



OHIO AUDITOR OF STATE
KEITH FABER



**NORTHRIDGE LOCAL SCHOOL DISTRICT
LICKING COUNTY
JUNE 30, 2024**

TABLE OF CONTENTS

TITLE	PAGE
Independent Auditor's Report	1
Prepared by Management:	
Management's Discussion and Analysis.....	5
Basic Financial Statements	
Government-Wide Financial Statements:	
Statement of Net Position	16
Statement of Activities	17
Fund Financial Statements:	
Balance Sheet – Governmental Funds.....	18
Reconciliation of Total Governmental Fund Balances to Net Position of Governmental Activities	19
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds	20
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	21
Statement of Revenues, Expenditures, and Changes in Fund Balance Budget and Actual (Budget Basis) – General Fund	22
Statement of Changes in Fiduciary Net Position – Custodial Fund	23
Notes to the Basic Financial Statements	24
Required Supplementary Information:	
Schedule of the School District's Proportionate Share of the Net Pension/OPEB (Asset) Liability	
School Employees Retirement System of Ohio - Pension	72
School Employees Retirement System of Ohio - OPEB.....	74
State Teachers Retirement System of Ohio - Pension	76
State Teachers Retirement System of Ohio - OPEB	78
Schedule of the School District Contributions	
School Employees Retirement System of Ohio - Pension	80
School Employees Retirement System of Ohio - OPEB.....	82
State Teachers Retirement System of Ohio – Pension/OPEB	84
Notes to Schedules of Required Supplementary Information.....	86

**NORTHBRIDGE LOCAL SCHOOL DISTRICT
LICKING COUNTY
JUNE 30, 2024**

TABLE OF CONTENTS (Continued)

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



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

INDEPENDENT AUDITOR'S REPORT

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

To the Board of Education:

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Northridge Local School District, Licking County, Ohio (School District), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Northridge Local School District, Licking County, Ohio as of June 30, 2024, and the respective changes in financial position thereof and the budgetary comparison for the General Fund for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Emphasis of Matter

As discussed in Note 3 to the financial statements, during 2024, the School District adopted new accounting guidance in Question 5.1 from Implementation Guide 2021-1. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

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

Supplementary information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The Schedule of Expenditures of Federal Awards as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards is presented for purposes of additional analysis and is not a required part of the basic financial statements.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 5, 2025, on our consideration of the School District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School District's internal control over financial reporting and compliance.



Keith Faber
Auditor of State
Columbus, Ohio

March 5, 2025

THIS PAGE INTENTIONALLY LEFT BLANK

Northridge Local School District, Ohio
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2024
Unaudited

The discussion and analysis of the Northridge Local School District's financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2024. The intent of this discussion and analysis is to look at the School District's financial performance as a whole; readers should also review the basic financial statements and the notes to the basic financial statements to enhance their understanding of the School District's financial performance.

Financial Highlights

Key financial highlights for the fiscal year 2024 are as follows:

- Net position of governmental activities increased during fiscal year 2024.
- The School District has made steps to improve their extracurricular activities property by constructing of a new district stadium that includes field turf, new bleachers, new concession building including restroom facilities, as well as an eight-lane track. This athletic complex was funded with a \$1.6 million donation from the Athletic Boosters through the Licking County Foundation in fiscal year 2024 and the issuance of \$6 million in Certificate of Participation (COPs) at the end of fiscal year 2023. The Grand Opening of this stadium complex occurred in August 2024.
- The School District had two capital asset improvements that began during fiscal year 2024, which are scheduled to be completed in fiscal year 2025. Due to the aging middle school building, the School District began a plumbing project to replace water and sewer lines. The School District also began a fire panel replacement project in the High School.
- The School District had two major funds, the General Fund and the District Stadium Capital Projects Fund.

Using this Annual Financial Report

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

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

Northridge Local School District, Ohio
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2024
Unaudited

Reporting the School District as a Whole

Statement of Net Position and Statement of Activities

While this document contains information about the large number of funds used by the School District to provide programs and activities for students, the view of the School District as a whole looks at all financial transactions and asks the question, "How did we do financially during fiscal year 2024?" The Statement of Net Position and the Statement of Activities answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

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

In the Statement of Net Position and the Statement of Activities, all of the School District's activities are reported as governmental including instruction, support services, operation of non-instructional services, debt service, and extracurricular activities.

Reporting the School District's Most Significant Funds

Fund Financial Statements

The analysis of the School District's major funds begins on page 12. Fund financial reports provide detailed information about the School District's major funds. The School District uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the School District's most significant funds. The School District's major governmental funds are the General Fund and the District Stadium Capital Projects Fund.

