value.

**NORTHEASTERN LOCAL SCHOOL DISTRICT
CLARK COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

7. PROPERTY TAXES (continued)

Public utility tangible personal property currently is assessed at varying percentages of true value public utility real property is assessed at thirty-five percent of true value. 2019 public utility property taxes became a lien December 31, 2018, are levied after April 1, 2019, and are collected in 2019 with real property taxes. 2019 tangible personal property taxes are levied after April 1, 2018, on the value as of December 31, 2018. Collections are made in 2019. Tangible personal property assessments are twenty-five percent of true value. Real property taxes are payable annually or semiannually. If paid annually, payment is due December 31; if paid semiannually, the first payment is due December 31 with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established. The assessed values upon which the fiscal year 2020 taxes were collected are:

| | 2018 Second Half Collections | | 2019 First Half Collections | |
|--|---|----------------|--|----------------|
| | Amount | Percent | Amount | Percent |
| Agricultural/Residential and Other Real | \$494,038,560 | 97.0% | \$530,427,000 | 95.6% |
| Public Utility Personal | 15,162,440 | 3.0% | 24,162,590 | 4.4% |
| Total | \$501,526,060 | 100.0% | \$509,201,000 | 100.0% |
| Tax Rate per \$1,000 of Assessed Valuation | \$55.50 | | \$54.85 | |

The School District receives property taxes from Clark and Champaign Counties. The County Auditor periodically advances to the School District its portion of the taxes collected. Second-half real property tax payments collected by the county by June 30, 2020, are available to finance fiscal year 2020 operations. The amount available to be advanced can vary based on the date the tax bills are sent.

Accrued property taxes receivable represents real property and public utility property taxes which are measurable as of June 30, 2020, and for which there is an enforceable legal claim. Although total property tax collections for the next fiscal year are measurable, only the amount of real property taxes available as an advance at June 30 were levied to finance current fiscal year operations and is reported as revenue at fiscal year-end. The portion of the receivable not levied to finance current fiscal year operations is offset to deferred inflows of resources. At June 30, 2020, \$3,990,091 was available as an advance to the general fund, \$42,865 in the permanent improvement fund, \$623,674 in the bond retirement fund, and \$86,318 in the classroom facility maintenance fund.

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

8. INCOME TAX

The School District levies an income tax of one percent on substantially all income earned by School District residents. Employers with employees based in the state of Ohio are required to withhold income tax on employee compensation and remit the tax to the Ohio Department of Taxation either monthly or quarterly. Individuals may make estimated payments. Income tax proceeds are to be used to pay General Fund operations of the School District. The proceeds are allocated to the General Fund. Income tax revenue for fiscal year 2020 on the modified accrual basis was \$ 5,395,581.

**NORTHEASTERN LOCAL SCHOOL DISTRICT
CLARK COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

9. RECEIVABLES

Receivables at June 30, 2020, consisted of property taxes, income taxes, accounts (tuition and student fees), intergovernmental grants and interest. All receivables are considered collectible in full and will be received within one year. A summary of the principal items of intergovernmental receivables follows:

| Intergovernmental Receivable | |
|-------------------------------------|-------------------|
| SERS Overcharge | \$ 54,539 |
| Motor Fuel Tax Reimbursement | \$ 5,925 |
| Casino Tax Money | \$ 43,554 |
| Medicaid Reimbursement | \$ 5,240 |
| Title VI-B Grant | \$ 45,772 |
| Title I Non Competative | \$ 1,194 |
| Title I Grant | \$ 37,612 |
| Title II- A Grant | \$ 1,400 |
| Title IV-A Student Support | \$ 1,504 |
| Total Intergovernmental Receivables | <u>\$ 196,740</u> |

10. CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2020, was as follows:

| | Beginning Balance 6/30/2019 | Additions | Deletions | Ending Balance 6/30/2020 |
|---|-----------------------------------|--------------|--------------|--------------------------------|
| Land | \$ 1,337,854 | \$ - | \$ - | \$ 1,337,854 |
| Construction In Progress | 1,328,987 | 1,960,229 | - | 3,289,216 |
| Total Capital Assets, not being dep. | \$ 2,666,841 | \$ 1,960,229 | \$ - | \$ 4,627,070 |
| Land Improvements | \$ 648,154 | \$ - | \$ (6,342) | \$ 641,812 |
| Buildings | 26,541,544 | 79,180 | - | 26,620,724 |
| Furniture Fixture & Equipment | 3,927,123 | 86,378 | (214,602) | 3,798,899 |
| Vehicles | 2,422,752 | 24,972 | (6,464) | 2,441,260 |
| Construction In Progress | \$ - | \$ - | \$ - | \$ - |
| Total Capital Assets, being depr | \$ 33,539,573 | \$ 190,530 | \$ (227,408) | \$ 33,502,695 |
| Less: Accumulated Depreciation : | | | | |
| Land Improvements | (383,487) | (5,773) | 1,015 | (388,245) |
| Buildings | (15,725,911) | (482,175) | 83,639 | (16,124,447) |
| Furniture Fixture & Equipment | (2,278,862) | (137,645) | - | (2,416,507) |
| Vehicles | (1,353,950) | (120,607) | 2,262 | (1,472,295) |
| Total Accumulated Depreciation | \$ (19,742,210) | \$ (746,200) | \$ 86,916 | \$ (20,401,494) |
| Total Capital Assets being depr, net | \$ 13,797,363 | \$ (555,670) | \$ (140,492) | \$ 13,101,201 |
| Governmental Activities Cap Assets, Net | \$ 16,464,204 | \$ 1,404,559 | \$ (140,492) | \$ 17,728,271 |

**NORTHEASTERN LOCAL SCHOOL DISTRICT
CLARK COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

10. CAPITAL ASSETS (continued)

* Depreciation expense was charged to governmental functions as follows:

| | |
|--------------------------------|-------------------|
| Regular Instruction | \$ 286,022 |
| Special Instruction | 50,930 |
| Vocational Instruction | 36,511 |
| Support Services Pupils | 31,801 |
| Support Services Staff | 28,842 |
| Administration | 46,607 |
| Fiscal | 14,234 |
| Operation of Maint & Equipment | 27,599 |
| Pupil Transportation | 121,227 |
| Non-Instructional Services | 53,273 |
| Extracurricular Activities | 49,156 |
| Total Depreciation | \$ 746,200 |

11. RISK MANAGEMENT

A. Property and Liability

The School District is exposed to various risks of loss related to torts; theft or, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During fiscal year 2020, the School District contracted with the Southwestern Ohio Educational Purchasing Council for property and fleet insurance, liability insurance, crime, terrorism, and automobile coverage. Coverage provided through this Council is as follows:

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

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

B. Workers' Compensation

For fiscal year 2020, the School District participated in the Southwestern Ohio Educational Purchasing Council Workers' Compensation Group Rating Plan (GRP), a workers' compensation insurance purchasing pool (Note 17). The intent of the GRP is to achieve the benefit of a reduced premium for the School District by virtue of its grouping and representation with other participants in the GRP. The workers' compensation experience of the participating school districts is calculated as one experience and a common premium rate is applied to all school districts in the GRP. Each participant pays its workers' compensation premium to the State based on the rate for the GRP rather than its individual rate. Total savings are then calculated and each participant's individual performance is compared to the overall savings percentage of the GRP. A participant will then either receive money from or be required to contribute to the "Equity Pooling Fund." This "equity pooling fund" arrangement ensures that each participant shares equally in the overall performance of the GRP. Participation in the GRP is limited to school districts that can meet the GRP's selection criteria. The firm of Integrated Comp Incorporated provides administrative, cost control, and actuarial services to the GRP.

**NORTHEASTERN LOCAL SCHOOL DISTRICT
CLARK COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

12. DEFINED BENEFIT PENSION PLANS

A. Net Pension Liability

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

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

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

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

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

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

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

**NORTHEASTERN LOCAL SCHOOL DISTRICT
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**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

12. DEFINED BENEFIT PENSION PLANS (Continued)

Age and service requirements for retirement are as follows:

| Benefits | Eligible to Retire on or before August 1, 2017* | Eligible to Retire after August 1, 2017 |
|------------------------------|--|--|
| Full Benefits | Age 65 with 5 years of service credit; or Any age with 30 years of service credit | Age 67 with 10 years of service credit; or Age 57 with 30 years of service credit |
| Actuarially Reduced Benefits | Age 60 with 5 years of service credit Age 55 with 25 years of service credit | Age 62 with 10 years of service credit; or Age 60 with 25 years of service credit |

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

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

One year after an effective benefit date, a benefit recipient is entitled to a three percent cost-of-living adjustment (COLA). This same COLA is added each year to the base benefit amount on the anniversary date of the benefit.

Funding Policy – Plan members are required to contribute 10% of their annual covered salary and the School District is required to contribute 14% of annual covered payroll. The contribution requirements of plan members and employers are established and may be amended by the SERS' Retirement Board up to statutory maximum amounts of 10% for plan members and 14% for employers. The Retirement Board, acting with the advice of the actuary, allocates the employer contribution rate among four of the System's funds (Pension Trust Fund, Death Benefit Fund, and Medicare B Fund, and Health Care Fund). For the fiscal year ended June 30, 2020, the 14% was allocated to only three of the funds (Pension Trust Fund, Death Benefit Fund and Medicare B Fund).

The School District's contractually required contribution to SERS was \$669,422 for fiscal year 2020. Of this amount, \$141,945 is reported as an intergovernmental payable.

C. Plan Description - State Teachers Retirement System (STRS)

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

**NORTHEASTERN LOCAL SCHOOL DISTRICT
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**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

12. DEFINED BENEFIT PENSION PLANS (Continued)

New members have a choice of three retirement plans; a Defined Benefit (DB) Plan, a Defined Contribution (DC) Plan and a Combined Plan. Benefits are established by Ohio Revised Code Chapter 3307. For the DB Plan, from August 1, 2015 – July 1, 2017, any member could retire with reduced benefits who had (1) five years of service credit and age 60; (2) 26 years of service credit and age 55; or (3) 30 years of service credit regardless of age. Effective August 1, 2017 – July 1, 2019, any member may retire with reduced benefits who has (1) five years of service credit and age 60; (2) 27 years of service credit and age 55; or (3) 30 years of service credit regardless of age. Eligibility changes will continue to be phased in through August 1, 2026, when retirement eligibility for unreduced benefits will be five years of service credit and age 65, or 35 years of service credit and at least age 60. Retirement eligibility for reduced benefits will be five years of service credit and age 60, or 30 years of service credit regardless of age.

The DC Plan allows members to place all their member contributions and 9.53% of the 14% employer contributions into an investment account. Investment allocation decisions are determined by the member. The remaining 4.47% of the 14% employer rate is allocated to the defined benefit unfunded liability. A member is eligible to receive a retirement benefit at age 50 and termination of employment. The member may elect to receive a lifetime monthly annuity or a lump sum withdrawal.

The Combined Plan offers features of both the DB Plan and the DC Plan. In the Combined Plan, 12% of the 14%-member rate goes to the DC Plan and 2% goes 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 services. The defined contribution portion of the account may be taken as a lump sum payment or converted to a lifetime monthly annuity at age 50 or later.

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 Ohio 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 Ohio bearing the risk of investment gain or loss on the account. STRS Ohio therefore has included all three plan options as one defined benefit plan for GASB Statement No. 68 reporting purposes.

A DB or Combined Plan member with five or more years of credited service who is determined to be disabled may qualify for a disability benefit. Eligible survivors of members who die before service retirement may qualify for monthly benefits. New members on or after July 1, 2013, must have at least ten years of qualifying service credit that apply for disability benefits. Members in the DC Plan who become disabled are entitled only to their account balance. 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. For the fiscal year ended June 30, 2019, plan members were required to contribute 14% of their annual covered salary. The School District was required to contribute 14%; the entire 14% was the portion used to fund pension obligations. The fiscal year 2018 contribution rates were equal to the statutory maximum rates.

The NELSD's contractually required contribution to STRS was approximately \$2,088,098 for fiscal year 2020. Of this amount, \$366,456 is reported as an intergovernmental payable.

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12. DEFINED BENEFIT PENSION PLANS (Continued)

D. Pension Liabilities, Pension Expense, and Deferred Outflows and Inflows of Resources for Pensions

The net pension liability was measured as of June 30, 2019, 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 proportion of the net pension liability was based on the School District's share of contributions to the pension plan relative to the projected contributions of all participating entities. Following is information related to the proportionate share and pension expense:

| | SERS | STRS | Total |
|--|--------------|---------------|---------------|
| Proportionate share of the net pension liability | \$ 8,206,137 | \$ 27,182,937 | \$ 35,389,074 |
| Proportion of the net pension liability | 0.137154% | 0.122920% | |
| Change in proportionate share | -0.003799% | -0.003898% | |
| Pension expense | \$ 986,327 | \$ 3,336,920 | \$ 4,323,247 |

At June 30, 2020, the School District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

| | SERS | STRS | Total |
|--|-------------------|---------------------|---------------------|
| <u>Deferred Outflows of Resources:</u> | | | |
| Differences between expected and actual experience | \$ 208,089 | \$ 221,314 | \$ 429,403 |
| Change in assumptions | - | 3,193,160 | 3,193,160 |
| School District contributions subsequent to the measurement date | 669,422 | 2,088,098 | 2,757,520 |
| Total | <u>\$ 877,511</u> | <u>\$ 5,502,572</u> | <u>\$ 6,380,083</u> |
| <u>Deferred Inflows of Resources:</u> | | | |
| Differences between expected and actual experience | \$ - | \$ 117,670 | \$ 117,670 |
| Net difference between projected and actual earnings on pension plan investments | 105,336 | 1,328,555 | 1,433,891 |
| Change in School District's proportionate share and difference in employer contributions | 250,588 | 1,103,572 | 1,354,160 |
| Total | <u>\$ 355,924</u> | <u>\$ 2,549,797</u> | <u>\$ 2,905,721</u> |

\$2,757,520 reported as deferred outflows of resources related to pension resulting from School District contributions subsequent to the measurement date will be recognized as a reduction of net pension liability in the year ending June 30, 2020. Other amounts reported as deferred outflows and inflows of resources related to pension will be recognized in pension expense as follows:

| | SERS | STRS | Total |
|-----------------------------|---------------------|-------------------|-------------------|
| Fiscal Year Ending June 30: | | | |
| 2021 | \$ 26,489 | \$ 1,309,366 | \$ 1,335,855 |
| 2022 | (227,052) | (8,849) | (235,901) |
| 2023 | (7,010) | (448,359) | (455,369) |
| 2024 | 59,738 | 12,519 | 72,257 |
| | <u>\$ (147,835)</u> | <u>\$ 864,677</u> | <u>\$ 716,842</u> |

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12. DEFINED BENEFIT PENSION PLANS (Continued)

Actuarial Assumptions – SERS

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

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

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

Key methods and assumptions used in calculating the total pension liability in the latest actuarial valuation, prepared as of June 30, 2019, are presented below:

| | |
|--|--|
| Inflation | 3.00% |
| Future Salary Increases, including Inflation | 3.50% to 18.20% |
| COLA or Ad Hoc COLA | 2.50% |
| Investment Rate of Return | 7.50% net of investment expense, including inflation |
| Actuarial Cost Method | Entry Age Normal |

Mortality rates were based on the RP-2014 Blue Collar Mortality Table with fully generational projection and a five-year age set-back for both males and females for active members. Mortality among service retired members and beneficiaries were based upon the RP-2014 Blue Collar Mortality Table with fully generational projection with Scale BB, 120% of male rates, and 110% of female rates. Mortality among disabled members were based upon the RP-2000 Disabled Mortality Table, 90% for male rates and 100% for female rates, set back five years is used for the period after disability retirement.

The actuarial assumptions used were based on the results of an actuarial experience study for the period ending July 1, 2010 to June 30, 2015 adopted by the Board on April 21, 2016.

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

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12. DEFINED BENEFIT PENSION PLANS (Continued)

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

| Asset Class | Target Allocation | Long Term Expected Real Rate of Return |
|------------------------|----------------------|---|
| Cash | 1.00 % | 0.50 % |
| U.S. Stocks | 22.50 | 4.75 |
| Non-U.S. Stock | 22.50 | 7.00 |
| Fixed Income | 19.00 | 1.50 |
| Private Equity | 10.00 | 8.00 |
| Real Assets | 15.00 | 5.00 |
| Multi-Asset Strategies | 10.00 | 3.00 |
| Total | 100.00 % | |

Discount Rate – Total pension liability was calculated using the discount rate of 7.5%. The projection of cash flows used to determine the discount rate assumed the contributions from employers and from the members would be computed based on contribution requirements as stipulated by State statute. Projected inflows from investment earning were calculated using the long-term assumed investment rate of return (7.5%). Based on those assumptions, the plan's fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefits to determine the total pension liability.

Sensitivity of the School District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate – Net pension liability is sensitive to changes in the discount rate, and to illustrate the potential impact the following table presents the net pension liability calculated using the discount rate of 7.5%, 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 (6.5%), or one percentage point higher (8.5%) than the current rate.

| | 1% Decrease (6.50%) | Current Discount Rate (7.50%) | 1% Increase (8.50%) |
|---|------------------------|-------------------------------------|------------------------|
| School District's proportionate share of the net pension liability | \$ 11,499,732 | \$ 8,206,137 | \$ 5,444,046 |

Actuarial Assumptions - STRS

The total pension liability in the June 30, 2019 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

| | |
|-----------------------------------|--|
| Inflation | 2.50% |
| Salary increases | 12.50% at age 20 to 2.50% at age 65 |
| Payroll increases | 3.00% |
| Investment rate of return | 7.45%, net of investment expenses, including inflation |
| Discount rate of return | 7.45% |
| Cost-of-living adjustments (COLA) | 0% |

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12. DEFINED BENEFIT PENSION PLANS (Continued)

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

The actuarial assumptions were based on the results of an actual experience study for the period July 1, 2011 through June 30, 2016.

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

| Asset Class | Target Allocation* | Long Term Expected Real Rate of Return** |
|----------------------|-----------------------|---|
| Domestic Equity | 28.00 % | 7.35 % |
| International Equity | 23.00 | 7.55 |
| Alternatives | 17.00 | 7.09 |
| Fixed Income | 21.00 | 3.00 |
| Real Estate | 10.00 | 6.00 |
| Liquidity Reserves | 1.00 | 2.25 |
| Total | 100.00 % | |

* Target weights will be phased in over a 24-month period concluding on July 1, 2019

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

Discount Rate – The discount rate used to measure the total pension liability was 7.45% as of June 30, 2019. The projection of cash flows used to determine the discount rate assumes member and employer contributions will be made at the statutory contribution rates in accordance with rate increases described above. For this purpose, only employer contributions that are intended to fund benefits of current plan members and their beneficiaries are included. Based on those assumptions, STRS' fiduciary net position was projected to be available to make all projected future benefit payments to current plan members as of June 30, 2019. Therefore, the long-term expected rate of return on pension plan investments of 7.45% was applied to all periods of projected benefit payment to determine the total pension liability as of June 30, 2019.

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 7.45%, 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 (6.45%) or one-percentage-point higher (8.45%) than the current rate:

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12. DEFINED BENEFIT PENSION PLANS (Continued)

| | 1% Decrease (6.45%) | Current Discount Rate (7.45%) | 1% Increase (8.45%) |
|---|------------------------|-------------------------------------|------------------------|
| School District's proportionate share of the net pension liability | \$ 39,724,835 | \$ 27,182,937 | \$ 16,565,579 |

Social Security System

All employees not covered by SERS or STRS have an option to choose Social Security or SERS/STRS. As of June 30, 2020, two of the members of the Board of Education has elected social security. The Board's liability is 6.2% of wages paid.