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

Northridge Local School District, Ohio
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2024
Unaudited

Fiduciary Funds Fiduciary funds are used to account for resources held for the benefit of parties outside the School District. Fiduciary funds are not reflected on the government-wide financial statements because the resources of these funds are not available to support the School District's programs. The School District has one custodial fund.

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 2024 compared to 2023.

Table 1 - Net Position

	Governmental Activities		
	2024	Restated *	Change
		2023	
Assets			
Current and Other Assets	\$27,235,432	\$27,196,719	\$38,713
Net OPEB Asset	1,001,978	1,344,599	(342,621)
Capital Assets	42,627,088	35,794,360	6,832,728
Total Assets	70,864,498	64,335,678	6,528,820
Deferred Outflows of Resources			
Asset Retirement Obligation	17,600	18,400	(800)
Pension	3,630,721	4,472,423	(841,702)
OPEB	983,288	595,879	387,409
Total Deferred Outflows of Resources	4,631,609	5,086,702	(455,093)
Liabilities			
Current and Other Liabilities	3,114,721	2,213,180	901,541
Long-Term Liabilities:			
Due Within One Year	1,100,083	1,248,559	(148,476)
Due in More Than One Year:			
Net Pension Liability	15,659,085	15,723,890	(64,805)
Net OPEB Liability	1,405,409	1,109,368	296,041
Other Amounts	26,156,469	27,137,227	(980,758)
Total Liabilities	47,435,767	47,432,224	3,543
Deferred Inflows of Resources			
Property Taxes	12,031,884	8,122,366	3,909,518
Pension	882,041	1,257,295	(375,254)
OPEB	1,943,382	2,335,878	(392,496)
Total Deferred Inflows of Resources	14,857,307	11,715,539	3,141,768
Net Position			
Net Investment in Capital Assets	16,724,654	15,113,231	1,611,423
Restricted	3,932,966	1,373,774	2,559,192
Unrestricted (Deficits)	(7,454,587)	(6,212,388)	(1,242,199)
Total Net Position	<u>\$13,203,033</u>	<u>\$10,274,617</u>	<u>\$2,928,416</u>

Northridge Local School District, Ohio
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2024
Unaudited

New Accounting Pronouncements/Restatements *

Net Position at June 30, 2023, in governmental activities was restated by \$542,272 to \$10,816,889. Capital assets and net investment in capital assets were restated due to the implementation of Question 5.1 of the GASB Implementation Guide No. 2021-1, this change was explained in Note 3 of the Notes to the Basic Financial Statements. Under GASB 100, *Accounting Changes and Error Corrections*, this is considered an accounting change and does not require MD&A information for years prior to periods presented in the basic financial statements to be restated for changes in accounting principle.

Governmental Activities

The net pension liability is one of the largest liabilities reported by the School District at June 30, 2024. 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.

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.

Total assets increased during fiscal year 2024. Current and other assets increased slightly mainly due to an increase in property taxes receivable which was offset by a net decrease in total of cash and cash equivalents and investments plus a decrease in intergovernmental receivables. The increase in property taxes receivable is due to an increase in the amounts certified to be collected by the individual county auditors and an increase in assessed valuations due to a reappraisal. The net decrease in total cash and cash equivalents and investments were due to the construction of the new School District's stadium that was scheduled for completion in August 2024, which was funded through the issuance of Certificates of Participation (COPs) and community donations. The expenses related to the district stadium become a component of capital assets in construction in progress until it is completed. During fiscal year 2023, the School District issued \$6,000,000 in Certificates of Participation (COPs) which included serial and term certificates in the amount of \$3,215,000 and \$2,785,000, respectively. The COPs were issued through a series of lease agreements and trust indentures. To satisfy the trustee agreements, the School District is

Northridge Local School District, Ohio
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2024
Unaudited

required to make annual base rent payments, subject to the lease terms and appropriations, semi-annually. Capital assets increased primarily due to the ongoing construction of the new district stadium along with the middle school plumbing project and the high school fire panel replacement. These projects were included in construction in progress as of fiscal year end. The decrease in intergovernmental receivable is directly related to the School District receiving final ESSER monies during fiscal year 2024 compared to a large receivable in the prior fiscal year. Also, the School District was more timely in their grant reimbursement requests during fiscal year 2024 compared to prior years and due to the final ESSER monies being received in fiscal year 2024.