13. POSTEMPLOYMENT BENEFITS OTHER THAN PENSION (OPEB)

Net OPEB Liability (Asset)

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

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

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

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

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

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

Plan Description - School Employees Retirement System (SERS)

Health Care Plan Description—The School District contributes to the SERS Health Care Fund, administered by SERS for non-certificated retirees and their beneficiaries. For GASB Statement No. 75 purposes, this plan is considered a cost-sharing other postemployment benefit (OPEB) plan. SERS' Health Care Plan provides healthcare benefits to eligible individuals receiving retirement, disability, and survivor benefits, and to their eligible dependents. Members who retire after June 1, 1986, need 10 years of service credit, exclusive of most types of purchased credit, to qualify to participate in SERS' health care coverage. In addition to age and service retirees, disability benefit recipients and beneficiaries who are receiving monthly benefits due to the death of a member or retiree, are eligible for SERS' health care coverage. Most retirees and dependents choosing SERS' health care coverage are over the age of 65 and therefore enrolled in a fully insured Medicare Advantage plan; however, SERS maintains a traditional, self-insured preferred provider organization for its non-Medicare retiree population. For both groups, SERS offers a self-insured prescription drug program. Health care is a benefit that is permitted, not mandated, by statute. The financial report of the Plan is included in the SERS Comprehensive Annual Financial Report which can be obtained on SERS' website at www.ohsers.org under Employers/Audit Resources.

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

Funding Policy—State statute permits SERS to fund the health care benefits through employer contributions. Each year, after the allocation for statutorily required pensions and benefits, the Retirement Board may allocate the remainder of the employer contribution of 14% of covered payroll to the Health Care Fund in accordance with the funding policy. For fiscal year 2020, there was no portion allocated to health care. An additional health care surcharge on employers is collected for employees earning less than an actuarially determined minimum compensation amount, pro-rated if less than a full year of service credit was earned. For fiscal year 2020, the minimum compensation amount was \$19,600. 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 2020, the School District's surcharge obligation was \$89,612.

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

Plan Description - State Teachers Retirement System (STRS)

Plan Description—The State Teachers Retirement System of Ohio (STRS) administers a cost-sharing Health Plan administered for eligible retirees who participated in the defined benefit or combined pension plans offered by STRS. Ohio law authorizes STRS to offer this plan. Benefits include hospitalization, physicians' fees, prescription drugs and partial reimbursement of monthly Medicare Part B premiums. Medicare Part B premium reimbursements will be discontinued effective January 1, 2020. The Plan is included in the report of STRS which can be obtained by visiting www.strsoh.org or by calling (888) 227-7877.

Funding Policy—Ohio Revised Code Chapter 3307 authorizes STRS to offer the Plan and gives the Retirement Board discretionary authority over how much, if any, of the health care costs will be absorbed by STRS. Active employee members do not contribute to the Health Care Plan. Nearly all health care plan enrollees, for the most recent year, pay a portion of the health care costs in the form of a monthly premium. Under Ohio law, funding for post-employment health care may be deducted from employer contributions, currently 14% of covered payroll. For the fiscal year ended June 30, 2020, STRS did not allocate any employer contributions to post-employment health care.

OPEB Liabilities (Assets), OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

The net OPEB liability (asset) was measured as of June 30, 2019, and the total OPEB liability used to calculate the net OPEB liability (asset) was determined by an actuarial valuation as of that date. The School District's proportion of the net OPEB liability (asset) was based on the School District's share of contributions to the respective retirement systems relative to the contributions of all participating entities. Following is information related to the proportionate share and OPEB expense:

| | SERS | STRS | Total |
|---|-------------|--------------|--------------|
| Proportionate share of the net OPEB asset | \$ - | \$ 2,035,844 | \$ 2,035,844 |
| Proportionate share of the net OPEB liability | 3,521,500 | - | 3,521,500 |
| Proportion of the net OPEB asset/liability | 0.1400316% | 0.1229196% | |
| Change in proportionate share | -0.0027210% | -0.0038982% | |
| OPEB (negative) expense | \$ 17,689 | \$ (656,442) | \$ (638,753) |

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

At June 30, 2019, the School District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

| | SERS | STRS | Total |
|---|---------------------|---------------------|---------------------|
| <u>Deferred Outflows of Resources:</u> | | | |
| Differences between expected and actual experience | \$ 51,694 | \$ 184,564 | \$ 236,258 |
| Net difference between projected and actual earnings on OPEB plan investments | 8,454 | - | 8,454 |
| Change in assumptions | 257,204 | 42,792 | 299,996 |
| School District contributions subsequent to the measurement date | 89,612 | - | 89,612 |
| Total | <u>\$ 406,964</u> | <u>\$ 227,356</u> | <u>\$ 634,320</u> |
| <u>Deferred Inflows of Resources:</u> | | | |
| Differences between expected and actual experience | \$ 773,650 | \$ 103,574 | \$ 877,224 |
| Net difference between projected and actual earnings on OPEB plan investments | - | 127,865 | 127,865 |
| Change in assumptions | 197,334 | 2,232,068 | 2,429,402 |
| Difference between School District's contributions and proportionate share of contributions | 157,021 | 147,348 | 304,369 |
| Total | <u>\$ 1,128,005</u> | <u>\$ 2,610,855</u> | <u>\$ 3,738,860</u> |

\$89,612 reported as deferred outflows of resources related to OPEB resulting from School District contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability (asset) in the year ending June 30, 2020. Other amounts reported as deferred outflows and inflows of resources related to OPEB will be recognized in OPEB expense as follows:

| | SERS | STRS | Total |
|-----------------------------|---------------------|-----------------------|-----------------------|
| Fiscal Year Ending June 30: | | | |
| 2021 | \$ (263,938) | \$ (519,130) | \$ (783,068) |
| 2022 | (128,738) | (519,130) | (647,868) |
| 2023 | (126,257) | (467,883) | (594,140) |
| 2024 | (126,661) | (449,906) | (576,567) |
| 2025 | (119,823) | (429,560) | (549,383) |
| 2026 | (45,236) | 2,110 | (43,126) |
| | <u>\$ (810,653)</u> | <u>\$ (2,383,499)</u> | <u>\$ (3,194,152)</u> |

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

Actuarial Assumptions – SERS

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

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

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

Key methods and assumptions used in calculating the total OPEB liability in the latest actuarial valuation, prepared as of June 30, 2019, are presented below:

| | |
|---|--|
| Investment Rate of Return | 7.50% net of investment expense, including inflation |
| Wage Inflation | 3.00% |
| Future Salary Increases, including Inflation | 3.50% to 18.20% |
| Municipal Bond Index Rate: | |
| Prior Measurement Date | 3.62% |
| Measurement Date | 3.13% |
| Single Equivalent Interest Rate, net of plan investment expense, including price inflation: | |
| Prior Measurement Date | 3.70% |
| Measurement Date | 3.22% |
| Medical Trend Assumption: | |
| Pre-Medicare | 7.00% - 4.75% |
| Medicare | 5.25% - 4.75% |

Mortality rates were based on the RP-2014 Blue Collar Mortality Table with fully generational projection and Scale BB, 120% of male rates and 110% of female rates. PR-2000 Disabled Mortality Table with 90% for males rate and 100% for female rates set back five years.

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

The long-term expected rate of return on plan assets is reviewed as part of the actuarial five-year experience study. The most recent study covers fiscal years 2010 through 2015, and was adopted by the Board on April 21, 2016. 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 log-normal distribution analysis in which best-estimate ranges of expected future real rates of return were developed by the investment consultant for each major asset class. These ranges were combined to produce the long-term expected rate of return, 7.50%, by weighting the expected future real rates of return by the target asset allocation percentage and then adding expected inflation. The capital market assumptions developed by the investment consultant are intended for use over a 10-year horizon and may not be useful in setting the long-term rate of return for funding pension plans which covers a longer timeframe. The assumption is intended to be a long-term assumption and is not expected to change absent a significant change in the asset allocation, a change in the inflation assumption, or a fundamental change in the market that alters expected returns in future years.

The target allocation and best estimates of arithmetic real rates of return for each major asset class, as used in the June 30, 2015 five-year experience study, are summarized in the following table:

| Asset Class | Target Allocation | Long Term Expected Real Rate of Return |
|------------------------|----------------------|---|
| Cash | 1.00 % | 0.50 % |
| U.S. Stocks | 22.50 | 4.75 |
| Non-U.S. Stock | 22.50 | 7.00 |
| Fixed Income | 19.00 | 1.50 |
| Private Equity | 10.00 | 8.00 |
| Real Estate | 15.00 | 5.00 |
| Multi-Asset Strategies | 10.00 | 3.00 |
| Total | <u>100.00 %</u> | |

Discount Rate – The discount rate used to measure the total OPEB liability at June 30, 2019 was 3.22%. The discount rate used to measure total OPEB liability at June 30, 2018 was 3.70%. The projection of cash flows used to determine the discount rate assumed that contributions will be made from members and SERS at the state statute contribution rate of 2.00% of projected covered employee payroll each year, which includes a 1.50% payroll surcharge and 0.50% of contributions from basic benefits plan. Based on these assumptions, the OPEB plan's fiduciary net position was projected to become insufficient to make future benefit payments during the fiscal year ending June 30, 2025. Therefore, the long-term expected rate of return on OPEB plan assets was used to present value the projected benefit payments through the fiscal year ending June 30, 2024 and the Fidelity General Obligation 20-year Municipal Bond Index rate of 3.13% as of June 30, 2019 (i.e., municipal bond rate) was used to present value the projected benefit payments for the remaining years in the projection. The total present value of projected benefit payments from all years was then used to determine the single rate of return that was used as the discount rate. The projection of future benefit payments for all current plan members was until the benefit payments ran out.

**NORTHEASTERN LOCAL SCHOOL DISTRICT
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**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

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

Sensitivity of the School District's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate and the Health Care Cost Trend Rates – The net OPEB liability is sensitive to changes in the discount rate and the health care cost trend rate. The following table presents the net OPEB liability calculated using the discount rate of 3.22%, as well as what the School District's net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (2.22%) and one percentage point higher (4.22%) than the current rate.

| | 1% Decrease (2.22%) | Current Discount Rate (3.22%) | 1% Increase (4.22%) |
|---|------------------------|-------------------------------------|------------------------|
| School District's proportionate share of the net OPEB liability | \$ 4,274,433 | \$ 3,521,500 | \$ 2,922,830 |

The following table presents the net OPEB liability calculated using current health care cost trend rates, as well as what the School District's net OPEB liability would be if it were calculated using health care cost trend rates that are one percentage point lower (6.00% decreasing to 3.75%) and one percentage point higher (8.00% decreasing to 5.75%) than the current rates.

| | 1% Decrease (6.00% decreasing to 3.75%) | Current Trend Rate (7.00% decreasing to 4.75%) | 1% Increase (8.00% decreasing to 5.75%) |
|---|---|---|---|
| School District's proportionate share of the net OPEB liability | \$ 2,821,435 | \$ 3,521,500 | \$ 4,450,317 |

Actuarial Assumptions - STRS

The total OPEB liability in the June 30, 2019 actuarial valuation was determined using the following assumptions, applied to all periods included in the measurement:

| | | |
|---------------------------|--|----------|
| Salary increases | 12.50% at age 20 to 2.50% at age 65 | |
| Payroll increases | 3.00% | |
| Investment rate of return | 7.45%, net of investment expenses, including inflation | |
| Discount rate of return | 7.45% | |
| Health care cost trends | Initial | Ultimate |
| Medical | | |
| Pre-Medicare | 5.87% | 4.00% |
| Medicare | 4.98% | 4.00% |
| Prescription Drug | | |
| Pre-Medicare | 7.73% | 4.00% |
| Medicare | 9.62% | 4.00% |

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

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**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

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

Actuarial assumptions used in the June 30, 2019 valuation are based on the results of an actuarial experience study for the period July 1, 2011 through June 30, 2016.

Since the prior measurement date, claim curves were trended to the fiscal year ending June 30, 2020 to reflect the current price renewals. The non-Medicare subsidy percentage was increased effective January 1, 2020 from 1.944% to 1.984% per year of service. The non-Medicare frozen subsidy base premium was increased effective January 1, 2020. The Medicare subsidy percentages were adjusted effective January 1, 2021 to 2.1% for the Medicare plan. The Medicare Part B monthly reimbursement elimination date was postponed to January 1, 2021.

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

| Asset Class | Target Allocation* | Long Term Expected Real Rate of Return** |
|----------------------|-----------------------|---|
| Domestic Equity | 28.00 % | 7.35 % |
| International Equity | 23.00 | 7.55 |
| Alternatives | 17.00 | 7.09 |
| Fixed Income | 21.00 | 3.00 |
| Real Estate | 10.00 | 6.00 |
| Liquidity Reserves | 1.00 | 2.25 |
| Total | 100.00 % | |

* Target weights will be phased in over a 24-month period concluding on July 1, 2019.

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

Discount Rate – The discount rate used to measure the total OPEB liability was 7.45% as of June 30, 2019. The projection of cash flows used to determine the discount rate assumes STRS Ohio continues to allocate no employer contributions to the health care fund. Based on these assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members as of June 30, 2019. Therefore, the long-term expected rate of return on OPEB plan assets of 7.45% was used to measure the total OPEB liability as of June 30, 2019.

**NORTHEASTERN LOCAL SCHOOL DISTRICT
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**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

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

Sensitivity of the School District's Proportionate Share of the Net OPEB (Asset) to Changes in the Discount Rate and the Health Care Cost Trend Rates – The following table presents the School District's proportionate share of the net OPEB (asset) calculated using the current period discount rate assumption of 7.45%, as well as what the School District's proportionate share of the net OPEB (asset) would be if it were calculated using a discount rate that is one percentage point lower (6.45%) and one percentage point higher (8.45%) than the current rate. Also shown is the net OPEB (asset) as if it were calculated using health care cost trend rates that are one percentage point lower and one percentage point higher than the current health care cost trend rates:

| | 1% Decrease (6.45%) | Current Discount Rate (7.45%) | 1% Increase (8.45%) |
|---|------------------------|-------------------------------------|------------------------|
| School District's proportionate share of the net OPEB asset | \$ 1,737,187 | \$ 2,035,844 | \$ 2,286,944 |

| | 1% Decrease | Current Trend Rates | 1% Increase |
|---|--------------|------------------------|--------------|
| School District's proportionate share of the net OPEB asset | \$ 2,308,554 | \$ 2,035,844 | \$ 1,701,841 |

14. OTHER EMPLOYEE BENEFITS

A. Compensated Absences

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

Teachers, administrators, and classified employees earn sick leave at the rate of one and one-fourth days per month. Sick leave may be accumulated up to a maximum of 280 days for all personnel. Upon retirement, payment is made for one-fourth of accrued, unused sick leave up to the maximum of 280 days. Administrators retiring in fiscal year 2019 were eligible to receive payment of 40 percent of accrued, unused sick leave up to the maximum of 280 days.

B. Insurance Benefits

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

**NORTHEASTERN LOCAL SCHOOL DISTRICT
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**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

15. CAPITAL LEASES

The School District has entered into several lease agreements for copiers for the district. The lease meets the criteria of a capital lease as defined by Statement of Financial Accounting Standards

Capital lease payments are reflected as debt service expenditures in the general purpose financial statements for governmental funds. During fiscal year 2016, the School District entered into three new lease agreements, replacing expired leases, for copiers for the district. These leases were to expire in fiscal year 2020. During 2019, the district entered into a new lease and aligned all the copiers to expire in 2022. These items are being capitalized as part of fixed assets. A corresponding liability is included in governmental activities general long term debt. Principal payments in fiscal year 2020 totaled \$40,253. Future minimum lease payments are as follows:

| Fiscal Year Ended | Amount |
|--------------------------|------------------|
| 2021 | \$ 40,253 |
| 2022 | \$ 34,395 |
| | <u>\$ 74,648</u> |

16. LONG-TERM OBLIGATIONS

The changes in the School District's long-term obligations during fiscal year 2020 were as follows:

| | Amount Outstanding June 30, 2019 | Additions | Deletions | Amount Outstanding June 30, 2020 | Amount Due Within One Year |
|--------------------------------|---|------------------|--------------------|---|---------------------------------------|
| Governmental Activities: | | | | | |
| General Obligation Bonds: | | | | | |
| 2018 School Construction Bonds | \$79,335,000 | \$0 | \$800,000 | \$78,535,000 | \$690,000 |
| 3%-5.25% 37 years | | | | | |
| Premuim on 2018 Issue | <u>\$1,730,485</u> | <u>\$0</u> | <u>46,770</u> | <u>\$1,683,715</u> | <u>\$46,770</u> |
| Total 2018 Bond Debt | <u>\$81,065,485</u> | <u>\$0</u> | <u>\$846,770</u> | <u>\$80,218,715</u> | <u>\$736,770</u> |
| Capital Leases | \$114,901 | \$0 | \$40,253 | \$74,648 | \$40,253 |
| Compensated Absences | \$943,907 | \$289,193 | \$318,971 | \$914,129 | \$56,603 |
| Net Pension Liability | | | | | |
| STRS | \$27,884,387 | | \$701,447 | \$27,182,940 | |
| SERS | \$8,072,594 | \$133,540 | \$0 | \$8,206,134 | |
| Net OPEB Liability | | | | | |
| STRS | \$0 | | \$0 | \$0 | |
| SERS | <u>\$3,960,343</u> | <u>\$0</u> | <u>\$438,843</u> | <u>\$3,521,500</u> | |
| Total Long-Term Liability | <u>\$122,041,617</u> | <u>\$422,733</u> | <u>\$2,346,284</u> | <u>\$120,118,066</u> | <u>\$833,626</u> |

**NORTHEASTERN LOCAL SCHOOL DISTRICT
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**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

16. LONG-TERM OBLIGATIONS (continued)

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

The capital lease obligation will be paid from the General Fund.

Compensated absences as well as pension and OPEB plan contributions, will be paid from the fund from which the employees' salaries are paid.

Principal and interest requirements to retire general obligation debt outstanding at June 30, 2020, are as follows:

| Fiscal Year Ending | 2018 Construction Bonds | | | |
|-----------------------|-------------------------|--|--------------|---------------|
| | Principal | | Interest | Totals |
| 2021-2025 | \$3,990,000 | | \$15,488,075 | \$19,478,075 |
| 2026-2030 | \$5,650,000 | | \$11,680,975 | \$17,330,975 |
| 2031-2035 | \$8,050,000 | | \$13,320,525 | \$21,370,525 |
| 2026-2040 | \$10,650,000 | | \$11,564,291 | \$22,214,291 |
| 2041-2045 | \$12,305,000 | | \$9,551,372 | \$21,856,372 |
| 2046-2050 | \$15,200,000 | | \$6,772,025 | \$21,972,025 |
| 2051-2056 | \$18,530,000 | | \$3,470,000 | \$22,000,000 |
| 2054-2056 | \$4,160,000 | | \$329,600 | \$4,489,600 |
| Total | \$78,535,000 | | \$72,176,863 | \$150,711,863 |

17. JOINTLY GOVERNED ORGANIZATIONS AND INSURANCE PURCHASING POOL

A. Jointly Governed Organizations

Miami Valley Educational Computer Association - The School District is a participant in the Miami Valley Educational Computer System (MVECA), which is a computer consortium. MVECA is an association of public schools within the boundaries of Clark, Clinton, Fayette, Greene, Madison, and Highland Counties. The organization was formed for the purpose of applying modern technology with the aid of computers and other electronic equipment to administrative and instructional functions among member districts. The governing board of MVECA consists of five Superintendents and two Treasurers of member school districts, with four of the five Superintendents and both Treasurers elected by a majority vote of all member school districts except the Greene County Career Center. The fifth Superintendent is from the Greene County Career Center. The School District paid MVECA \$75,953 for services provided during the year. Financial information can be obtained from Thor Sage, Executive Director, at 330 East Enon Road, Yellow Springs, Ohio 45387.

Springfield/Clark County Career Technical Center - The Springfield/Clark County Career Technical Center (CTC) is a distinct political subdivision of the State of Ohio operated under the direction of a Board consisting of one representative from each of the seven participating

**NORTHEASTERN LOCAL SCHOOL DISTRICT
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**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

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

school districts' elected boards, which possess its own budgeting and taxing authority. One member is appointed from the following: Clark-Shawnee Local School District, Greenon Local School District, Northeastern Local School District, Northwestern Local School District, Southeastern Local School District, Tecumseh Local School District, and the Clark County Educational Service Center. Two members are appointed from the Springfield City School District. To obtain financial information, write to the Springfield/Clark County Career Technical Center, Steven Clark, Treasurer, 1901 Selma Road, Springfield, Ohio 45505-4239.

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

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

B. Insurance Purchasing Pool

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

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

18. CONTINGENCIES

A. Grants

The School District received financial assistance from federal and state agencies in the form of grants. The expenditure of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the general fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the School District at June 30, 2020.

**NORTHEASTERN LOCAL SCHOOL DISTRICT
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**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

B. School District Foundation

School District foundation funding is based on the annualized full-time equivalent (FTE) enrollment of each student. The Ohio Department of Education (ODE) is legislatively required to adjust/reconcile funding as enrollment information is updated by schools throughout the State, which can extend past the fiscal year end. As of the date of this report, additional ODE adjustments for fiscal year 2020 are not finalized. As a result, the impact of future FTE adjustments on the fiscal year 2020 financial statements is not determinable, at this time. Management believes this may result in an immaterial amount as either an additional receivable to, or a liability of, the School District.

C. Litigation

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

19. SIGNIFICANT COMMITMENTS

A. Commitments

The School District had no significant contractual commitments as of June 30, 2020.

B. Encumbrances

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of funds are recorded in order to reserve that portion of the applicable appropriation, is employed in governmental funds. Encumbrances are reported as a component of assigned, restricted, or committed fund balances since they do not constitute expenditure or liabilities. Outstanding encumbrances in governmental funds as of June 30, 2020 were as follows:

| <u>Fund Type</u> | <u>Encumbrances</u> |
|----------------------------|-----------------------|
| General Fund | \$ 392,920 |
| Permanent Improvement | 19,150 |
| Building Construction Fund | 132,638,264 |
| Other Governmental | 51,121 |
| Total | <u>\$ 133,101,455</u> |

20. INTERFUND RECEIVABLES/PAYABLES

An inter-fund receivable and payable of \$63,206 reported within the General Fund and Other Governmental Funds respectively, represents the amount due to the General Fund from:

| <u>Fund</u> | <u>Amount</u> |
|------------------------------|------------------|
| Title VI-B IDEA | 6,874 |
| Title I Improving Programing | 30,812 |
| Title I School-Wide | 1,194 |
| Title II Improving Teaching | 1,400 |
| Title IV Student Support | 1,504 |
| Total | <u>\$ 41,784</u> |

The negative cash balance reported are due to the timing of receipts of federal grant cash requests and state grant requests.

**NORTHEASTERN LOCAL SCHOOL DISTRICT
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**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

21. FUND BALANCE

Fund balance is classified as non-spendable, restricted, committed, assigned, and/or unassigned based primarily on the extent to which the School District is bound to observe constraints imposed upon the use of the resources in governmental funds.

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

| | General Fund | Debt Service Fund | Building Construction Fund | Other Governmental Funds | Total |
|-------------------------------------|--------------|----------------------|----------------------------------|--------------------------------|-------------|
| Non-spendable | | | | | |
| Inventory | 52,020 | - | - | 17,597 | 69,617 |
| Prepaid Items | 18,401 | - | - | 31,500 | 49,901 |
| Total Non-Spendable | 70,421 | - | - | 49,097 | 119,518 |
| Restricted for: | | | | | |
| Underground Storge Tank | 11,000 | - | - | - | 11,000 |
| Permanent Improvement | - | - | - | 1,038,982 | 1,038,982 |
| Capital Outlay | - | - | 80,124,452 | - | 80,124,452 |
| Debt Retirement | - | 1,886,492 | - | - | 1,886,492 |
| Special Trusts & Grants | - | - | - | 19,190 | 19,190 |
| Classroom Facility Maintenance | - | - | - | 446,963 | 446,963 |
| District Managed Student Activities | - | - | - | 10,074 | 10,074 |
| Data Communication | - | - | - | 25,199 | 25,199 |
| Auxiliary Services | - | - | - | 20,754 | 20,754 |
| Student Wellness and Success | - | - | - | 327,584 | 327,584 |
| Title I - Improve Basic Programs | - | - | - | - | - |
| Early Childhood | - | - | - | - | - |
| Title II-A Improve Teaching | - | - | - | - | - |
| Total Restricted | 11,000 | 1,886,492 | 80,124,452 | 1,888,746 | 83,910,690 |
| Assigned for | | | | | |
| Future Appropriations | - | - | - | - | - |
| Public School Support | - | - | - | - | - |
| Special Trusts & Grants | - | - | - | 6,992 | 6,992 |
| Latchkey | - | - | - | 141,555 | 141,555 |
| Other Purposes | - | - | - | - | - |
| Total Assigned | - | - | - | 148,547 | 148,547 |
| Unassigned (Deficit) | 18,397,101 | - | - | (58,929) | 18,338,172 |
| Total Fund Balance | 18,478,522 | 1,886,492 | 80,124,452 | 2,027,461 | 102,516,927 |

22. SUBSEQUENT EVENT

The United States and the State of Ohio declared a state of emergency in March 2020 due to the Covid-19 pandemic. The financial impact of Covid-19 and the ensuing emergency measures will impact subsequent periods of the District. The District's investment portfolio could incur a significant decline in fair value, in 2020, consistent with the general decline in financial markets. However, because the values of individual investments fluctuate with market conditions, and due to market volatility, the amount of the losses that will be recognized in subsequent periods, if any, cannot be determined. In addition, the impact on the District's future operating costs, revenues, the impact of the investments of the pensions and the other employee benefit plans in which the District participates and any recovery from emergency funding, either federal or state, cannot be estimated.



Required Supplemental Information





**NORTHEASTERN LOCAL SCHOOL DISTRICT
CLARK COUNTY**

Required Supplementary Information
Schedule of School District's Proportionate Share of the Net Pension Liability
School Employees Retirement System of Ohio
Last Seven Fiscal Years (1) (2)

| | School District's Proportion of the Net Pension Liability | School District's Proportionate Share of the Net Pension Liability | School District's Covered Payroll | School District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll | Plan Fiduciary Net Position as a Percentage of the Total Pension Liability |
|------|--|---|---|--|--|
| 2014 | 0.165392% | \$ 9,835,331 | \$ 4,753,764 | 206.90% | 65.52% |
| 2015 | 0.165392% | 8,370,395 | 4,138,528 | 202.26% | 71.70% |
| 2016 | 0.152599% | 8,707,464 | 4,625,410 | 188.25% | 69.16% |
| 2017 | 0.149997% | 10,978,418 | 4,354,957 | 252.09% | 62.98% |
| 2018 | 0.144015% | 8,604,553 | 4,777,593 | 180.10% | 69.50% |
| 2019 | 0.140952% | 8,072,594 | 4,620,207 | 174.72% | 71.36% |
| 2020 | 0.137154% | 8,206,137 | 4,705,141 | 174.41% | 70.85% |

(1) Information prior to 2014 is not available. The School District will continue to present information for years available until a full ten-year trend is compiled.

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

Notes to Schedule:

Change in assumptions. In measurement year 2017, changes in assumptions were made based upon an updated experience study that was completed for the five-year period ended June 30, 2015. Significant changes included a reduction of the discount rate from 7.75% to 7.50%, a reduction in the wage inflation rate from 3.25% to 3.00%, a reduction in the payroll growth assumption used from 4.00% to 3.50%, reduction in the assumed real wage growth rate from 0.75% to 0.50%, update of the rates of withdrawal, retirement and disability to reflect recent experience, and transition from the RP-2000 mortality tables to the RP-2014 mortality tables for active members and service retired members and beneficiaries.

Changes of benefit and funding terms. In measurement year 2018, post-retirement increases in benefits included the following changes:

1. Members, or their survivors, retiring prior to January 1, 2018, receive a COLA increase of 3% of their base benefit on the anniversary of their initial date of retirement.
2. Members, or their survivors, retiring on and after January 1, 2018, receive a COLA increase on each anniversary of their initial date of retirement equal to the annual rate of increase in the CPI-W measured as of the June preceding the beginning of the applicable calendar year. The annual rate of increase shall not be less than 0%, nor greater than 2.5%. COLAs are suspended for calendar years 2018, 2019, and 2020.
3. Members, or their survivors, retiring on and after April 1, 2018, will have their COLA delayed for three years following their initial date of retirement.

**NORTHEASTERN LOCAL SCHOOL DISTRICT
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Required Supplementary Information
Schedule of School District's Proportionate Share of the Net Pension Liability
State Teachers Retirement System of Ohio
Last Seven Fiscal Years (1) (2)

| | School District's Proportion of the Net Pension Liability | School District's Proportionate Share of the Net Pension Liability | School District's Covered Payroll | School District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll | Plan Fiduciary Net Position as a Percentage of the Total Pension Liability |
|------|--|---|---|--|--|
| 2014 | 0.133435% | \$ 38,661,494 | 14,240,285 | 271.49% | 69.30% |
| 2015 | 0.133435% | 32,456,100 | 14,345,823 | 226.24% | 74.70% |
| 2016 | 0.131644% | 36,382,657 | 13,746,314 | 264.67% | 72.09% |
| 2017 | 0.130988% | 43,845,699 | 13,919,879 | 314.99% | 66.78% |
| 2018 | 0.129779% | 30,829,196 | 14,281,250 | 215.87% | 75.30% |
| 2019 | 0.126818% | 27,884,387 | 14,417,043 | 193.41% | 77.30% |
| 2020 | 0.122920% | 27,182,937 | 14,431,243 | 188.36% | 77.40% |

(1) Information prior to 2014 is not available. The School District will continue to present information for years available until a full ten-year trend is compiled.

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

Notes to Schedule:

Change in assumptions. In measurement year 2017, changes in assumptions were made based upon an updated experience study that was completed for the five-year period ended June 30, 2016. Significant changes included a reduction of the discount rate from 7.75% to 7.45%, the inflation assumption was lowered from 2.75% to 2.50%, the payroll growth assumption was lowered to 3.00%, and total salary increases rate was lowered by decreasing the merit component of the individual salary increases, in addition to a decrease of 0/25% due to lower inflation. The healthy and disabled mortality assumptions were updated to the RP-2014 mortality tables with generational improvement scale MP-2016. Rates of retirement, termination and disability were modified to better reflect anticipated future experience.

Change in benefit terms. Effective July 1, 2017, the COLA was reduced to zero.

**NORTHEASTERN LOCAL SCHOOL DISTRICT
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Required Supplementary Information
Schedule of School District's Pension Contributions
School Employees Retirement System of Ohio
Last Ten Fiscal Years (1)

| | Contractually Required Contributions | Contributions in Relation to the Contractually Required Contributions | Contribution Deficiency (Excess) | School District's Covered Payroll | Contributions as a Percentage of Covered Payroll |
|------|--|---|--|---|---|
| 2011 | \$ 535,034 | \$ (535,034) | \$ - | \$ 4,256,436 | 12.57% |
| 2012 | 621,403 | (621,403) | - | 4,620,097 | 13.45% |
| 2013 | 657,921 | (657,921) | - | 4,753,764 | 13.84% |
| 2014 | 573,600 | (573,600) | - | 4,138,528 | 13.86% |
| 2015 | 609,629 | (609,629) | - | 4,625,410 | 13.18% |
| 2016 | 609,694 | (609,694) | - | 4,354,957 | 14.00% |
| 2017 | 668,863 | (668,863) | - | 4,777,593 | 14.00% |
| 2018 | 623,728 | (623,728) | - | 4,620,207 | 13.50% |
| 2019 | 635,194 | (635,194) | - | 4,705,141 | 13.50% |
| 2020 | 669,422 | (669,422) | - | 4,781,586 | 14.00% |

NORTHEASTERN LOCAL SCHOOL DISTRICT
CLARK COUNTY

Required Supplementary Information
Schedule of School District's Pension Contributions
State Teachers Retirement System of Ohio
Last Ten Fiscal Years (1)

| | Contractually Required Contributions | Contributions in Relation to the Contractually Required Contributions | Contribution Deficiency (Excess) | School District's Covered Payroll | Contributions as a Percentage of Covered Payroll |
|------|--|---|--|---|---|
| 2011 | \$ 1,697,684 | \$ (1,697,684) | \$ - | \$ 13,059,108 | 13.00% |
| 2012 | 1,907,322 | (1,907,322) | - | 14,671,708 | 13.00% |
| 2013 | 1,851,237 | (1,851,237) | - | 14,240,285 | 13.00% |
| 2014 | 1,864,957 | (1,864,957) | - | 14,345,823 | 13.00% |
| 2015 | 1,924,484 | (1,924,484) | - | 13,746,314 | 14.00% |
| 2016 | 1,948,783 | (1,948,783) | - | 13,919,879 | 14.00% |
| 2017 | 1,999,375 | (1,999,375) | - | 14,281,250 | 14.00% |
| 2018 | 2,018,386 | (2,018,386) | - | 14,417,043 | 14.00% |
| 2019 | 2,020,374 | (2,020,374) | - | 14,431,243 | 14.00% |
| 2020 | 2,088,098 | (2,088,098) | - | 14,914,986 | 14.00% |

**NORTHEASTERN LOCAL SCHOOL DISTRICT
CLARK COUNTY**

Required Supplementary Information
Schedule of School District's Proportionate Share of the Net OPEB Liability
School Employees Retirement System of Ohio
Last Four Fiscal Years (1) (2)

| | School District's Proportion of the Net OPEB Liability | School District's Proportionate Share of the Net OPEB Liability | School District's Covered Payroll | School District's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll | Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability |
|------|---|--|---|---|---|
| 2017 | 0.152061% | \$ 4,334,304 | \$ 4,354,957 | 99.53% | 11.49% |
| 2018 | 0.146173% | 3,922,908 | 4,777,593 | 82.11% | 12.46% |
| 2019 | 0.142753% | 3,960,343 | 4,620,207 | 85.72% | 13.57% |
| 2020 | 0.140032% | 3,521,500 | 4,705,141 | 74.84% | 15.57% |

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

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

Notes to Schedule:

Change in assumptions. In measurement year 2017, changes in assumptions were made based upon an updated experience study that was completed for the five-year period ended June 30, 2015. Significant changes included a reduction in the rate of inflation from 3.25% to 3.00%, a reduction in the payroll growth assumption from 4.00% to 3.50%, a reduction in assumed real wage growth from 0.75% to 0.50%, an update in rates of withdrawal, retirement and disability, and transitioning to the following mortality tables: RP-2014 Blue Collar Mortality Table with fully generational projection and a five-year age set back for both active male and female members; RP-2014 Blue Collar Mortality Table with fully generational projection with Scale BB (120% of male rates, and 110% of female rates) for service retired members and beneficiaries; and RP-2000 Disabled Mortality Table, 90% for male rates and 100% for female rates, set back five years is used for the period after disability retirement among disabled members.

In measurement year 2018, medical trend rates have been adjusted to reflect premium decreases.

Change in benefit and funding terms. In measurement year 2018, SERS' funding policy allowed a 2.0% health care contribution rate to be allocated to the Health Care fund. The 2.0% is a combination of 0.5% employer contributions and 1.5% surcharge.

**NORTHEASTERN LOCAL SCHOOL DISTRICT
CLARK COUNTY**

Required Supplementary Information

Schedule of School District's Proportionate Share of the Net OPEB Liability (Asset)

State Teachers Retirement System of Ohio

Last Four Fiscal Years (1) (2)

| | School District's Proportion of the Net OPEB Liability (Asset) | School District's Proportionate Share of the Net OPEB Liability (Asset) | School District's Covered Payroll | School District's Proportionate Share of the Net OPEB Liability (Asset) as a Percentage of its Covered Payroll | Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability (Asset) |
|------|--|---|---|---|---|
| 2017 | 0.130988% | \$ 7,005,283 | \$ 13,919,879 | 50.33% | 37.3% |
| 2018 | 0.129779% | 5,063,485 | 14,281,250 | 35.46% | 47.1% |
| 2019 | 0.126818% | (2,037,832) | 14,417,043 | (14.13%) | 176.0% |
| 2020 | 0.122920% | (2,035,844) | 14,431,243 | (14.11%) | 174.7% |

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

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

Notes to Schedule:

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

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

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

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

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

NORTHEASTERN LOCAL SCHOOL DISTRICT
CLARK COUNTY

Required Supplementary Information
Schedule of School District's OPEB Contributions
School Employees Retirement System of Ohio
Last Five Fiscal Years (1)

| | Contractually Required Contributions (2) | Contributions in Relation to the Contractually Required Contributions | Contribution Deficiency (Excess) | School District's Covered Payroll | Contributions as a Percentage of Covered Payroll |
|------|--|---|--|---|---|
| 2016 | \$ 77,178 | \$ (77,178) | \$ - | \$ 4,354,957 | 1.77% |
| 2017 | 79,815 | (79,815) | - | 4,777,593 | 1.67% |
| 2018 | 99,141 | (99,141) | - | 4,620,207 | 2.15% |
| 2019 | 106,542 | (106,542) | - | 4,705,141 | 2.26% |
| 2020 | 89,612 | (89,612) | - | 4,781,586 | 1.87% |

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

(2) Includes Surcharge

NORTHEASTERN LOCAL SCHOOL DISTRICT**CLARK COUNTY**

Required Supplementary Information

Schedule of School District's OPEB Contributions

State Teachers Retirement System of Ohio

Last Five Fiscal Years (1)

| | Contractually Required Contributions (2) | Contributions in Relation to the Contractually Required Contributions | Contribution Deficiency (Excess) | School District's Covered Payroll | Contributions as a Percentage of Covered Payroll |
|---------|--|---|--|---|---|
| 2016 \$ | - | \$ - | \$ - | \$ 13,919,879 | 0.00% |
| 2017 | - | - | - | 14,281,250 | 0.00% |
| 2018 | - | - | - | 14,417,043 | 0.00% |
| 2019 | - | - | - | 14,431,243 | 0.00% |
| 2020 | - | - | - | 14,914,986 | 0.00% |

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

(2) STRS allocated the entire 14% employer contribution rate toward pension benefits.

NORTHEASTERN LOCAL SCHOOL DISTRICT

COMPREHENSIVE ANNUAL FINANCE REPORT

Combining and Individual Fund Statements and Schedules

For the Fiscal Year Ended June 30, 2020





Northeastern Local School District
Nonmajor Governmental Fund Descriptions

NONMAJOR SPECIAL REVENUE FUNDS

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

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

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

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

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

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

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

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

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

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

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

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

Northeastern Local School District
Nonmajor Governmental Fund Descriptions

NONMAJOR SPECIAL REVENUE FUNDS (Continued)

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

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

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

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

Debt Service – To account for and report revenues and expenditures restricted in conjunction construction bond, the property tax levy and the related debt payments.