Total liabilities of governmental activities slightly increased during fiscal year 2024. Current and other liabilities increased because of increases in contracts and retainage payable, due to the construction of the new district stadium, the middle school plumbing project, and the high school fire panel replacement. The construction phase of the stadium project began in fiscal year 2023 and continued throughout fiscal year 2024. The middle school plumbing and high school fire panel projects began at the end of fiscal year 2024 and are scheduled for completion in fiscal year 2025. Long-term liabilities decreased due to decreases in the pension liability and decreases in due within one year and in other amounts due in more than one year. Fiscal year 2024 principal payments on financed purchases, leases payable, COPs, and outstanding bonds (including certificate and bond premiums) were approximately \$1.2 million. The School District did not enter into any new leases or bonds during fiscal year 2024.

Table 2 shows the changes in net position for the fiscal year ended June 30, 2024, and comparisons to fiscal year 2023.

This space intentionally left blank

Northridge Local School District, Ohio
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2024
 Unaudited

Table 2 - Changes in Net Position

	Governmental Activities		
	2024	Restated * 2023	Change
Program Revenues:			
Charges for Services and Sales	\$1,120,817	\$1,183,031	(\$62,214)
Operating Grants and Contributions	1,705,407	1,880,352	(174,945)
Capital Grants and Contributions	1,982,958	51,834	1,931,124
Total Program Revenues	4,809,182	3,115,217	1,693,965
General Revenues:			
Property Taxes	10,109,131	12,194,399	(2,085,268)
Income Taxes	1,645,506	1,677,975	(32,469)
Gain on Sale of Capital Asset	5,104	0	5,104
Grants and Entitlements	5,756,234	5,596,871	159,363
Investment Earnings/Interest	381,397	58,045	323,352
Unrestricted Contributions	300	0	300
Miscellaneous	15,623	184,940	(169,317)
Total General Revenues	17,913,295	19,712,230	(1,798,935)
Total Revenues	22,722,477	22,827,447	(104,970)
Program Expenses			
Instruction:			
Regular	5,825,122	6,423,870	(598,748)
Special	2,798,035	2,919,585	(121,550)
Vocational	87,954	112,524	(24,570)
Student Intervention Services	935	0	935
Support Services:			
Pupils	945,888	1,073,231	(127,343)
Instructional Staff	1,181,107	1,340,961	(159,854)
Board of Education	239,175	168,350	70,825
Administration	1,564,141	1,731,954	(167,813)
Fiscal	887,689	800,826	86,863
Operation and Maintenance of Plant	2,035,588	2,480,033	(444,445)
Pupil Transportation	2,310,259	2,428,449	(118,190)
Central	217,225	246,824	(29,599)
Operation of Non-Instructional Services:			
Food Service Operations	576,944	554,651	22,293
Community Services	2,478	0	2,478
Extracurricular Activities	809,682	790,616	19,066
Interest	854,111	674,634	179,477
Total Program Expenses	20,336,333	21,746,508	(1,410,175)
<i>Change in Net Position</i>	2,386,144	1,080,939	1,305,205
<i>Net Position Beginning of Year as Previously Reported</i>	10,274,617	9,193,678	1,080,939
<i>Restatement - Change in Accounting Principles</i>	542,272	0	542,272
<i>Restated Net Position Beginning of Year</i>	10,816,889	9,193,678	1,623,211
Net Position End of Year	\$13,203,033	\$10,274,617	\$2,928,416

Northridge Local School District, Ohio
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2024
Unaudited

New Accounting Pronouncements/Restatements *

Net Position beginning of year in governmental activities was restated by \$542,272 to \$10,816,889 at June 30, 2023. Under GASB 100, *Accounting Changes and Error Corrections*, this was due to an accounting change and does not require MD&A information for years prior to periods presented in the basic financial statements to be restated. Net position was restated due to the implementation of Question 5.1 of the GASB Implementation Guide No. 2021-1, this change was explained in Note 3 of the Notes to the Basic Financial Statements. The 2023 information does not reflect activity related to the additional capital assets added. (Also, see explanation of new accounting pronouncements/restatements provided related to Net Position – Table 1 and explanation provided in Note 3.) In the prior table, beginning net position has been presented as restated for corrections and provides separate identification of restatements for changes in accounting principles to better align with the GASB Implementation Guide No. 2021-1 requirements for MD&A presentation and allows the restated net position beginning of year to articulate to the statements of activities.