FUNDS WITH LEGALY ADOPTED BUDGETS

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

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



Northeastern Local School District
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2020

| | Special Revenue Funds | Permanent Improvement Fund | Total Nonmajor Governmental Funds |
|---|-----------------------------|----------------------------------|--|
| <u>Assets:</u> | | | |
| Equity in Pooled Cash, Cash Equivalents and Investments | \$ 1,044,710 | \$952,664 | \$ 1,997,374 |
| Restricted Assets: | | | |
| Cash and Cash Equivalents with Fiscal Agents | \$ 10,000 | - | 10,000 |
| Receivables: | | | |
| Intergovernmental | \$ 87,482 | - | 87,482 |
| Taxes | 240,048 | 442,511 | 682,559 |
| Materials and Supplies Inventory | 24,687 | | 24,687 |
| Prepaid Items | 31,493 | - | 31,493 |
| <i>Total Assets</i> | <u>\$ 1,438,420</u> | <u>\$ 1,395,175</u> | <u>\$ 2,833,595</u> |
| Liabilities and Fund Balances | | | |
| <u>Liabilities:</u> | | | |
| Accounts Payable | \$ 3,532 | \$ - | \$ 3,532 |
| Accrued Wages and Benefits Payable | 167,858 | - | 167,858 |
| Intergovernmental Payable | 39,404 | - | 39,404 |
| Interfund Payable | 41,784 | - | 41,784 |
| <i>Total Liabilities</i> | <u>252,578</u> | <u>-</u> | <u>252,578</u> |
| <u>Deferred Inflows of Resources:</u> | | | |
| Unavailable Revenue | 6,320 | 12,780 | 19,100 |
| Property Taxes Not Levied for Current Year | 191,043 | 343,413 | 534,456 |
| <i>Total Deferred Inflows of Resources</i> | <u>197,363</u> | <u>356,193</u> | <u>553,556</u> |
| <u>Fund Balances:</u> | | | |
| Unreserved, Undesignated, Reported in: | | | |
| Nonspendable | 49,097 | | 49,097 |
| Restricted | 849,764 | 1,038,982 | 1,888,746 |
| Committed | 148,547 | - | 148,547 |
| Unassigned (Deficit) | (58,929) | - | (58,929) |
| <i>Total Fund Balances</i> | <u>988,479</u> | <u>1,038,982</u> | <u>2,027,461</u> |
| <i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i> | <u>\$ 1,438,420</u> | <u>\$ 1,395,175</u> | <u>\$ 2,833,595</u> |

See accompanying notes to the basic financial statements

Northeastern Local School District
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Fiscal Year Ended June 30, 2020

| | Special Revenue Funds | Permanent Improvement Fund | Total Nonmajor Governmental Funds |
|---|-----------------------------|----------------------------------|--|
| <u>Revenues:</u> | | | |
| Property Taxes | \$ 275,670 | \$ 461,535 | \$ 737,205 |
| Intergovernmental | 2,109,875 | 64,803 | 2,174,678 |
| Investment Earnings | 8,942 | - | 8,942 |
| Extracurricular Activities | 217,135 | - | 217,135 |
| Charges for Services | 441,665 | - | 441,665 |
| Contributions and Donations | 19,436 | - | 19,436 |
| Miscellaneous | 4,990 | - | 4,990 |
| <i>Total Revenues</i> | <u>3,077,713</u> | <u>526,338</u> | <u>3,604,051</u> |
| <u>Expenditures:</u> | | | |
| Current: | | | |
| Instruction: | | | |
| Regular | 143,113 | 19,335 | 162,448 |
| Special | 976,544 | - | 976,544 |
| Support Services: | | | |
| Pupils | 214,904 | - | 214,904 |
| Fiscal | 4,071 | 9,013 | 13,084 |
| Operation and Maintenance of Plant | 19,098 | - | 19,098 |
| Pupil Transportation | - | 1,222 | 1,222 |
| Central | 11,665 | - | 11,665 |
| Operation of Non-Instructional Services | 1,235,323 | - | 1,235,323 |
| Extracurricular Activities | 227,383 | 1,894 | 229,277 |
| <i>Total Expenditures</i> | <u>2,832,101</u> | <u>31,464</u> | <u>2,863,565</u> |
| Excess of Revenues Over (Under) Expenditures | <u>245,612</u> | <u>494,874</u> | <u>740,486</u> |
| <u>Other Financing Sources (Uses):</u> | | | |
| Transfers In | 211,449 | - | 211,449 |
| <i>Total Other Financing Sources (Uses)</i> | <u>211,449</u> | <u>-</u> | <u>211,449</u> |
| <i>Net Change in Fund Balances</i> | 457,061 | 494,874 | 951,935 |
| <i>Fund Balances at Beginning of Year</i> | <u>531,418</u> | <u>544,108</u> | <u>1,075,526</u> |
| <i>Fund Balances at End of Year</i> | <u><u>\$ 988,479</u></u> | <u><u>\$1,038,982</u></u> | <u><u>\$ 2,027,461</u></u> |

See accompanying notes to the basic financial statements

Northeastern Local School District
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2020

| | Food Service | Special Trust & Grants | Latchkey After School Enrichment | Building Maintenance Levy | District Managed Student Activities | Auxiliary Services | High School That Work Grant | Data Communications | Student Wellness & Success |
|---|------------------|---------------------------|--|---------------------------------|--|-----------------------|-----------------------------------|------------------------|----------------------------------|
| <u>Assets:</u> | | | | | | | | | |
| Equity in Pooled Cash, Cash Equivalents and Investments | \$ - | \$ 85,055 | \$ 157,410 | \$ 404,278 | \$ 3,606 | \$ 41,578 | \$ - | \$ 25,199 | \$327,584 |
| Cash and Cash Equivalents | | | | | | | | | |
| In Segregated Accounts with Fiscal Agent | - | - | - | - | 10,000 | - | - | - | - |
| Property Taxes | - | - | - | 240,048 | - | - | - | - | - |
| Intergovernmental | - | - | - | - | - | - | - | - | - |
| Prepaid Items | - | - | - | - | - | 31,493 | - | - | - |
| Materials and Supplies Inventory | 24,687 | - | - | - | - | - | - | - | - |
| Total Assets | \$ 24,687 | \$ 85,055 | 157,410 | 644,326 | \$ 13,606 | \$ 73,071 | \$ - | \$ 25,199 | \$ 327,584 |
| <u>Liabilities and Fund Balances</u> | | | | | | | | | |
| <u>Liabilities:</u> | | | | | | | | | |
| Accounts Payable | \$ - | \$ - | | | \$ 3,532 | \$ - | \$ - | \$ - | \$ - |
| Contracts Payable | | | | | | | | | |
| Accrued Wages and Benefits Payable | 60,960 | - | 12,683 | - | - | 16,549 | - | - | - |
| Intergovernmental Payable | 14,663 | - | 3,172 | - | - | 4,275 | - | - | - |
| Interfund Payable | - | - | - | - | - | - | - | - | - |
| Accrued Interest Payable | | | | | | | | | |
| Matured Compensated Absences Payable | - | - | - | - | - | - | - | - | - |
| Total Liabilities | 75,623 | - | 15,855 | - | 3,532 | 20,824 | - | - | - |
| <u>Deferred Inflows of Resources:</u> | | | | | | | | | |
| Unavailable Revenue | - | - | - | 6,320 | - | - | - | - | - |
| Property Taxes Not Levied for Current Year | - | - | - | 191,043 | - | - | - | - | - |
| Total Deferred Inflows of Resources | - | - | - | 197,363 | - | - | - | - | - |
| <u>Fund Balances:</u> | | | | | | | | | |
| Nonspendable | 17,597 | - | - | - | - | 31,500 | - | - | - |
| Restricted | - | 19,190 | - | 446,963 | 10,074 | 20,754 | - | 25,199 | 327,584 |
| Committed | - | 6,992 | 141,555 | - | - | - | - | - | - |
| Unassigned (Deficit) | (68,533) | 58,872 | - | - | - | - | - | - | - |
| Total Fund Balances (Deficit) | (50,936) | 85,054 | 141,555 | 446,963 | 10,074 | 52,254 | - | 25,199 | 327,584 |
| Total Liabilities, Deferred Inflows of Resources and Fund Balances | \$ 24,687 | \$ 85,055 | \$ 157,410 | \$ 644,326 | \$ 13,606 | \$ 73,078 | \$ - | \$ 25,199 | \$ 327,584 |

See accompanying notes to the basic financial statements

Northeastern Local School District
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2020

| | Title VI-B Special Education Grant | Title I Improving Basic Programs Grant | Title I School-wide Improving Basic Programs Grant | IDEA Early Childhood Grant | Title II-A Improving Teaching | Title IV Student Support | Total Special Revenue Funds |
|---|---|--|---|----------------------------------|-------------------------------------|--------------------------------|--------------------------------------|
| <u>Assets:</u> | | | | | | | |
| Equity in Pooled Cash, Cash Equivalents and Investments | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 1,044,710 |
| Cash and Cash Equivalents | - | - | - | - | - | - | 0 |
| In Segregated Accounts with Fiscal Agent | - | - | - | - | - | - | 10,000 |
| Property Taxes | - | - | - | - | - | - | 240,048 |
| Intergovernmental | 45,772 | 37,606 | 1,194 | - | 1,400 | 1,504 | 87,482 |
| Prepaid Items | - | - | - | - | - | - | 31,493 |
| Materials and Supplies Inventory | - | - | - | - | - | - | 24,687 |
| Total Assets | \$ 45,772 | \$ 37,606 | \$ 1,194 | \$ - | \$ 1,400 | \$ 1,504 | \$ 1,438,420 |
| Liabilities and Fund Balances | | | | | | | |
| <u>Liabilities:</u> | | | | | | | |
| Accounts Payable | \$ - | \$ - | \$ - | \$ - | - | - | \$ 3,532 |
| Contracts Payable | - | - | - | - | - | - | - |
| Accrued Wages and Benefits Payable | \$ 46,213 | 31,453 | - | - | - | - | 167,858 |
| Intergovernmental Payable | 10,081 | 6,395 | - | - | 818 | - | 39,404 |
| Interfund Payable | 6,874 | 30,812 | 1,194 | - | 1,400 | 1,504 | 41,784 |
| Accrued Interest Payable | - | - | - | - | - | - | - |
| Matured Compensated Absences Payable | - | - | - | - | - | - | - |
| Total Liabilities | 63,168 | 68,660 | 1,194 | - | 2,218 | 1,504 | 252,578 |
| <u>Deferred Inflows of Resources:</u> | | | | | | | |
| Unavailable Revenue | - | - | - | - | - | - | 6,320 |
| Property Taxes Not Levied for Current Year | - | - | - | - | - | - | 191,043 |
| Total Deferred Inflows of Resources | - | - | - | - | - | - | 197,363 |
| <u>Fund Balances:</u> | | | | | | | |
| Nonspendable | - | - | - | - | - | - | 49,097 |
| Restricted | - | - | - | - | - | - | 849,764 |
| Committed | - | - | - | - | - | - | 148,547 |
| Unassigned (Deficit) | (17,396) | (31,054) | - | - | (818) | - | (58,929) |
| Total Fund Balances (Deficit) | (17,396) | (31,054) | - | 0 | (818) | 0 | 988,479 |
| Total Liabilities, Deferred Inflows of Resources and Fund Balances | \$ 45,772 | \$ 37,606 | \$ 1,194 | \$ - | \$ 1,400 | \$ 1,504 | \$ 1,438,420 |

See accompanying notes to the basic financial

Northeastern Local School District
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2020

| | Food Service | Special Trust & Grants | Latchkey After School Enrichment | Building Maintenance Levy | District Managed Student Activities | Auxiliary Services | High School That Work Grant | Data Communications | Student Wellness & Success |
|---|--------------------|---------------------------|--|---------------------------------|--|-----------------------|-----------------------------------|------------------------|----------------------------------|
| <u>Revenues:</u> | | | | | | | | | |
| Property Taxes | \$ - | \$ - | \$ - | \$ 275,670 | \$ - | \$ - | \$ - | \$ - | |
| Intergovernmental | 328,192 | 43,892 | - | 15,724 | - | 251,281 | 16,000 | 12,600 | 376,572 |
| Investment Earnings | - | 557 | - | 6,182 | 652 | 1,551 | - | - | - |
| Extracurricular Activities | - | 11,099 | - | - | 206,036 | - | - | - | - |
| Charges for Services | 324,217 | - | 117,448 | - | - | - | - | - | - |
| Contributions and Donations | - | 16,844 | - | - | 2,592 | - | - | - | - |
| Miscellaneous | 1,200 | 453 | - | - | 3,337 | - | - | - | - |
| Total Revenues | 653,609 | 72,845 | 117,448 | 297,576 | 212,617 | 252,832 | 16,000 | 12,600 | 376,572 |
| <u>Expenditures:</u> | | | | | | | | | |
| Current: | | | | | | | | | |
| Instruction: | | | | | | | | | |
| Regular | - | 10,042 | - | - | - | - | 8,361 | - | |
| Special | - | - | - | - | - | - | - | - | 48,988 |
| Pupils | - | 83 | - | - | - | - | - | - | - |
| Fiscal | - | - | - | 4,071 | - | - | - | - | - |
| Operation and Maintenance of Plant | - | 19,098 | - | - | - | - | - | - | - |
| Central | - | 11,665 | - | - | - | - | - | - | - |
| Operation of Non-Instructional Services | 842,082 | - | 138,045 | - | - | 230,374 | - | - | - |
| Extracurricular Activities | - | - | - | - | 226,844 | - | - | - | - |
| Total Expenditures | 842,082 | 40,888 | 138,045 | 4,071 | 226,844 | 230,374 | 8,361 | - | 48,988 |
| Excess of Revenues Over (Under) Expenditures | (188,473) | 31,957 | (20,597) | 293,505 | (14,227) | 22,458 | 7,639 | 12,600 | 327,584 |
| Transfers In | 211,449 | - | - | - | - | - | - | - | - |
| Total Other Financing Sources | 211,449 | - | - | - | - | - | - | - | - |
| Net Change in Fund Balances | 22,976 | 31,957 | (20,597) | 293,505 | (14,227) | 22,458 | 7,639 | 12,600 | 327,584 |
| Fund Balances (Deficit) at Beginning of Year - | | | | | | | | | |
| Fund Balances (Deficit) at | | | | | | | | | |
| Beginning of Year | (73,912) | 53,097 | 162,152 | 153,458 | 24,301 | 29,796 | (7,639) | 12,599 | - |
| Fund Balances (Deficit) at End of Year | \$ (50,936) | \$ 85,054 | \$ 141,555 | \$ 446,963 | \$ 10,074 | \$ 52,254 | \$ - | \$ 25,199 | \$ 327,584 |

See accompanying notes to the basic financial statements

Northeastern Local School District
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2020

| | Title VI-B Special Education Part B - IDEA | Title I Improving Basic Programs Grant | Title I School-wide Improving Basic Programs Grant | IDEA Early Childhood Grant | Title II-A Improving Teaching | Title IV Student Support | Total Special Revenue Funds |
|---|---|--|---|----------------------------------|-------------------------------------|--------------------------------|--------------------------------------|
| <u>Revenues:</u> | | | | | | | |
| Property Taxes | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 275,670 |
| Intergovernmental | 662,092 | 274,186 | 15,894 | 13,218 | 77,412 | 22,812 | 2,109,875 |
| Investment Earnings | - | - | - | - | - | - | 8,942 |
| Extracurricular Activities | - | - | - | - | - | - | 217,135 |
| Charges for Services | - | - | - | - | - | - | 441,665 |
| Contributions and Donations | - | - | - | - | - | - | 19,436 |
| Miscellaneous | - | - | - | - | - | - | 4,990 |
| Total Revenues | 662,092 | 274,186 | 15,894 | 13,218 | 77,412 | 22,812 | 3,077,713 |
| <u>Expenditures:</u> | | | | | | | |
| Current: | | | | | | | |
| Instruction: | | | | | | | |
| Regular | - | - | 15,894 | - | 86,004 | 22,812 | 143,113 |
| Special | 552,551 | 359,185 | - | 15,820 | - | - | 976,544 |
| Pupils | 214,821 | - | - | - | - | - | 214,904 |
| Fiscal | - | - | - | - | - | - | 4,071 |
| Operation and Maintenance of Plant | - | - | - | - | - | - | 19,098 |
| Central | - | - | - | - | - | - | 11,665 |
| Operation of Non-Instructional Services | 24,822 | - | - | - | - | - | 1,235,323 |
| Extracurricular Activities | 539 | - | - | - | - | - | 227,383 |
| Total Expenditures | 792,733 | 359,185 | 15,894 | 15,820 | 86,004 | 22,812 | 2,832,101 |
| Excess of Revenues Over (Under) Expenditures | (130,641) | (84,999) | - | (2,602) | (8,592) | - | 245,612 |
| Transfers In | - | - | - | - | - | - | 211,449 |
| Total Other Financing Sources | - | - | - | - | - | - | 211,449 |
| Net Change in Fund Balances | (130,641) | (84,999) | - | (2,602) | (8,592) | - | 457,061 |
| Fund Balances (Deficit) at Beginning of Year | 113,245 | 53,945 | - | 2,602 | 7,774 | - | 531,418 |
| Fund Balances (Deficit) at End of Year | \$ (17,396) | \$ (31,054) | \$ - | \$ - | \$ (818) | \$ - | \$ 988,479 |

See accompanying notes to the basic financial statements.



FIDUCIARY FUNDS

Private Purpose Trust Funds

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

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

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

Agency Funds

Agency Funds are used to account for assets held by the School District as an agent for individuals, private organizations, other governmental units, and/or other funds.

District Agency - To account for money that is set aside each pay period to make the School District's semi-annual workers' compensation payments.

Student Managed Activities -To account for 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.

Northeastern Local School District
Combining Statement of Fiduciary Net Position
Private Purpose Trust Funds
June 30, 2020

| | <u>College Scholarship</u> | <u>Endowment</u> | <u>Total</u> |
|--|--------------------------------|-------------------------|-------------------------|
| <u>Assets:</u> | | | |
| Equity in Pooled Cash and Cash Equivalents | \$ 16,865 | \$ 10,069 | \$ 26,934 |
| <u>Net Position:</u> | | | |
| Restricted - Nonexpendable | - | 10,069 | 10,069 |
| Held in Trust for Scholarships | <u>16,865</u> | <u>-</u> | <u>16,865</u> |
| <i>Total Net Position</i> | <u><u>\$ 16,865</u></u> | <u><u>\$ 10,069</u></u> | <u><u>\$ 26,934</u></u> |

Northeastern Local School District
Combining Statement of Changes in Fiduciary Net Position
Private Purpose Trust Funds
For the Fiscal Year Ended June 30, 2020

| | <u>College Scholarship</u> | <u>Endowment</u> | <u>Total</u> |
|--|--------------------------------|-------------------------|-------------------------|
| <u>Additions:</u> | | | |
| Investment Earnings | \$ - | \$ - | \$ - |
| Contributions and Donations | <u>8,000</u> | <u>-</u> | <u>8,000</u> |
| <i>Total Additions</i> | <u>8,000</u> | <u>-</u> | <u>8,000</u> |
| <u>Deductions:</u> | | | |
| Payments in Accordance with Trust Agreements | <u>10,326</u> | <u>-</u> | <u>10,326</u> |
| <i>Change in Net Position</i> | (2,326) | - | (2,326) |
| <i>Net Position at Beginning of Year</i> | <u>19,191</u> | <u>10,069</u> | <u>29,260</u> |
| <i>Net Position at End of Year</i> | <u><u>\$ 16,865</u></u> | <u><u>\$ 10,069</u></u> | <u><u>\$ 26,934</u></u> |

Northeastern Local School District
Statement of Changes in Assets and Liabilities
Agency Funds
For the Fiscal Year Ended June 30, 2020

| | Beginning Balance July 1, 2019 | Additions | Reductions | Ending Balance June 30, 2020 |
|--|--------------------------------------|-------------------|-------------------|------------------------------------|
| District Agency Fund | | | | |
| <u>Assets:</u> | | | | |
| Equity in Pooled Cash and Cash Equivalents | \$ 88,597 | \$ 189,355 | \$ 92,135 | \$ 185,817 |
| <i>Total Assets</i> | <u>\$ 88,597</u> | <u>\$ 189,355</u> | <u>\$ 92,135</u> | <u>\$ 185,817</u> |
| <u>Liabilities:</u> | | | | |
| Due to Other Governments | <u>\$ 88,597</u> | <u>\$ 189,355</u> | <u>\$ 92,135</u> | <u>\$ 185,817</u> |
| Student Managed Activities Fund | | | | |
| <u>Assets:</u> | | | | |
| Equity in Pooled Cash and Cash Equivalents | \$ 155,667 | \$ 114,370 | \$ 97,309 | \$ 172,728 |
| <u>Liabilities:</u> | | | | |
| Due to Students | <u>\$ 155,667</u> | <u>\$ 114,370</u> | <u>\$ 97,309</u> | <u>\$ 172,728</u> |
| Total Agency Funds | | | | |
| <u>Assets:</u> | | | | |
| Equity in Pooled Cash and Cash Equivalents | \$ 244,264 | \$ 303,725 | \$ 189,444 | \$ 358,545 |
| <i>Total Assets</i> | <u>\$ 244,264</u> | <u>\$ 303,725</u> | <u>\$ 189,444</u> | <u>\$ 358,545</u> |
| <u>Liabilities:</u> | | | | |
| Due to Students | \$ 155,667 | \$ 114,370 | \$ 97,309 | \$ 172,728 |
| Due to Other Governments | <u>88,597</u> | <u>189,355</u> | <u>92,135</u> | <u>185,817</u> |
| <i>Total Liabilities</i> | <u>\$ 244,264</u> | <u>\$ 303,725</u> | <u>\$ 189,444</u> | <u>\$ 358,545</u> |



NORTHEASTERN LOCAL SCHOOL DISTRICT

COMPREHENSIVE ANNUAL FINANCE REPORT

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

For the Fiscal Year Ended June 30, 2020



Northeastern Local Schools
Schedule of Revenue, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
PERMANENT IMPROVEMENT FUND
For the Fiscal Year Ended June 30, 2020

| | Final Budget | Actual | Variance with Final Budget |
|--|---------------------|-------------------|---|
| REVENUES: | | | |
| Property and Other Local Taxes | \$ 405,202 | \$ 418,084 | \$ 12,882 |
| Intergovernmental | 65,162 | 64,803 | (359) |
| Miscellaneous | 878 | 0 | (878) |
| Total Revenues | <u>471,242</u> | <u>482,887</u> | <u>11,645</u> |
| EXPENDITURES: | | | |
| Current: | | | |
| Support Services: | | | |
| Fiscal | 7,500 | 7,791 | (291) |
| Capital Outlay | <u>251,500</u> | <u>33,672</u> | <u>217,828</u> |
| Total Expenditures | <u>259,000</u> | <u>41,463</u> | <u>217,537</u> |
| Excess of Revenues Over (Under) Expenditures | <u>212,242</u> | <u>441,424</u> | <u>229,182</u> |
| Fund Balance (Deficit) at Beginning of Year | 511,249 | 511,249 | - |
| Prior Year Encumbrances Appropriated | 20,996 | 19,774 | 1,222 |
| Fund Balance (Deficit) at End of Year | <u>\$ 702,495</u> | <u>\$ 932,899</u> | <u>\$ 230,404</u> |

Northeastern Local Schools
Schedule of Revenue, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
BUILDING CONTRUCTION FUND
For the Fiscal Year Ended June 30, 2020

| | Final Budget | Actual | Variance with Final Budget |
|--|------------------------|----------------------|---------------------------------------|
| REVENUES: | | | |
| Intergovernmental | \$ 27,576,799 | \$ 1,150,866 | \$ (26,425,933) |
| Miscellaneous | 700,000 | 2,027,660 | 1,327,660 |
| Total Revenues | <u>28,276,799</u> | <u>3,178,526</u> | <u>(25,098,273)</u> |
| EXPENDITURES: | | | |
| Capital Outlay | <u>15,555,738</u> | <u>3,140,628</u> | <u>12,415,110</u> |
| Total Expenditures | <u>15,555,738</u> | <u>3,140,628</u> | <u>12,415,110</u> |
| Excess of Revenues Over (Under) Expenditures | <u>12,721,061</u> | <u>37,898</u> | <u>(12,683,163)</u> |
| Total Other Financing Sources and Uses | <u>80,202,674</u> | <u>80,202,674</u> | <u>-</u> |
| Net Change in Fund Balances | 92,923,735 | 80,240,572 | (12,683,163) |
| Fund Balance (Deficit) at Beginning of Year | 78,659,962 | 78,659,962 | - |
| Prior Year Encumbrances Appropriated | 105,488,173 | 1,691,445 | 103,796,728 |
| Fund Balance (Deficit) at End of Year | <u>\$ (12,564,438)</u> | <u>\$ 78,549,127</u> | <u>\$ 91,113,565</u> |

Northeastern Local Schools
Schedule of Revenue, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
BOND RETIREMENT FUND
For the Fiscal Year Ended June 30, 2020

| | Final Budget | Actual | Variance with Final Budget |
|---|---------------------|---------------------|---|
| REVENUES: | | | |
| Property and Other Local Taxes | \$ 3,886,613 | \$ 3,889,653 | \$ 3,040 |
| Intergovernmental | 154,439 | 146,457 | (7,982) |
| Total Revenues | <u>4,041,052</u> | <u>4,036,110</u> | <u>(4,942)</u> |
| EXPENDITURES: | | | |
| Current: | | | |
| Support Services: | | | |
| Fiscal | 78,000 | 63,256 | 14,744 |
| Debt Service: | | | |
| Principal | 800,000 | 800,000 | - |
| Interest | 3,173,775 | 3,188,362 | (14,587) |
| Total Expenditures | <u>4,051,775</u> | <u>4,051,618</u> | <u>157</u> |
| Net Change in Fund Balances | (10,723) | (15,508) | (4,785) |
| Fund Balance (Deficit) at Beginning of Year | 1,278,328 | 1,278,328 | - |
| Prior Year Encumbrances Appropriated | - | - | - |
| Fund Balance (Deficit) at End of Year | <u>\$ 1,267,605</u> | <u>\$ 1,262,820</u> | <u>\$ (4,785)</u> |

Northeastern Local Schools
Schedule of Revenue, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
FOOD SERVICE FUND
For the Fiscal Year Ended June 30, 2020

| | Final Budget | Actual | Variance with Final Budget |
|---|---------------------|------------------|---|
| REVENUES: | | | |
| Intergovernmental | \$ 449,031 | \$ 328,193 | \$ (120,838) |
| Customer Sales and Services | 430,969 | 325,417 | (105,552) |
| Total Revenues | <u>880,000</u> | <u>653,610</u> | <u>(226,390)</u> |
| EXPENDITURES: | | | |
| Current: | | | |
| Operation of Non-Instructional/Shared Services: | | | |
| Food Service Operations | 875,992 | 865,059 | 10,933 |
| Total Expenditures | <u>875,992</u> | <u>865,059</u> | <u>10,933</u> |
| Excess of Revenues Over (Under) Expenditures | <u>4,008</u> | <u>(211,449)</u> | <u>(215,457)</u> |
| OTHER FINANCING SOURCES AND USES: | | | |
| Transfers In | 211,449 | 211,449 | - |
| Total Other Financing Sources and Uses | <u>211,449</u> | <u>211,449</u> | <u>-</u> |
| Net Change in Fund Balances | 215,457 | - | (215,457) |
| Fund Balance (Deficit) at Beginning of Year | - | - | - |
| Prior Year Encumbrances Appropriated | - | - | - |
| Fund Balance (Deficit) at End of Year | <u>\$ 215,457</u> | <u>\$ -</u> | <u>\$ (215,457)</u> |

Northeastern Local Schools
Schedule of Revenue, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
SPECIAL TRUSTS AND GRANTS
For the Fiscal Year Ended June 30, 2020

| | Final Budget | Actual | Variance with Final Budget |
|--|---------------------|---------------|---|
| REVENUES: | | | |
| Interest Earnings | \$ - | \$ 197 | \$ 197 |
| Intergovernmental | \$ 17,860 | \$ 43,892 | \$ 26,032 |
| Contributions and Donations | 21,686 | 24,520 | 2,834 |
| Miscellaneous | - | 853 | 853 |
| Total Revenues | <u>39,546</u> | <u>69,462</u> | <u>29,916</u> |
| EXPENDITURES: | | | |
| Current: | | | |
| Instruction: | | | |
| Regular | 10595 | 6497 | 4098 |
| Special | 550 | 0 | 550 |
| Support Services | | | |
| Pupil | 5000 | 3840 | 1160 |
| Staff | 2845 | 0 | 2845 |
| Operation and Maintenance of Plant | 66532 | 19991 | 46541 |
| Central | 19435 | 12452 | 6983 |
| Total Expenditures | <u>104,957</u> | <u>42,780</u> | <u>62,177</u> |
| Excess of Revenues Over (Under) Expenditures | <u>(65,411)</u> | <u>26,682</u> | <u>92,093</u> |
| Fund Balance (Deficit) at Beginning of Year | 53,187 | 53,187 | - |
| Prior Year Encumbrances Appropriated | 31,800 | 17,632 | 14,168 |
| Fund Balance (Deficit) at End of Year | <u>19,576</u> | <u>97,501</u> | <u>106,261</u> |

Northeastern Local Schools
Schedule of Revenue, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
LATCHKEY AFTER SCHOOL ENRICHMENT
For the Fiscal Year Ended June 30, 2020

| | Final Budget | Actual | Variance with Final Budget |
|---|---------------------|-------------------|---|
| REVENUES: | | | |
| Customer Sales and Services | \$ 141,859 | \$ 117,447 | \$ (24,412) |
| Total Revenues | <u>141,859</u> | <u>117,447</u> | <u>(24,412)</u> |
| EXPENDITURES: | | | |
| Current: | | | |
| Operation of Non-Instructional/Shared Services: | | | |
| Community Services | 163,282 | 139,532 | 23,750 |
| Total Expenditures | <u>163,282</u> | <u>139,532</u> | <u>23,750</u> |
| Excess of Revenues Over (Under) Expenditures | <u>(21,423)</u> | <u>(22,085)</u> | <u>(662)</u> |
| Fund Balance (Deficit) at Beginning of Year | 179,511 | 179,511 | - |
| Prior Year Encumbrances Appropriated | - | - | - |
| Fund Balance (Deficit) at End of Year | <u>\$ 158,088</u> | <u>\$ 157,426</u> | <u>\$ (662)</u> |

Northeastern Local Schools
Schedule of Revenue, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
BUILDING MAINTENANCE LEVY FUND
For the Fiscal Year Ended June 30, 2020

| | Final Budget | Actual | Variance with Final Budget |
|--|---------------------|-------------------|---|
| REVENUES: | | | |
| Property and Other Local Taxes | \$ 244,387 | \$ 250,318 | \$ 5,931 |
| Intergovernmental | 9,822 | 15,724 | 5,902 |
| Interest | 472 | 6,182 | 5,710 |
| Total Revenues | <u>254,681</u> | <u>272,224</u> | <u>17,543</u> |
| EXPENDITURES: | | | |
| Current: | | | |
| Support Services: | | | |
| Fiscal | 4,500 | 4,071 | 429 |
| Total Expenditures | <u>4,500</u> | <u>4,071</u> | <u>429</u> |
| Excess of Revenues Over (Under) Expenditures | <u>250,181</u> | <u>268,153</u> | <u>17,972</u> |
| Fund Balance (Deficit) at Beginning of Year | 136,125 | 136,125 | - |
| Prior Year Encumbrances Appropriated | - | - | - |
| Fund Balance (Deficit) at End of Year | <u>\$ 386,306</u> | <u>\$ 404,278</u> | <u>\$ 17,972</u> |

Northeastern Local Schools
Schedule of Revenue, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
DISTRICT MANAGED ACTIVITIES FUND
For the Fiscal Year Ended June 30, 2020

| | Final Budget | Actual | Variance with Final Budget |
|--|---------------------|------------------|---|
| REVENUES: | | | |
| Interest | \$ 431 | \$ 652 | \$ 221 |
| Extracurricular Activities | 191,891 | 206,036 | 14,145 |
| Customer Sales and Services | 17,667 | 5,929 | (11,738) |
| Miscellaneous | 500 | - | (500) |
| Total Revenues | <u>210,489</u> | <u>212,617</u> | <u>2,128</u> |
| EXPENDITURES: | | | |
| Current: | | | |
| Extracurricular Activities: | | | |
| Sport Oriented Activities | 215,253 | 224,028 | (8,775) |
| Total Expenditures | <u>215,253</u> | <u>224,028</u> | <u>(8,775)</u> |
| Excess of Revenues Over (Under) Expenditures | <u>(4,764)</u> | <u>(11,411)</u> | <u>(6,647)</u> |
| Fund Balance (Deficit) at Beginning of Year | 25,099 | 25,099 | - |
| Prior Year Encumbrances Appropriated | 11,618 | 140 | 11,478 |
| Fund Balance (Deficit) at End of Year | <u>\$ 8,717</u> | <u>\$ 13,548</u> | <u>\$ 4,831</u> |

Northeastern Local Schools
Schedule of Revenue, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
AUXILIARY FUND
For the Fiscal Year Ended June 30, 2020

| | Final Budget | Actual | Variance with Final Budget |
|---|---------------------|------------------|---|
| REVENUES: | | | |
| Intergovernmental | \$ 349,000 | \$ 251,282 | \$ (97,718) |
| Interest | 1,000 | 1551 | 551 |
| Total Revenues | <u>350,000</u> | <u>252,833</u> | <u>(97,167)</u> |
| EXPENDITURES: | | | |
| Current: | | | |
| Operation of Non-Instructional/Shared Services: | | | |
| Community Services | 235,857 | 242,688 | -6,831 |
| Total Expenditures | <u>235,857</u> | <u>242,688</u> | <u>-6,831</u> |
| Excess of Revenues Over (Under) Expenditures | <u>114,143</u> | <u>10,145</u> | <u>(90,336)</u> |
| Fund Balance (Deficit) at Beginning of Year | 31,444 | 31,444 | - |
| Prior Year Encumbrances Appropriated | 962 | - | - |
| Fund Balance (Deficit) at End of Year | <u>\$ 144,625</u> | <u>\$ 41,589</u> | <u>\$ (90,336)</u> |

Northeastern Local Schools
Schedule of Revenue, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
DATA COMMUNICATION
For the Fiscal Year Ended June 30, 2020

| | Final Budget | Actual | Variance with Final Budget |
|--|---------------------|------------------|---|
| REVENUES: | | | |
| Intergovernmental | \$ - | \$ 12,600 | \$ 12,600 |
| Total Revenues | <u>0</u> | <u>12,600</u> | <u>(12,600)</u> |
| EXPENDITURES: | | | |
| Current: | | | |
| Instruction: | | | |
| Regular | 6,300 | 0 | 6,300 |
| Total Expenditures | <u>6,300</u> | <u>0</u> | <u>6,300</u> |
| Excess of Revenues Over (Under) Expenditures | <u>-6,300</u> | <u>12,600</u> | <u>18,900</u> |
| Fund Balance (Deficit) at Beginning of Year | 12,599 | 12,599 | - |
| Prior Year Encumbrances Appropriated | - | - | - |
| Fund Balance (Deficit) at End of Year | <u>\$ 6,299</u> | <u>\$ 25,199</u> | <u>\$ 18,900</u> |

Northeastern Local Schools
Schedule of Revenue, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
STUDENT WELLNESS AND SUCCESS FUND
For the Fiscal Year Ended June 30, 2020

| | Final Budget | Actual | Variance with Final Budget |
|---|---------------------|-------------------|---|
| REVENUES: | | | |
| Intergovernmental | \$ 375,000 | \$ 376,572 | \$ 1,572 |
| Total Revenues | <u>375,000</u> | <u>376,572</u> | <u>(1,572)</u> |
| EXPENDITURES: | | | |
| Current: | | | |
| Instruction: | | | |
| Regular | 159,500 | 48,988 | 110,512 |
| Total Expenditures | <u>159,500</u> | <u>48,988</u> | <u>110,512</u> |
| Net Change in Fund Balances | <u>215,500</u> | <u>327,584</u> | <u>(112,084)</u> |
| Fund Balance (Deficit) at Beginning of Year | - | - | - |
| Prior Year Encumbrances Appropriated | - | - | - |
| Fund Balance (Deficit) at End of Year | <u>\$ 215,500</u> | <u>\$ 327,584</u> | <u>\$ (112,084)</u> |

Northeastern Local Schools
Schedule of Revenue, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
HIGH SCHOOLS THAT WORK GRANT
For the Fiscal Year Ended June 30, 2020

| | Final Budget | Actual | Variance with Final Budget |
|--|---------------------|---------------|---|
| REVENUES: | | | |
| Intergovernmental | \$ 16,000 | \$ 16,000 | \$ - |
| Total Revenues | <u>16,000</u> | <u>16,000</u> | <u>-</u> |
| EXPENDITURES: | | | |
| Current: | | | |
| Instruction: | | | |
| Regular | 16,000 | 16,000 | 0 |
| Total Expenditures | <u>16,000</u> | <u>16,000</u> | <u>0</u> |
| Excess of Revenues Over (Under) Expenditures | <u>0</u> | <u>0</u> | <u>0</u> |
| OTHER FINANCING SOURCES AND USES: | | | |
| Advances In | 0 | 0 | 0 |
| Advances Out | 0 | 0 | |
| Total Other Financing Sources and Uses | <u>0</u> | <u>0</u> | <u>0</u> |
| Net Change in Fund Balances | <u>-</u> | <u>-</u> | <u>-</u> |
| Fund Balance (Deficit) at Beginning of Year | - | - | - |
| Prior Year Encumbrances Appropriated | - | - | - |
| Fund Balance (Deficit) at End of Year | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |

Northeastern Local Schools
Schedule of Revenue, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
TITLE VI-B SPECIAL EDUCATION PART B- IDEA FUND
For the Fiscal Year Ended June 30, 2020

| | Final Budget | Actual | Variance with Final Budget |
|---|---------------------|-----------------|---|
| REVENUES: | | | |
| Intergovernmental | \$ 870,000 | \$ 842,099 | \$ (27,901) |
| Total Revenues | <u>870,000</u> | <u>842,099</u> | <u>27,901</u> |
| EXPENDITURES: | | | |
| Current: | | | |
| Instruction: | | | |
| Special | 450,439 | 560,834 | (110,395) |
| Support Services: | | | |
| Pupils | 276,387 | 217,105 | 59,282 |
| Operation of Non-Instructional/Shared Services: | | | |
| Community Services | 30,500 | 24,806 | 5,694 |
| Total Expenditures | <u>757,326</u> | <u>802,745</u> | <u>(45,419)</u> |
| Excess of Revenues Over (Under) Expenditures | <u>112,674</u> | <u>39,354</u> | <u>(73,320)</u> |
| OTHER FINANCING SOURCES AND USES: | | | |
| Advances In | 46,228 | 6,874 | (39,354) |
| Advances Out | (81,228) | (46,228) | (35,000) |
| Total Other Financing Sources and Uses | <u>(35,000)</u> | <u>(39,354)</u> | <u>(39,354)</u> |
| Net Change in Fund Balances | 77,674 | - | (77,674) |
| Fund Balance (Deficit) at Beginning of Year | - | - | - |
| Prior Year Encumbrances Appropriated | - | - | - |
| Fund Balance (Deficit) at End of Year | <u>\$ 42,674</u> | <u>\$ -</u> | <u>\$ (77,674)</u> |

Northeastern Local Schools
Schedule of Revenue, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
TITLE I-A IMPROVING BASIC SCHOOL-WIDE PROGRAMS
For the Fiscal Year Ended June 30, 2020

| | Final Budget | Actual | Variance with Final Budget |
|--|---------------------|----------------|---|
| REVENUES: | | | |
| Intergovernmental | \$ 32,500 | \$ 14,700 | \$ (17,800) |
| Total Revenues | <u>32,500</u> | <u>14,700</u> | <u>17,800</u> |
| EXPENDITURES: | | | |
| Current: | | | |
| Instruction: | | | |
| Special | 32,500 | 15,894 | 16,606 |
| Total Expenditures | <u>32,500</u> | <u>15,894</u> | <u>16,606</u> |
| Excess of Revenues Over (Under) Expenditures | <u>-</u> | <u>(1,194)</u> | <u>1,194</u> |
| OTHER FINANCING SOURCES AND USES: | | | |
| Advances In | - | 1,194 | 1,194 |
| Total Other Financing Sources and Uses | <u>-</u> | <u>1,194</u> | <u>1,194</u> |
| Net Change in Fund Balances | - | - | - |
| Fund Balance (Deficit) at Beginning of Year | - | - | - |
| Prior Year Encumbrances Appropriated | - | - | - |
| Fund Balance (Deficit) at End of Year | <u>-</u> | <u>-</u> | <u>-</u> |

Northeastern Local Schools
Schedule of Revenue, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
TITLE I-A IMPROVING BASIC PROGRAMS
For the Fiscal Year Ended June 30, 2020

| | Final Budget | Actual | Variance with Final Budget |
|--|---------------------|-----------------|---|
| REVENUES: | | | |
| Intergovernmental | \$ 288,000 | \$ 269,865 | \$ (18,135) |
| Total Revenues | <u>288,000</u> | <u>269,865</u> | <u>18,135</u> |
| EXPENDITURES: | | | |
| Current: | | | |
| Instruction: | | | |
| Special | 286,306 | 359,916 | (73,610) |
| Total Expenditures | <u>286,306</u> | <u>359,916</u> | <u>(73,610)</u> |
| Excess of Revenues Over (Under) Expenditures | <u>1,694</u> | <u>(90,051)</u> | <u>91,745</u> |
| OTHER FINANCING SOURCES AND USES: | | | |
| Advances Out | 30,812 | 30,812 | - |
| Total Other Financing Sources and Uses | <u>30,812</u> | <u>30,812</u> | <u>-</u> |
| Net Change in Fund Balances | 32,506 | (59,239) | 91,745 |
| Fund Balance (Deficit) at Beginning of Year | 59,239 | 59,239 | - |
| Prior Year Encumbrances Appropriated | - | - | - |
| Fund Balance (Deficit) at End of Year | <u>32,506</u> | <u>-</u> | <u>91,745</u> |