Governmental Activities

The DeRolf IV Ohio Supreme Court decision has not eliminated the dependence on property and other taxes. The fundamental reliance on property and other taxes is still inherent with public schools in Ohio. The unique nature of property taxes in Ohio creates the need to routinely seek voter approval for operating funds. Inflation alone will not increase the amount of funds generated by a tax levy. Basically, the mills collected decrease as the real property valuation increases thus generating about the same revenue. Property and other taxes made up over 44 percent of revenues for governmental activities for the School District in fiscal year 2024. On May 7, 2019, voters of the School District approved a combination 4.3 mills bond issue and a one-half percent earned income tax levy for the construction of a new elementary school and the purpose of permanent improvements. Income tax revenue is credited to the nonmajor Permanent Improvement Capital Projects Fund. Income taxes made up 7 percent of revenues for governmental activities for the School District in fiscal year 2024.

Program revenues increased in capital grants and contributions. This increase is the result of the \$1.6 million donation from the Northridge Athletic Boosters through the Licking County Foundation for the new stadium in addition to interest earnings in the District Stadium Capital Projects Fund. General revenues had a decrease from fiscal year 2023 as compared to fiscal year 2024. The largest area of decrease was seen in property taxes, which was offset by unrestricted investment earnings/interest revenue. The decrease in property taxes was due to higher amounts available as an advance in the prior fiscal year compared to the current fiscal year. These amounts were provided by the various county auditors, and they can fluctuate each year due to the due date of taxes and the number of taxpayers that pay their taxes early. Another factor to consider is that the debt service millage was decreased during fiscal year 2024, due to the reduction of bond levy mills needed to meet current bond payment requirements.

Program expenses decreased during fiscal year 2024 compared to fiscal year 2023. Expenses decreased in part due to fluctuations in the pension/OPEB related expenses and then a decrease in staff levels compared to the prior year. A larger portion of the decrease in net pension liability would be reflected in regular instruction. The decrease in operation and maintenance of plant was due to an increase in items being capitalized in capital assets in fiscal year 2024 compared to fiscal year 2023. Instructional programs comprise the largest portion of total governmental program expenses and support services are

Northridge Local School District, Ohio
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2024
 Unaudited

the second largest portion, since the School District's purpose is to instruct and support its students in order to prepare them for a positive future. The largest areas are regular and special education instruction.

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

Table 3 - Governmental Activities

	2024 Total Cost of Services	2024 Net Cost of Services	2023 Total Cost of Services	2023 Net Cost of Services
Instruction:				
Regular	\$5,825,122	\$5,552,182	\$6,423,870	\$5,465,827
Special	2,798,035	1,458,663	2,919,585	2,016,654
Vocational	87,954	65,361	112,524	91,037
Student Intervention Services	935	935	0	0
Support Services:				
Pupils	945,888	889,594	1,073,231	935,219
Instructional Staff	1,181,107	953,661	1,340,961	1,155,156
Board of Education	239,175	239,175	168,350	168,350
Administration	1,564,141	1,518,078	1,731,954	1,654,190
Fiscal	887,689	887,689	800,826	781,220
Operation and Maintenance of Plant	2,035,588	1,923,390	2,480,033	2,354,471
Pupil Transportation	2,310,259	2,302,816	2,428,449	2,417,794
Central	217,225	192,719	246,824	241,424
Operation of Non-Instructional Services:				
Food Service Operations	576,944	104,686	554,651	125,495
Community Services	2,478	(2)	0	0
Extracurricular Activities	809,682	(1,415,907)	790,616	549,820
Interest	854,111	854,111	674,634	674,634
Totals	\$20,336,333	\$15,527,151	\$21,746,508	\$18,631,291

The prior schedule clearly shows the dependence upon tax revenues and state subsidies for governmental activities. For 2024, only 24 percent of the governmental activities performed by the School District are supported through program revenues such as charges for services and sales, grants, contributions, and interest. The remaining 76 percent is provided through taxes and entitlements.

The School District Funds

The School District's major funds (the General Fund and the District Stadium) are accounted for using the modified accrual basis of accounting.