Northeastern Local Schools
Schedule of Revenue, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
IDEA EARLY CHILDHOOD SPECIAL EDUCATION
For the Fiscal Year Ended June 30, 2020

| | Final Budget | Actual | Variance with Final Budget |
|--|---------------------|----------------|---|
| REVENUES: | | | |
| Intergovernmental | \$ 13,200 | \$ 14,241 | \$ 1,041 |
| Total Revenues | <u>13,200</u> | <u>14,241</u> | <u>1,041</u> |
| EXPENDITURES: | | | |
| Current: | | | |
| Instruction: | | | |
| Special | <u>13,232</u> | <u>15,820</u> | <u>(2,588)</u> |
| Total Expenditures | <u>13,232</u> | <u>15,820</u> | <u>(2,588)</u> |
| Excess of Revenues Over (Under) Expenditures | <u>(32)</u> | <u>(1,579)</u> | <u>(1,547)</u> |
| Fund Balance (Deficit) at Beginning of Year | - | 1,579 | - |
| Prior Year Encumbrances Appropriated | - | - | - |
| Fund Balance (Deficit) at End of Year | <u>(32)</u> | <u>-</u> | <u>(1,547)</u> |

Northeastern Local Schools
Schedule of Revenue, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
TITLE II-A IMPROVING TEACHER QUALITY
For the Fiscal Year Ended June 30, 2020

| | Final Budget | Actual | Variance with Final Budget |
|---|---------------------|-----------------|---|
| REVENUES: | | | |
| Intergovernmental | \$ 73,000 | \$ 76,012 | \$ (3,012) |
| Total Revenues | <u>73,000</u> | <u>76,012</u> | <u>(3,012)</u> |
| EXPENDITURES: | | | |
| Current: | | | |
| Instruction: | | | |
| Regular | 72,860 | 87,070 | (14,210) |
| Operation of Non-Instructional/Shared Services: | | | |
| Community Services | - | - | - |
| Total Expenditures | <u>77,402</u> | <u>87,070</u> | <u>(9,668)</u> |
| Excess of Revenues Over (Under) Expenditures | <u>(4,402)</u> | <u>(11,058)</u> | <u>(6,656)</u> |
| OTHER FINANCING SOURCES AND USES: | | | |
| Advances In | - | 1,400 | (1,400) |
| Total Other Financing Sources and Uses | <u>-</u> | <u>1,400</u> | <u>(1,400)</u> |
| Net Change in Fund Balances | (4,402) | (9,658) | (8,056) |
| Fund Balance (Deficit) at Beginning of Year | 9,658 | 9,658 | - |
| Prior Year Encumbrances Appropriated | - | - | - |
| Fund Balance (Deficit) at End of Year | <u>5,256</u> | <u>-</u> | <u>(8,056)</u> |

Northeastern Local Schools
Schedule of Revenue, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
TITLE IV-A STUDENT SUPPORT
For the Fiscal Year Ended June 30, 2020

| | Final Budget | Actual | Variance with Final Budget |
|---|---------------------|----------------|---|
| REVENUES: | | | |
| Intergovernmental | \$ 22,860 | \$ 21,307 | \$ 1,553 |
| Total Revenues | <u>22,860</u> | <u>21,307</u> | <u>1,553</u> |
| EXPENDITURES: | | | |
| Current: | | | |
| Instruction: | | | |
| Regular | 22,860 | 22,811 | 49 |
| Operation of Non-Instructional/Shared Services: | | | |
| Community Services | - | - | - |
| Total Expenditures | <u>22,860</u> | <u>22,811</u> | <u>49</u> |
| Excess of Revenues Over (Under) Expenditures | <u>-</u> | <u>(1,504)</u> | <u>(1,504)</u> |
| OTHER FINANCING SOURCES AND USES: | | | |
| Advances In | - | 1,504 | (1,504) |
| Total Other Financing Sources and Uses | <u>-</u> | <u>1,504</u> | <u>(1,504)</u> |
| Net Change in Fund Balances | - | - | - |
| Fund Balance (Deficit) at Beginning of Year | - | - | - |
| Prior Year Encumbrances Appropriated | - | - | - |
| Fund Balance (Deficit) at End of Year | <u>-</u> | <u>-</u> | <u>-</u> |

Northeastern Local Schools
Schedule of Revenue, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
PUBLIC SCHOOL SUPPORT FUND
For the Fiscal Year Ended June 30, 2020

| | Final Budget | Actual | Variance with Final Budget |
|--|---------------------|------------------|---|
| REVENUES: | | | |
| Interest | \$ 1,745 | \$ 2,226 | \$ 1,294 |
| Extracurricular Activiites | 22,098 | 17,918 | (4,180) |
| Miscellaneous | 46,157 | 37,194 | (8,963) |
| Total Additions | <u>70,000</u> | <u>57,338</u> | <u>(11,849)</u> |
| EXPENDITURES: | | | |
| Current: | | | |
| Instruction: | | | |
| Regular | 109,711 | 79,255 | 30,456 |
| Extracurricular Activiites: | | | |
| Academic Oriented Activities | - | - | - |
| Total Expenditures | <u>109,711</u> | <u>79,255</u> | <u>30,456</u> |
| Excess of Revenues Over (Under) Expenditures | <u>(39,711)</u> | <u>(21,917)</u> | <u>17,794</u> |
| Fund Balance (Deficit) at Beginning of Year | 118,403 | 118,403 | - |
| Prior Year Encumbrances Appropriated | - | - | - |
| Fund Balance (Deficit) at End of Year | <u>\$ 78,692</u> | <u>\$ 96,486</u> | <u>\$ 17,794</u> |



STATISTICAL SECTION

COMPREHENSIVE ANNUAL FINANCE REPORT

For the Fiscal Year Ended June 30, 2020



STATISTICAL TABLES

This part of Northeastern Local School District's comprehensive annual 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>PAGES</u> |
|--|--------------|
| Financial Trends | 123-129 |
| These schedules contain trend information to help the reader understand how the School District's financial performance and well-being have changed over time. | |
| Revenue Capacity | 130-134 |
| These schedules contain information to help the reader assess the School District's most significant local revenue sources. | |
| Debt Capacity | 135-136 |
| These schedules present information to help the reader assess the affordability of the School District's current levels of outstanding debt and the School District's ability to issue additional debt in the future. | |
| Demographic and Economic Information | 137-139 |
| These schedules offer demographic and economic indicators to help the reader understand the environment within which the School District's financial activities take place. | |
| Operating information | 140-141 |
| These schedules contain service and capital assets data to help the reader understand how the information in the School District's financial report relates to the services the School District provides and the activities it performs. | |

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



Northeastern Local School District

Net Position by Component

Governmental Activities

Last Ten Fiscal Years

(accrual basis of accounting)

| Fiscal Year | <u>2011</u> | <u>2012</u> | <u>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> | <u>2019</u> | <u>2020</u> |
|----------------------------------|----------------------|----------------------|----------------------|----------------------|------------------------|------------------------|------------------------|------------------------|-----------------------|---------------------|
| Net Investment in Capital Assets | \$ 14,608,049 | \$ 14,934,698 | \$ 14,912,422 | \$ 14,704,310 | \$ 14,414,534 | \$ 14,046,777 | \$ 13,974,911 | \$ 13,759,087 | \$ 14,339,871 | \$ 18,631,496 |
| Restricted | \$ 1,914,402 | \$ 1,728,565 | \$ 1,444,812 | \$ 1,681,413 | \$ 1,947,340 | \$ 1,647,781 | \$ 1,387,817 | \$ 1,485,687 | \$ 4,187,545 | \$ 3,775,238 |
| Unrestricted(Deficit) | \$ 5,782,444 | \$ 3,142,618 | \$ 2,128,978 | \$ 2,858,154 | \$ (41,131,941) | \$ (38,600,254) | \$ (37,226,679) | \$ (28,410,855) | \$ (21,500,472) | \$ (19,104,439) |
| Total Net Position | <u>\$ 22,304,895</u> | <u>\$ 19,805,881</u> | <u>\$ 18,486,212</u> | <u>\$ 19,243,877</u> | <u>\$ (24,770,067)</u> | <u>\$ (22,905,696)</u> | <u>\$ (21,863,951)</u> | <u>\$ (13,166,081)</u> | <u>\$ (2,973,056)</u> | <u>\$ 3,302,295</u> |

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

Northeastern Local School District

Changes in Net Position

Governmental Activities

Last Ten Fiscal Years

(accrual basis of accounting)

| Fiscal Year | <u>2011</u> | <u>2012</u> | <u>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> |
|---|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|
| Expenses | | | | | | | |
| Current | | | | | | | |
| Instruction: | | | | | | | |
| Regular | \$ 14,765,031 | \$ 15,058,467 | \$ 14,242,926 | \$ 14,005,168 | \$ 13,919,806 | \$ 14,859,188 | \$ 15,963,650 |
| Special | \$ 3,332,815 | \$ 3,000,184 | \$ 3,042,310 | \$ 3,362,288 | \$ 3,487,911 | \$ 3,656,402 | \$ 4,410,552 |
| Vocational | \$ 889,026 | \$ 635,211 | \$ 680,364 | \$ 684,088 | \$ 693,528 | \$ 728,913 | \$ 789,426 |
| Student Intervention Services | \$ 24,388 | \$ 22,522 | \$ 17,851 | \$ 5,421 | \$ 9,789 | \$ 21,281 | \$ 2,711 |
| Other | \$ 14,809 | \$ 16,495 | \$ 16,328 | \$ 52,097 | \$ 135,155 | \$ 396,257 | \$ 617,679 |
| Support Services: | | | | | | | |
| Pupils | \$ 1,744,433 | \$ 1,857,061 | \$ 1,800,927 | \$ 1,877,286 | \$ 1,872,337 | \$ 1,774,426 | \$ 2,027,177 |
| Instructional Staff | \$ 1,739,292 | \$ 1,662,660 | \$ 1,496,572 | \$ 1,127,112 | \$ 1,262,880 | \$ 1,285,981 | \$ 1,295,650 |
| Board of Education | \$ 50,956 | \$ 70,740 | \$ 49,315 | \$ 69,422 | \$ 108,299 | \$ 142,587 | \$ 115,474 |
| Administration | \$ 2,868,092 | \$ 2,828,228 | \$ 2,645,629 | \$ 2,668,787 | \$ 2,271,039 | \$ 2,337,776 | \$ 2,512,563 |
| Fiscal | \$ 707,316 | \$ 744,783 | \$ 708,076 | \$ 741,597 | \$ 750,453 | \$ 785,045 | \$ 883,581 |
| Operation and Maintenance of Plant | \$ 2,785,345 | \$ 2,770,352 | \$ 2,508,741 | \$ 2,319,977 | \$ 2,164,226 | \$ 2,310,274 | \$ 2,806,160 |
| Pupil Transportation | \$ 2,016,768 | \$ 2,053,987 | \$ 2,173,981 | \$ 1,990,432 | \$ 1,904,089 | \$ 1,961,171 | \$ 2,279,703 |
| Central | \$ 53,268 | \$ 65,466 | \$ 14,392 | \$ 12,554 | \$ 9,400 | \$ 25,124 | \$ 44,301 |
| Operation of Non-Instructional Services | \$ 1,728,386 | \$ 1,484,498 | \$ 1,600,105 | \$ 1,510,784 | \$ 1,555,570 | \$ 1,400,503 | \$ 1,460,389 |
| Extracurricular Activities | \$ 1,030,873 | \$ 1,027,415 | \$ 961,713 | \$ 996,431 | \$ 962,925 | \$ 1,025,889 | \$ 1,092,087 |
| Capital Outlay | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Interest and Fiscal Charges | \$ 187,255 | \$ 156,608 | \$ 242,810 | \$ 94,612 | \$ 73,637 | \$ 51,229 | \$ 35,429 |
| Cost of Issuance of Debt | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| | <u>\$ 33,938,053</u> | <u>\$ 33,454,677</u> | <u>\$ 32,202,040</u> | <u>\$ 31,518,056</u> | <u>\$ 31,181,044</u> | <u>\$ 32,762,046</u> | <u>\$ 36,336,532</u> |
| Program Revenues | | | | | | | |
| Charges for Service | | | | | | | |
| Instruction: | | | | | | | |
| Regular | \$ 2,044,561 | \$ 2,143,085 | \$ 2,330,606 | \$ 2,386,634 | \$ 2,471,401 | \$ 2,285,495 | \$ 2,457,519 |
| Support Services: | | | | | | | |
| Instructional Staff | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 1,980 | \$ - |
| Fiscal | \$ - | \$ - | \$ 17,148 | \$ - | \$ - | \$ - | \$ - |
| Operation and Maintenance of Plant | \$ 1,361 | \$ 1,453 | \$ 11,387 | \$ 1,025 | \$ 2,000 | \$ - | \$ - |
| Operation of Non-Instructional Services | \$ 781,760 | \$ 775,641 | \$ 672,994 | \$ 611,469 | \$ 574,311 | \$ 554,122 | \$ 713,097 |
| Extracurricular Activities | \$ 228,484 | \$ 200,328 | \$ 199,806 | \$ 377,042 | \$ 371,928 | \$ 311,674 | \$ 202,839 |
| Operating Grants, Contribution, and Interest | \$ 3,678,521 | \$ 2,428,655 | \$ 2,221,943 | \$ 2,262,169 | \$ 2,181,183 | \$ 2,057,511 | \$ 1,784,321 |
| <i>Total Program Revenues</i> | <u>\$ 6,734,687</u> | <u>\$ 5,549,162</u> | <u>\$ 5,453,884</u> | <u>\$ 5,638,339</u> | <u>\$ 5,600,823</u> | <u>\$ 5,210,782</u> | <u>\$ 5,157,776</u> |
| <i>Net Expense</i> | <u>\$ (27,203,366)</u> | <u>\$ (27,905,515)</u> | <u>\$ (26,748,156)</u> | <u>\$ (25,879,717)</u> | <u>\$ (25,580,221)</u> | <u>\$ (27,551,264)</u> | <u>\$ (31,178,756)</u> |
| General Revenues | | | | | | | |
| Income Tax | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 815,967 | \$ 4,302,786 |
| Property Taxes Levied for: | | | | | | | |
| General Purposes | \$ 11,337,817 | \$ 10,574,816 | \$ 10,512,421 | \$ 11,144,749 | \$ 11,670,437 | \$ 13,068,271 | \$ 12,101,011 |
| Grants and Entitlements not Restricted to specific programs | \$ 14,954,386 | \$ 14,648,538 | \$ 14,768,569 | \$ 15,077,118 | \$ 15,811,893 | \$ 15,306,117 | \$ 15,507,417 |
| Grants and Donations Restricted to specific programs | \$ 70,868 | \$ 98,373 | \$ 87,209 | \$ 101,146 | \$ 37,318 | \$ 48,394 | \$ 59,008 |
| Investment Earnings | \$ 23,410 | \$ 27,042 | \$ 13,787 | \$ 31,227 | \$ 35,936 | \$ 84,274 | \$ 67,412 |
| Miscellaneous | \$ 65,562 | \$ 57,732 | \$ 46,501 | \$ 283,142 | \$ 68,961 | \$ 92,612 | \$ 182,702 |
| Gain on Sale of Capital Assets | \$ 4,010 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 165 |
| <i>Total General Revenues</i> | <u>\$ 26,456,053</u> | <u>\$ 25,406,501</u> | <u>\$ 25,428,487</u> | <u>\$ 26,637,382</u> | <u>\$ 27,624,545</u> | <u>\$ 29,415,635</u> | <u>\$ 32,220,501</u> |
| <i>Change in Net Position</i> | <u>\$ (747,313)</u> | <u>\$ (2,499,014)</u> | <u>\$ (1,319,669)</u> | <u>\$ 757,665</u> | <u>\$ 2,044,324</u> | <u>\$ 1,864,371</u> | <u>\$ 1,041,745</u> |

The District implemented GASB 68 in 2015

The District implemented GASB 75 in 2018

| <u>2018</u> | <u>2019</u> | <u>2020</u> |
|----------------------|----------------------|----------------------|
| \$ 4,989,096 | \$ 13,225,474 | \$ 16,711,230 |
| \$ 1,822,759 | \$ 4,078,282 | \$ 5,146,060 |
| \$ 262,344 | \$ 456,856 | \$ 532,161 |
| \$ 27,279 | \$ 35,022 | \$ 39,400 |
| \$ 956,957 | \$ 921,863 | \$ 1,095,222 |
| \$ 1,169,357 | \$ 1,745,362 | \$ 2,428,908 |
| \$ 819,919 | \$ 1,250,295 | \$ 1,353,890 |
| \$ 117,613 | \$ 161,336 | \$ 150,623 |
| \$ 1,236,895 | \$ 1,909,885 | \$ 2,668,449 |
| \$ 686,132 | \$ 863,108 | \$ 1,006,811 |
| \$ 2,094,860 | \$ 2,378,007 | \$ 2,433,656 |
| \$ 1,713,050 | \$ 2,217,919 | \$ 2,204,768 |
| \$ 42,182 | \$ 27,393 | \$ 32,702 |
| \$ 1,055,990 | \$ 1,204,222 | \$ 1,467,005 |
| \$ 720,675 | \$ 961,625 | \$ 948,654 |
| \$ - | \$ 831,823 | \$ - |
| \$ 20,771 | \$ 1,992,863 | \$ 3,186,062 |
| \$ - | \$ 867,674 | \$ - |
| <u>\$ 17,735,879</u> | <u>\$ 35,129,009</u> | <u>\$ 41,405,601</u> |

\$ 2,602,062 \$ 2,577,876 \$ 2,633,522

\$ - \$ - \$ 400
\$ - \$ - \$ -
\$ - \$ - \$ -
\$ 717,739 \$ 600,231 \$ 533,099
\$ 196,644 \$ 297,982 \$ 208,628
\$ 1,776,048 \$ 2,059,674 \$ 2,516,674

\$ 5,292,493 \$ 5,535,763 \$ 5,892,323

\$ (12,443,386) \$ (29,593,246) \$ (35,513,278)

\$ 4,535,898 \$ 4,998,002 \$ 5,395,851

\$ 12,382,691 \$ 16,677,291 \$ 18,399,275

\$ 15,112,212 \$ 15,126,275 \$ 15,270,540

\$ 44,549 \$ 65,093 \$ 45,900
\$ 145,877 \$ 2,425,259 \$ 2,260,041
\$ 169,289 \$ 494,351 \$ 417,022
\$ 10,512 \$ - \$ -

\$ 32,401,028 \$ 39,786,271 \$ 41,788,629

\$ 19,957,642 \$ 10,193,025 \$ 6,275,351

Northeastern Local School District
Fund Balances- Governmental Funds
Last Ten Fiscal Years
(accrual basis of accounting)

| Fiscal Year | <u>2011</u> | <u>2012</u> | <u>2013</u> |
|---|----------------------------|----------------------------|----------------------------|
| General Fund: | | | |
| Nonspendable | \$ 92,546 | \$ 92,832 | \$ 100,345 |
| Restricted | \$ 11,000 | \$ 11,000 | \$ 11,000 |
| Committed | \$ - | \$ - | \$ - |
| Assigned | \$ 203,930 | \$ 3,191,209 | \$ 996,160 |
| Unassigned | \$ 6,296,346 | \$ 1,027,297 | \$ 1,840,495 |
| Reserved | \$ - | \$ - | \$ - |
| Unreserved(Deficit) | \$ - | \$ - | \$ - |
| <i>Total General Fund</i> | <u>\$ 6,603,822</u> | <u>\$ 4,322,338</u> | <u>\$ 2,948,000</u> |
| All Other Governmental Funds | | | |
| Nonspendable | \$ 14,660 | \$ 13,081 | \$ 12,405 |
| Restricted | \$ 1,985,502 | \$ 1,718,277 | \$ 1,412,146 |
| Assigned | \$ 55,343 | \$ 99,114 | \$ 133,264 |
| Unassigned | \$ (160,987) | \$ (87,506) | \$ (105,800) |
| Reserved | \$ - | \$ - | \$ - |
| Unreserved(Deficit) Reported In | | | |
| Special Revenue Funds | \$ - | \$ - | \$ - |
| Debt Service Funds | \$ - | \$ - | \$ - |
| Capital Projects Funds | \$ - | \$ - | \$ - |
| <i>Total All Other Governmental Funds</i> | <u>\$ 1,894,518</u> | <u>\$ 1,742,966</u> | <u>\$ 1,452,015</u> |
| <i>Total Governmental Funds</i> | <u><u>\$ 8,498,340</u></u> | <u><u>\$ 6,065,304</u></u> | <u><u>\$ 4,400,015</u></u> |

The School District implemented GASB 54 in fiscal year 2011.

| <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> | <u>2019</u> | <u>2020</u> |
|--------------|----------------|--------------|---------------|---------------|---------------|----------------|
| \$ 83,498 | \$ 84,814 | \$ 97,565 | \$ 82,256 | \$ 95,771 | \$ 59,592 | \$ 70,421 |
| \$ 11,000 | \$ 63,335 | \$ 11,000 | \$ 11,000 | \$ 11,000 | \$ 11,000 | \$ 11,000 |
| \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| \$ 1,574,678 | \$ 6,939,399 | \$ 966,858 | \$ 1,638,696 | \$ - | \$ - | \$ - |
| \$ 1,831,009 | \$ (2,275,334) | \$ 5,695,921 | \$ 7,610,254 | \$ 11,893,913 | \$ 14,794,233 | \$ 18,397,101 |
| \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| \$ 3,500,185 | \$ 4,812,214 | \$ 6,771,344 | \$ 9,342,206 | \$ 12,000,684 | \$ 14,864,825 | \$ 18,478,522 |
| \$ 11,090 | \$ 19,377 | \$ 37,561 | \$ 14,750 | \$ 9,314 | \$ 36,014 | \$ 49,097 |
| \$ 1,629,802 | \$ 1,893,159 | \$ 1,617,956 | \$ 1,340,281 | \$ 1,437,042 | \$ 82,598,622 | \$ 83,899,690 |
| \$ 116,677 | \$ 118,950 | \$ 121,087 | \$ 119,061 | \$ 144,250 | \$ 168,913 | \$ 148,547 |
| \$ (72,938) | \$ (73,406) | \$ (159,664) | \$ (107,022) | \$ (90,940) | \$ (114,931) | \$ (58,929) |
| \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| \$ - | \$ - | \$ (4,653) | \$ - | \$ - | \$ - | \$ - |
| \$ 1,684,631 | \$ 1,958,080 | \$ 1,612,287 | \$ 1,367,070 | \$ 1,499,666 | \$ 82,688,618 | \$ 84,038,405 |
| \$ 5,184,816 | \$ 6,770,294 | \$ 8,383,631 | \$ 10,709,276 | \$ 13,500,350 | \$ 97,553,443 | \$ 102,516,927 |

Northeastern Local School District

Changes in Fund Balances - Governmental Funds

Last Ten Fiscal Years

(modified accrual basis of accounting)

| Fiscal Year | <u>2011</u> | <u>2012</u> | <u>2013</u> | <u>2014</u> | <u>2015</u> |
|--|----------------------------|------------------------------|------------------------------|--------------------------|----------------------------|
| REVENUES: | | | | | |
| Property and Other Local Taxes | \$ 11,649,231 | \$ 10,821,581 | \$ 10,370,511 | \$ 11,318,649 | \$ 11,764,205 |
| Income Taxes | \$ - | \$ - | \$ - | \$ - | \$ - |
| Intergovernmental | \$ 18,733,820 | \$ 17,076,948 | \$ 16,876,028 | \$ 17,228,985 | \$ 18,058,433 |
| Interest | \$ 23,632 | \$ 27,287 | \$ 12,127 | \$ 30,231 | \$ 33,671 |
| Tuition and Fees | \$ 2,015,475 | \$ 2,890,176 | \$ 2,266,269 | \$ 2,348,587 | \$ 2,456,820 |
| Rent | | | | | |
| Extracurricular Activities | \$ 231,276 | \$ 206,973 | \$ 258,836 | \$ 378,067 | \$ 373,928 |
| Gifts and Donations | \$ 70,868 | \$ 98,373 | \$ 87,209 | \$ 101,146 | \$ 37,318 |
| Customer Sales and Services | \$ 794,963 | | \$ 672,994 | \$ 628,080 | \$ 588,892 |
| Miscellaneous | \$ 54,381 | \$ 56,818 | \$ 56,071 | \$ 280,306 | \$ 44,689 |
| <i>Total Revenues</i> | <u>\$ 33,573,646</u> | <u>\$ 31,178,156</u> | <u>\$ 30,600,045</u> | <u>\$ 32,314,051</u> | <u>\$ 33,357,956</u> |
| EXPENDITURES: | | | | | |
| Current: | | | | | |
| Instruction: | | | | | |
| Regular | \$ 14,213,024 | \$ 14,630,291 | \$ 14,246,218 | \$ 13,871,942 | \$ 14,150,075 |
| Special | \$ 3,253,327 | \$ 2,980,031 | \$ 3,002,042 | \$ 3,307,113 | \$ 3,530,052 |
| Vocational | \$ 861,258 | \$ 673,823 | \$ 653,914 | \$ 651,067 | \$ 679,701 |
| Student Intervention Services | \$ 24,388 | \$ 22,522 | \$ 17,851 | \$ 5,421 | \$ 9,789 |
| Other | \$ 14,809 | \$ 16,495 | \$ 16,328 | \$ 52,097 | \$ 136,550 |
| Support Services: | | | | | |
| Pupils | \$ 1,698,333 | \$ 1,807,454 | \$ 1,775,598 | \$ 1,837,255 | \$ 1,896,382 |
| Instructional Staff | \$ 1,688,971 | \$ 1,611,670 | \$ 1,442,445 | \$ 1,112,458 | \$ 1,267,331 |
| Board of Education | \$ 50,956 | \$ 70,740 | \$ 49,315 | \$ 69,422 | \$ 108,299 |
| Administration | \$ 2,776,583 | \$ 2,802,164 | \$ 2,592,902 | \$ 2,651,093 | \$ 2,270,924 |
| Fiscal | \$ 695,315 | \$ 800,540 | \$ 714,249 | \$ 737,683 | \$ 756,490 |
| Operation and Maintenance of Plant | \$ 2,849,057 | \$ 2,744,201 | \$ 2,521,839 | \$ 2,291,747 | \$ 2,186,882 |
| Pupil Transportation | \$ 1,990,317 | \$ 2,006,030 | \$ 2,114,195 | \$ 1,965,566 | \$ 1,822,974 |
| Central | \$ 52,962 | \$ 65,225 | \$ 15,153 | \$ 12,554 | \$ 9,400 |
| Operation of Non-Instructional/Shared Services | \$ 1,696,399 | \$ 1,448,934 | \$ 1,607,705 | \$ 1,467,573 | \$ 1,542,161 |
| Extracurricular Activities | \$ 1,008,786 | \$ 1,000,209 | \$ 980,998 | \$ 963,048 | \$ 931,931 |
| Capital Outlay | \$ 141,605 | \$ 118,338 | \$ 31,582 | \$ 52,534 | \$ - |
| Debt Service: | | | | | |
| Principal | \$ 637,598 | \$ 673,012 | \$ 368,012 | \$ 384,408 | \$ 397,824 |
| Interest | \$ 170,025 | \$ 139,513 | \$ 114,988 | \$ 96,269 | \$ 75,713 |
| Cost of Issuance | \$ - | \$ - | \$ - | \$ - | \$ - |
| <i>Total Expenditures</i> | <u>\$ 33,823,713</u> | <u>\$ 33,611,192</u> | <u>\$ 32,265,334</u> | <u>\$ 31,529,250</u> | <u>\$ 31,772,478</u> |
| Excess of Revenues Over (Under) Expenditures | <u>\$ (250,067)</u> | <u>\$ (2,433,036)</u> | <u>\$ (1,665,289)</u> | <u>\$ 784,801</u> | <u>\$ 1,585,478</u> |
| OTHER FINANCING SOURCES AND USES: | | | | | |
| Transfers In | \$ - | \$ 8,225 | \$ 40,658 | \$ 74,550 | \$ 59,803 |
| Proceeds from the Sale of Bonds | \$ - | \$ - | \$ - | \$ - | \$ - |
| Premium on the Sale of Bonds | \$ - | \$ - | \$ - | \$ - | \$ - |
| Inception of Capital Lease | \$ 129,900 | \$ - | \$ - | \$ - | \$ - |
| Transfers Out | \$ - | \$ (8,225) | \$ (40,658) | \$ (74,550) | \$ (59,803) |
| <i>Total Other Financing Sources and Uses</i> | <u>\$ 129,900</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |
| Net Change in Fund Balances | <u><u>\$ (120,167)</u></u> | <u><u>\$ (2,433,036)</u></u> | <u><u>\$ (1,665,289)</u></u> | <u><u>\$ 784,801</u></u> | <u><u>\$ 1,585,478</u></u> |

| <u>2016</u> | <u>2017</u> | <u>2018</u> | <u>2019</u> | <u>2020</u> |
|----------------------|----------------------|----------------------|----------------------|----------------------|
| \$ 13,085,142 | \$ 12,094,478 | \$ 12,366,648 | \$ 15,082,487 | \$ 18,313,204 |
| \$ 815,967 | \$ 3,997,660 | \$ 4,505,620 | \$ 5,225,562 | \$ 5,395,851 |
| \$ 17,410,326 | \$ 17,339,228 | \$ 16,945,987 | \$ 18,173,621 | \$ 17,821,404 |
| \$ 90,560 | \$ 69,218 | \$ 147,402 | \$ 2,427,342 | \$ 2,262,441 |
| \$ 2,271,579 | \$ 2,457,519 | \$ 2,602,062 | \$ 2,577,876 | \$ 2,664,095 |
| \$ 313,654 | \$ 300,241 | \$ 307,100 | \$ 297,982 | \$ 283,774 |
| \$ 48,394 | \$ 59,008 | \$ 44,549 | \$ 65,093 | \$ 52,174 |
| \$ 568,038 | \$ 577,648 | \$ 568,289 | \$ 570,411 | \$ 451,786 |
| \$ 68,340 | \$ 208,320 | \$ 188,208 | \$ 419,457 | \$ 107,720 |
| <u>\$ 34,672,000</u> | <u>\$ 37,103,320</u> | <u>\$ 37,675,865</u> | <u>\$ 44,839,831</u> | <u>\$ 47,352,449</u> |

| | | | | |
|---------------|---------------|---------------|---------------|---------------|
| \$ 14,924,448 | \$ 14,898,416 | \$ 15,567,931 | \$ 15,603,301 | \$ 15,983,919 |
| \$ 3,657,437 | \$ 4,178,246 | \$ 4,305,414 | \$ 4,591,704 | \$ 4,953,031 |
| \$ 705,110 | \$ 716,210 | \$ 632,194 | \$ 550,383 | \$ 458,921 |
| \$ 11,115 | \$ 1,226 | \$ 25,120 | \$ 35,022 | \$ 39,400 |
| \$ 396,257 | \$ 623,295 | \$ 956,948 | \$ 922,842 | \$ 1,095,067 |

| | | | | |
|--------------|--------------|--------------|--------------|--------------|
| \$ 1,775,920 | \$ 1,910,160 | \$ 2,028,977 | \$ 2,006,865 | \$ 2,338,795 |
| \$ 1,291,842 | \$ 1,200,788 | \$ 1,177,673 | \$ 1,380,855 | \$ 1,282,452 |
| \$ 142,587 | \$ 116,524 | \$ 150,584 | \$ 172,622 | \$ 143,444 |
| \$ 2,329,018 | \$ 2,308,609 | \$ 2,293,094 | \$ 2,391,737 | \$ 2,517,166 |
| \$ 786,994 | \$ 848,714 | \$ 846,029 | \$ 909,771 | \$ 955,548 |
| \$ 2,202,345 | \$ 2,755,664 | \$ 2,263,065 | \$ 2,391,518 | \$ 2,325,968 |
| \$ 1,957,166 | \$ 2,113,164 | \$ 1,983,191 | \$ 2,604,145 | \$ 2,046,342 |
| \$ 25,124 | \$ 44,704 | \$ 42,182 | \$ 36,823 | \$ 28,283 |
| \$ 1,394,425 | \$ 1,560,070 | \$ 1,271,153 | \$ 1,223,706 | \$ 1,235,323 |
| \$ 961,945 | \$ 1,024,575 | \$ 883,451 | \$ 1,019,279 | \$ 999,944 |
| \$ 172,014 | \$ - | \$ - | \$ 2,358,001 | \$ 1,996,999 |

| | | | | |
|------------|------------|------------|--------------|--------------|
| \$ 443,067 | \$ 441,572 | \$ 446,572 | \$ 437,868 | \$ 800,000 |
| \$ 53,863 | \$ 35,738 | \$ 21,725 | \$ 2,476,705 | \$ 3,188,362 |
| \$ - | \$ - | \$ - | \$ 867,674 | \$ - |

| | | | | |
|----------------------|----------------------|----------------------|----------------------|----------------------|
| <u>\$ 33,230,677</u> | <u>\$ 34,777,675</u> | <u>\$ 34,895,303</u> | <u>\$ 41,980,821</u> | <u>\$ 42,388,964</u> |
| | | | \$ - | |
| <u>\$ 1,441,323</u> | <u>\$ 2,325,645</u> | <u>\$ 2,780,562</u> | <u>\$ 2,859,010</u> | <u>\$ 4,963,485</u> |

| | | | | |
|-------------|-------------|-------------|---------------|--------------|
| \$ 48,383 | \$ 42,305 | \$ 40,815 | \$ 54,959 | \$ 211,449 |
| \$ - | \$ - | \$ - | \$ 79,335,000 | \$ - |
| \$ - | \$ - | \$ - | \$ 1,777,255 | \$ - |
| \$ 172,014 | \$ - | \$ - | \$ 81,828 | \$ - |
| \$ (48,383) | \$ (42,305) | \$ (40,815) | \$ (54,959) | \$ (211,449) |

| | | | | |
|-------------------|-------------|-------------|----------------------|-------------|
| <u>\$ 172,014</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 81,194,083</u> | <u>\$ -</u> |
|-------------------|-------------|-------------|----------------------|-------------|

| | | | | |
|------------------|------------------|------------------|-------------------|------------------|
| <u>1,613,337</u> | <u>2,325,645</u> | <u>2,780,562</u> | <u>84,053,093</u> | <u>4,963,485</u> |
|------------------|------------------|------------------|-------------------|------------------|

Northeastern Local School District
Property Tax Rates (Per \$1,000 of Assessed Valuation)
Direct and Overlapping Governments
Last Ten Collection (Calendar) Year

| Fiscal Year | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 |
|--|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Unvoted Millage: | | | | | | | | | | |
| Operating | <u>6.30</u> | <u>6.30</u> | <u>6.30</u> | <u>6.30</u> | <u>6.30</u> | <u>6.30</u> | <u>6.30</u> | <u>6.30</u> | <u>6.30</u> | <u>6.30</u> |
| Voted Millage by Levy: | | | | | | | | | | |
| 1976- Operating | | | | | | | | | | |
| Residential/Agricultural Real | 5.94 | 5.94 | 5.67 | 5.69 | 5.69 | 5.43 | 5.43 | 5.44 | 5.43 | 5.06 |
| Commercial/Industrial and Public Utility Real | 6.86 | 7.08 | 7.74 | 7.90 | 8.26 | 8.16 | 8.17 | 8.20 | 8.04 | 7.95 |
| General Business and Public Utility Personal | 16.64 | 16.64 | 16.64 | 16.64 | 16.64 | 16.64 | 16.64 | 16.64 | 16.64 | 16.64 |
| 1984- Operating | | | | | | | | | | |
| Residential/Agricultural Real | 1.82 | 1.82 | 1.74 | 1.74 | 1.74 | 1.67 | 1.67 | 1.67 | 1.67 | 1.55 |
| Commercial/Industrial and Public Utility Real | 2.18 | 2.25 | 2.46 | 2.51 | 2.63 | 2.59 | 2.60 | 2.61 | 2.56 | 2.53 |
| General Business and Public Utility Personal | 3.90 | 3.90 | 3.90 | 3.90 | 3.90 | 3.90 | 3.90 | 3.90 | 3.90 | 3.90 |
| 1988- Operating | | | | | | | | | | |
| Residential/Agricultural Real | 2.15 | 2.15 | 2.05 | 2.05 | 2.06 | 1.96 | 1.96 | 1.96 | 1.96 | 1.83 |
| Commercial/Industrial and Public Utility Real | 2.65 | 2.73 | 2.99 | 3.05 | 3.19 | 3.15 | 3.15 | 3.16 | 3.10 | 3.07 |
| General Business and Public Utility Personal | 4.50 | 4.50 | 4.50 | 4.50 | 4.50 | 4.50 | 4.50 | 4.50 | 4.50 | 4.50 |
| 1992- Operating | | | | | | | | | | |
| Residential/Agricultural Real | 1.65 | 1.65 | 1.57 | 1.58 | 1.58 | 1.51 | 1.51 | 1.51 | 1.51 | 1.40 |
| Commercial/Industrial and Public Utility Real | 2.18 | 2.25 | 2.46 | 2.51 | 2.62 | 2.59 | 2.59 | 2.60 | 2.55 | 2.52 |
| General Business and Public Utility Personal | 3.00 | 3.00 | 3.00 | 3.00 | 3.00 | 3.00 | 3.00 | 3.00 | 3.00 | 3.00 |
| 1995- Operating | | | | | | | | | | |
| Residential/Agricultural Real | 1.80 | 1.80 | 1.72 | 1.72 | 1.73 | 1.65 | 1.65 | 1.65 | 1.65 | 1.54 |
| Commercial/Industrial and Public Utility Real | 2.13 | 2.19 | 2.40 | 2.45 | 2.56 | 2.53 | 2.53 | 2.54 | 2.49 | 2.46 |
| General Business and Public Utility Personal | 2.80 | 2.80 | 2.80 | 2.80 | 2.80 | 2.80 | 2.80 | 2.80 | 2.80 | 2.80 |
| 1995- Bond | | | | | | | | | | |
| Residential/Agricultural Real | 0.95 | 0.96 | 0.94 | 0.95 | 0.94 | 0.87 | 0.85 | 0.84 | 0.00 | 0.00 |
| Commercial/Industrial and Public Utility Real | 0.95 | 0.96 | 0.94 | 0.95 | 0.94 | 0.87 | 0.85 | 0.84 | 0.00 | 0.00 |
| General Business and Public Utility Personal | 0.95 | 0.96 | 0.94 | 0.95 | 0.94 | 0.87 | 0.85 | 0.84 | 0.00 | 0.00 |
| 2004- Operating | | | | | | | | | | |
| Residential/Agricultural Real | 5.41 | 5.41 | 5.17 | 5.18 | 5.18 | 4.95 | 4.95 | 4.95 | 4.95 | 4.60 |
| Commercial/Industrial and Public Utility Real | 5.30 | 5.47 | 5.98 | 6.00 | 6.00 | 5.92 | 5.93 | 5.96 | 5.84 | 5.77 |
| General Business and Public Utility Personal | 6.00 | 6.00 | 6.00 | 6.00 | 6.00 | 6.00 | 6.00 | 6.00 | 6.00 | 6.00 |
| 2008- Permanent Improvement | | | | | | | | | | |
| Residential/Agricultural Real | 1.00 | 1.00 | 0.96 | 0.96 | 0.96 | 0.91 | 0.91 | 0.91 | 0.91 | 0.85 |
| Commercial/Industrial and Public Utility Real | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 0.99 | 0.99 | 0.99 | 0.97 | 0.96 |
| General Business and Public Utility Personal | <u>1.00</u> | <u>1.00</u> | <u>1.00</u> | <u>1.00</u> | <u>1.00</u> | <u>1.00</u> | <u>1.00</u> | <u>1.00</u> | 1.00 | 1.00 |
| 2018- Bond Levy | | | | | | | | | | |
| Residential/Agricultural Real | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 8.46 | 8.36 | 7.71 |
| Commercial/Industrial and Public Utility Real | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 8.46 | 8.36 | 7.71 |
| General Business and Public Utility Personal | <u>0.00</u> | <u>0.00</u> | <u>0.00</u> | <u>0.00</u> | <u>0.00</u> | <u>0.00</u> | <u>0.00</u> | <u>8.46</u> | 8.46 | 7.71 |
| Total Voted Millage by Type of Property | | | | | | | | | | |
| Residential/Agricultural Real | 20.70 | 20.72 | 19.82 | 19.87 | 19.87 | 18.94 | 18.93 | 27.39 | 26.44 | 24.54 |
| Commercial/Industrial and Public Utility Real | 23.24 | 23.93 | 25.96 | 26.37 | 27.20 | 26.79 | 26.82 | 35.37 | 33.91 | 32.97 |
| General Business and Public Utility Personal | <u>38.79</u> | <u>38.80</u> | <u>38.78</u> | <u>38.79</u> | <u>38.78</u> | <u>38.71</u> | <u>38.69</u> | <u>47.14</u> | <u>46.30</u> | <u>45.55</u> |
| Total Millage by Type of Property | | | | | | | | | | |
| Residential/Agricultural Real | 27.00 | 27.02 | 26.12 | 26.17 | 26.17 | 25.24 | 25.23 | 33.69 | 32.74 | 30.84 |
| Commercial/Industrial and Public Utility Real | 29.54 | 30.23 | 32.26 | 32.67 | 33.50 | 33.09 | 33.12 | 41.67 | 40.21 | 39.27 |
| General Business and Public Utility Personal | <u>45.09</u> | <u>45.10</u> | <u>45.08</u> | <u>45.09</u> | <u>45.08</u> | <u>45.01</u> | <u>44.99</u> | <u>53.44</u> | <u>52.60</u> | <u>51.85</u> |

Source: Ohio Department of Taxation

The rates presented for a particular calendar year are the rates that, when applied to the assessed values presented in the Assessed Value Table, generated the property tax revenue for that year.

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

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

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



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

| | Real Property | | | |
|-----------------|------------------------------|------------------------------|------------------------|---------------------------|
| | Assessed Values | | | |
| Collection Year | Residential/ Agricultural | Commercial/ Industrial/PU | Total Real Property | Estimated Actual Value |
| 2011 | \$ 391,269,720 | \$ 55,642,650 | \$ 446,912,370 | \$ 1,276,892,486 |
| 2012 | \$ 391,903,600 | \$ 56,985,390 | \$ 448,888,990 | \$ 1,282,539,971 |
| 2013 | \$ 392,975,250 | \$ 55,323,780 | \$ 448,299,030 | \$ 1,280,854,371 |
| 2014 | \$ 412,680,510 | \$ 51,016,140 | \$ 463,696,650 | \$ 1,324,847,571 |
| 2015 | \$ 412,789,260 | \$ 51,500,430 | \$ 464,289,690 | \$ 1,326,541,971 |
| 2016 | \$ 413,851,080 | \$ 49,121,630 | \$ 462,972,710 | \$ 1,322,779,171 |
| 2017 | \$ 435,337,180 | \$ 49,443,060 | \$ 484,780,240 | \$ 1,385,086,400 |
| 2018 | \$ 437,257,630 | \$ 49,560,270 | \$ 486,817,900 | \$ 1,390,908,286 |
| 2019 | \$ 440,550,490 | \$ 53,653,810 | \$ 494,204,300 | \$ 1,412,012,286 |
| 2020 | \$ 476,061,750 | \$ 54,531,730 | \$ 530,593,480 | \$ 1,515,981,371 |

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

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

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

Source: Ohio Department of Taxation

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

| Tangible Personal Property | | | | Total | | | Direct Rate (per \$1,000 of assessed value) |
|----------------------------|---------------------------|-------------------|---------------------------|----------------|---------------------------|-----------|---|
| Public Utility | | General Business | | | | | |
| Assessed Value | Estimated Actual Value | Assessed Value | Estimated Actual Value | Assessed Value | Estimated Actual Value | Ratio (1) | |
| \$ 8,582,460 | \$ 34,329,840 | \$ 623,530 | \$ 12,470,600 | \$ 456,118,360 | \$ 1,323,692,926 | 34.46 | 45.08 |
| \$ 9,095,990 | \$ 36,383,960 | \$ - | \$ - | \$ 457,984,980 | \$ 1,318,923,931 | 34.72 | 45.09 |
| \$ 9,910,010 | \$ 39,640,040 | \$ - | \$ - | \$ 458,209,040 | \$ 1,320,494,411 | 34.70 | 45.10 |
| \$ 11,037,670 | \$ 44,150,680 | \$ - | \$ - | \$ 474,734,320 | \$ 1,368,998,251 | 34.68 | 45.08 |
| \$ 11,512,380 | \$ 46,049,520 | \$ - | \$ - | \$ 475,802,070 | \$ 1,372,591,491 | 34.66 | 45.09 |
| \$ 11,937,120 | \$ 47,748,480 | \$ - | \$ - | \$ 474,909,830 | \$ 1,370,527,651 | 34.65 | 45.08 |
| \$ 13,492,340 | \$ 53,969,360 | \$ - | \$ - | \$ 498,272,580 | \$ 1,439,055,760 | 34.62 | 45.01 |
| \$ 14,877,870 | \$ 59,511,480 | \$ - | \$ - | \$ 501,695,770 | \$ 1,450,419,766 | 34.59 | 44.99 |
| \$ 15,162,440 | \$ 60,649,760 | \$ - | \$ - | \$ 509,366,740 | \$ 1,472,662,046 | 34.59 | 55.50 |
| \$ 23,944,110 | \$ 95,776,440 | \$ - | \$ - | \$ 554,537,590 | \$ 1,611,757,811 | 34.41 | 54.85 |

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

| Collection Year | Total Tax Levied | Current Tax Collection | Percent of Current Levy Collected | Delinquent Tax Collection | Total Tax Collections | Percent of Total Collections to Total Levy | Outstanding Delinquent Taxes | Percent of Outsanding Delinquent Taxes to Total Tax Levied |
|-----------------|------------------|------------------------|-----------------------------------|---------------------------|-----------------------|--|------------------------------|--|
| 2013 | \$ 12,268,029 | \$ 11,517,038 | 93.9% | \$ 7,988 | \$ 11,525,026 | 93.9% | \$ 743,003 | 6.5% |
| 2014 | \$ 12,447,200 | \$ 11,695,076 | 94.0% | \$ 76,517 | \$ 11,771,593 | 94.6% | \$ 675,607 | 5.8% |
| 2015 | \$ 12,347,894 | \$ 11,761,318 | 95.2% | \$ 107,728 | \$ 11,869,046 | 96.1% | \$ 478,848 | 4.1% |
| 2016 | \$ 12,289,035 | \$ 11,635,413 | 94.7% | \$ 156,439 | \$ 11,791,852 | 96.0% | \$ 497,183 | 4.3% |
| 2017 | \$ 12,577,803 | \$ 12,042,404 | 95.7% | \$ 53,471 | \$ 12,095,875 | 96.2% | \$ 481,928 | 4.0% |
| 2018 | \$ 12,651,621 | \$ 12,007,741 | 94.9% | \$ 255,614 | \$ 12,263,355 | 96.9% | \$ 388,266 | 3.2% |
| 2019 | \$ 16,725,962 | \$ 15,796,172 | 94.4% | \$ 298,130 | \$ 16,094,302 | 96.2% | \$ 631,660 | 4.0% |

*Source Clark County Auditor

Northeastern Local School District
Principal Real Property Taxpayers
Tax Year 2020

| | Taxpayer | Assessed Value | Percentage of Real Property Assessed Valuation |
|----|-------------------------------------|------------------------------|---|
| 1 | American Transmission Systems | \$ 11,877,660 | 2.3% |
| 2 | Navistar Inc | \$ 6,359,040 | 1.2% |
| 3 | Ohio Edison | \$ 5,834,750 | 1.1% |
| 4 | Trioly Healthcare of Sprungfield | \$ 5,448,580 | 1.1% |
| 5 | Eaglewood Property Holdings LLC | \$ 2,552,000 | 0.5% |
| 6 | Woodland Manor Property Holding LLC | \$ 2,462,230 | 0.5% |
| 7 | Spring Meadow LLC | \$ 2,220,480 | 0.4% |
| 8 | Springfield Northridge Apartments | \$ 1,804,220 | 0.4% |
| 9 | Springfield Hufford Associates | \$ 1,463,250 | 0.3% |
| 10 | Columbia Gas og Ohio Inc. | \$ 1,327,880 | 0.3% |
| | Subtotal | <u>\$ 41,350,090</u> | <u>8.1%</u> |
| | All Others | <u>\$ 468,016,650</u> | <u>91.9%</u> |
| | Total Assessed Valuations | <u><u>\$ 509,366,740</u></u> | <u><u>100.0%</u></u> |

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

| | <u>2011</u> | <u>2012</u> | <u>2013</u> |
|--|----------------|----------------|----------------|
| Total Assessed Value | \$ 457,984,980 | \$ 458,209,040 | \$ 474,734,320 |
| Overall Debt Limitation - 9% of assessed value | \$ 41,218,648 | \$ 41,238,814 | \$ 42,726,089 |
| Gross Indebtedness Authorized by the School District | \$ 3,104,181 | \$ 2,779,909 | \$ 2,435,637 |
| Less Exempted Debt | | | |
| Energy Conservation | \$ (325,000) | \$ - | \$ - |
| Debt within the 9% Limitation | \$ 2,779,181 | \$ 2,779,909 | \$ 2,435,637 |
| Less amount available in debt service fund | \$ (903,380) | \$ (909,131) | \$ (889,309) |
| Net Debt within the 9% Limitation | \$ 1,875,801 | \$ 1,870,778 | \$ 1,546,328 |
| Legal Debt Margin within the 9% Limitation | \$ 39,342,847 | \$ 39,368,036 | \$ 41,179,761 |
| Legal Debt Margin as a Percentage of Debt Limit | 95.4% | 95.5% | 96.4% |
| Unvoted Debt Limitation .10% of Assessed Value | \$ 457,985 | \$ 458,209 | \$ 474,734 |
| Gross Indebtedness Authorized by the School District | \$ - | \$ - | \$ - |
| Legal | \$ 457,985 | \$ 458,209 | \$ 474,734 |

| <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> | <u>2019</u> | <u>2020</u> |
|----------------|----------------|----------------|----------------|-----------------|-----------------|-----------------|
| \$ 475,802,070 | \$ 474,909,830 | \$ 498,272,580 | \$ 494,694,410 | \$ 502,816,800 | \$ 509,666,430 | \$ 554,537,590 |
| \$ 42,822,186 | \$ 42,741,885 | \$ 44,844,532 | \$ 44,522,497 | \$ 45,253,512 | \$ 45,869,979 | \$ 49,908,383 |
| \$ 2,066,365 | \$ 1,672,093 | \$ 1,257,821 | \$ 838,549 | \$ 79,335,000 | \$ 79,335,000 | \$ 78,535,000 |
| \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| \$ 2,066,365 | \$ 1,672,093 | \$ 1,257,821 | \$ 838,549 | \$ 79,335,000 | \$ 79,335,000 | \$ 78,535,000 |
| \$ (894,901) | \$ (898,737) | \$ (897,016) | \$ (901,278) | \$ (906,002) | \$ (1,278,328) | \$ (1,262,820) |
| \$ 1,171,464 | \$ 773,356 | \$ 360,805 | \$ (62,729) | \$ 78,428,998 | \$ 78,056,672 | \$ 77,272,180 |
| \$ 41,650,722 | \$ 41,968,529 | \$ 44,483,727 | \$ 44,585,226 | \$ (33,175,486) | \$ (32,186,693) | \$ (27,363,797) |
| 97.3% | 98.2% | 99.2% | 100.1% | -73.3% | -70.2% | -54.8% |
| \$ 475,802 | \$ 474,910 | \$ 498,273 | \$ 494,694 | \$ 502,817 | \$ 509,666 | \$ 554,538 |
| \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| \$ 475,802 | \$ 474,910 | \$ 498,273 | \$ 494,694 | \$ 502,817 | \$ 509,666 | \$ 554,538 |

Northeastern Local School District
Enrollment
Last Ten Years

| <u>Year</u> | <u>PS</u> | <u>K</u> | <u>1</u> | <u>2</u> | <u>3</u> | <u>4</u> | <u>5</u> | <u>6</u> | <u>7</u> | <u>8</u> | <u>9</u> | <u>10</u> | <u>11</u> | <u>12</u> | <u>Total</u> |
|-------------|-----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|-----------|-----------|-----------|--------------|
| 2011 | 27 | 244 | 250 | 215 | 269 | 250 | 247 | 296 | 287 | 314 | 320 | 322 | 342 | 310 | 3693 |
| 2012 | 13 | 237 | 245 | 237 | 217 | 257 | 252 | 243 | 289 | 282 | 319 | 319 | 304 | 328 | 3542 |
| 2013 | 11 | 253 | 239 | 252 | 250 | 232 | 265 | 262 | 258 | 306 | 292 | 323 | 323 | 302 | 3568 |
| 2014 | 15 | 237 | 275 | 248 | 249 | 263 | 241 | 274 | 266 | 260 | 313 | 297 | 319 | 315 | 3572 |
| 2015 | 60 | 215 | 243 | 279 | 248 | 249 | 267 | 242 | 274 | 276 | 260 | 316 | 239 | 251 | 3419 |
| 2016 | 56 | 229 | 223 | 234 | 288 | 255 | 260 | 260 | 255 | 292 | 259 | 247 | 246 | 245 | 3349 |
| 2017 | 57 | 239 | 234 | 230 | 234 | 280 | 251 | 261 | 261 | 251 | 279 | 256 | 209 | 236 | 3278 |
| 2018 | 55 | 201 | 231 | 223 | 231 | 234 | 274 | 232 | 231 | 228 | 232 | 258 | 242 | 202 | 3074 |
| 2019 | 84 | 240 | 220 | 227 | 254 | 244 | 251 | 283 | 227 | 239 | 245 | 230 | 202 | 196 | 3142 |
| 2020 | 91 | 206 | 240 | 215 | 233 | 241 | 242 | 265 | 261 | 230 | 237 | 251 | 186 | 193 | 3091 |

Source: School District Records

Northeastern Local School District

Employee by Function

Last Nine Fiscal Years

| | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 |
|----------------------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|
| Governmental Activities | | | | | | | | | |
| Instruction | | | | | | | | | |
| Regular | 174 | 169 | 169 | 163 | 170 | 166 | 155 | 153 | 154 |
| Special | 30 | 29 | 30 | 30 | 30 | 29 | 31 | 29 | 33 |
| Vocational | 10 | 9 | 8 | 8 | 7 | 7 | 5 | 5 | 5 |
| Support Services | | | | | | | | | |
| Pupils | 23 | 22 | 22 | 22 | 21 | 21 | 19 | 18 | 19 |
| Instructional Staff | 54 | 48 | 49 | 49 | 45 | 44 | 47 | 54 | 52 |
| Administration | 35 | 33 | 33 | 32 | 32 | 30 | 30 | 29 | 29 |
| Fiscal | 7 | 7 | 7 | 7 | 7 | 7 | 7 | 7 | 7 |
| Operation & Maintenance | 29 | 22 | 22 | 19 | 20 | 21 | 22 | 22 | 23 |
| Pupil Transportation | 36 | 35 | 34 | 34 | 32 | 32 | 32 | 33 | 33 |
| Non-Instructional Services | <u>33</u> | <u>33</u> | <u>30</u> | <u>29</u> | <u>25</u> | <u>25</u> | <u>24</u> | <u>24</u> | <u>24</u> |
| Total | <u>431</u> | <u>407</u> | <u>404</u> | <u>393</u> | <u>389</u> | <u>382</u> | <u>372</u> | <u>374</u> | <u>379</u> |

Northeastern Local School District

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

| Fiscal | | | | | | | Total | |
|---------------|-----------------------|-------------|---------------|----------------|------------------|---------------------|----------------|--|
| Year | Total Students | Free | % Free | Reduced | % Reduced | Disadvantage | % Total | |
| 2011 | 3576 | 874 | 24.4% | 150 | 4.2% | 1024 | 28.6% | |
| 2012 | 3494 | 910 | 26.0% | 159 | 4.6% | 1069 | 30.6% | |
| 2013 | 3500 | 935 | 26.7% | 163 | 4.7% | 1098 | 31.4% | |
| 2014 | 3438 | 1005 | 29.2% | 179 | 5.2% | 1184 | 34.4% | |
| 2015 | 3370 | 949 | 28.2% | 176 | 5.2% | 1125 | 33.4% | |
| 2016 | 3295 | 405 | 12.3% | 90 | 2.7% | 495 | 15.0% | |
| 2017 | 3208 | 878 | 27.4% | 178 | 5.5% | 1056 | 32.9% | |
| 2018 | 3086 | 823 | 26.7% | 175 | 5.7% | 998 | 32.3% | |
| 2019 | 3142 | 809 | 25.7% | 182 | 5.8% | 991 | 31.5% | |
| 2020 | 3091 | 725 | 23.5% | 152 | 4.9% | 877 | 28.4% | |

Northeastern Local School District

Building Statistic

Last Ten Fiscal Years

| Building | Primary Use | Year Built/Renovated | <u>2011</u> | <u>2012</u> | <u>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> | <u>2019</u> | <u>2020</u> |
|--------------------------|----------------------|----------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Northeastern High School | High School 9 to 12 | 1952/1974 | 542 | 507 | 484 | 528 | 442 | 405 | 383 | 370 | 319 | 318 |
| Kenton Ridge High School | High School 9 to 12 | 1978/2002 | 754 | 765 | 757 | 718 | 627 | 596 | 599 | 542 | 554 | 551 |
| Northridge Elementary | Elementary K to 5 | 1961/1996 | 444 | 419 | 434 | 422 | 416 | 427 | 464 | 447 | 431 | 418 |
| South Vienna Elementary | Elementary K to 5 | 1961/1974 | 505 | 510 | 544 | 572 | 608 | 584 | 560 | 510 | 553 | 501 |
| Rolling Hills Elementary | Elementary K to 5 | 1972/1996 | 552 | 527 | 523 | 532 | 535 | 531 | 499 | 502 | 536 | 549 |
| Northridge Middle | Middle School 6 to 8 | 1961/1996 | 532 | 492 | 475 | 489 | 492 | 509 | 478 | 437 | 452 | 459 |
| South Vienna Middle | Middle School 6 to 8 | 1961/1996 | <u>364</u> | <u>322</u> | <u>351</u> | <u>311</u> | <u>299</u> | <u>297</u> | <u>295</u> | <u>266</u> | <u>297</u> | <u>295</u> |
| Total | | | <u>3,693</u> | <u>3,542</u> | <u>3,568</u> | <u>3,572</u> | <u>3,419</u> | <u>3,349</u> | <u>3,278</u> | <u>3,074</u> | <u>3,142</u> | <u>3,091</u> |

Northeastern Local School District

Per Pupil Cost

Last Ten Fiscal Years

| Year | General Governmental Expenditures (1) | Average Daily Membership | Per Pupil Cost | Teaching Staff | Pupils per Teacher |
|------|---|-----------------------------|-------------------|-------------------|-----------------------|
| 2011 | \$ 33,823,713 | 3693 | \$ 9,159 | 218 | 16.9 |
| 2012 | \$ 33,611,192 | 3542 | \$ 9,489 | 214 | 16.6 |
| 2013 | \$ 32,265,334 | 3568 | \$ 9,043 | 207 | 17.2 |
| 2014 | \$ 31,529,250 | 3572 | \$ 8,827 | 207 | 17.3 |
| 2015 | \$ 31,772,478 | 3419 | \$ 9,293 | 201 | 17.0 |
| 2016 | \$ 33,230,677 | 3349 | \$ 9,923 | 207 | 16.2 |
| 2017 | \$ 34,777,675 | 3278 | \$ 10,609 | 202 | 16.2 |
| 2018 | \$ 34,895,303 | 3074 | \$ 11,352 | 191 | 16.1 |
| 2019 | \$ 41,980,821 | 3142 | \$ 13,361 | 193 | 16.3 |
| 2020 | \$ 42,388,964 | 3091 | \$ 13,714 | 192 | 16.1 |

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