Northridge Local School District, Ohio
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2024
Unaudited

General Fund - The general fund had a slight decrease in fund balance during fiscal year 2024. Revenues decreased from the prior year primarily due to a decrease in property taxes. The decrease in property taxes revenue was due to the timing of taxpayer payments and the due date of taxes, which were discussed prior. This decrease was offset by increases in intergovernmental and investment earnings/interest revenues. Intergovernmental increased due to increases in State Foundation funding revenues. Investment earnings/interest revenue increases were due to increases in interest rates, which reflects the national market and economy on the School District's investments, and changes in investment choices. Expenditures also reflected a decrease from fiscal year 2023 to 2024. This decrease was due to the School District making a concerted effort to reduce costs in order to absorb the expenses from grant funds once those one-time grant funds were exhausted. This included reducing staff through attrition, reducing school bus routes, and mainly monitoring School District approved budgets. Other financing uses increased due to an increase in transfers out. In fiscal year 2024, the General Fund transferred \$575,498 compared to \$403,685 in fiscal year 2023. Each year the General Fund transfers monies to the Student Managed and District Managed Activity Special Revenue Funds to cover overages for those activities.

Other Governmental Major Fund

District Stadium Fund - The District Stadium Fund balance decreased in fiscal year 2024. Revenues consisted of contributions and donations from the Northridge Athletic Boosters through the Licking County Foundation and investment earnings/interest. Investment earnings/interest increased from the prior year due to changes in investments, increases in interest rates, and maturing investments. Expenditures consisted of capital outlay for the construction of the new district stadium project. The School District entered into the construction phase of the new district stadium in fiscal year 2023 and it continued through fiscal year 2024. Expenditures in fiscal year 2024 exceeded fiscal year 2023 due to the progress in the construction phase

General Fund Budgeting Highlights

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

During fiscal year 2024, the School District amended its General Fund budget as needed. The School District closely monitors its resources and uses and if necessary, modifies appropriations on a timely basis. For revenues, the final budget was not modified from original budget during the fiscal year. The School District received actual revenues even higher than final budgeted revenues anticipated due to increased interest rates, a strong local economy, and a strong housing market. The two highest budgeted revenues were property taxes and intergovernmental. Other financing sources budgeted revenues remained consistent. For expenditures and other financing uses, the total original budget to the final budget remained unchanged. The School District's intention was to conserve fund balances which still allowed for final appropriations to exceed final expenditures and other financing uses. During fiscal year 2023, the General Fund advanced money out to the various grant funds to eliminate any year end deficit balances. These advances were returned to the General Fund in fiscal year 2024. The General Fund transferred \$510,441 to the District Managed Activity Special Revenue Fund and \$65,057 to the Student Managed Activity Special Revenue Fund to cover the cost overages for operating those programs. The

Northridge Local School District, Ohio
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2024
 Unaudited

School District's ending unobligated fund balance was \$7,785,897, which was an increase from the unobligated fund balance at the beginning of the fiscal year.

Capital Assets and Debt Administration

Capital Assets

At the end of fiscal year 2024, the School District had invested in land, construction in progress, land improvements, buildings and improvements, furniture and equipment, and vehicles. Table 4 shows fiscal year 2024 balances compared to 2023.

Table 4 - Capital Assets at June 30, 2024
(Net of Depreciation/Amortization)

	2024	2023
Land	\$338,545	\$338,545
Construction in Progress	7,345,294	219,474
Land Improvements	1,676,330	1,762,931
Buildings and Improvements	28,170,697	28,851,415
Furniture and Equipment	5,093,919	5,113,348
Vehicles	2,303	16,118
Intangible Right to Use - Equipment	0	34,801
Totals	\$42,627,088	\$36,336,632

The 2023 amount above includes the \$542,272 restatement for the implementation of Question 5.1 of the GASB Implementation Guide No. 2021-1. This restatement is not included in the 2023 financial information on pages 7 and 10. This capital asset table is consistent with Note 10 to the basic financial statements.

Debt

At June 30, 2024, the School District had School Improvement Bonds (including bond premiums), Certificates of Participation (including COPs premiums), and a financed purchase outstanding. Table 5 shows fiscal year 2024 balances compared to 2023.

Table 5 - Outstanding Debt, at Fiscal Year End

	2024	2023
School Improvement Bonds	\$18,960,000	\$19,535,000
Bond Premium	999,037	1,044,447
Series 2023 Certificates of Participation (COPs)	5,550,000	6,000,000
COPs Premium	216,278	231,726
Financed Purchase	838,521	898,255
Leases Payable	0	34,801
Totals	\$26,563,836	\$27,744,229

Northridge Local School District, Ohio
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2024
Unaudited

See Note 15 for more detailed information of the School District's debt. The net pension liability under GASB 68 and the net OPEB liability under GASB 75 are also reported as a long-term obligation that have been previously disclosed within the management's discussion and analysis.

Economic Factors

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

According to the most recent five-year forecast approved by the Board of Education, the School District is projecting deficit spending beginning in fiscal year 2026. With over sixty percent of the General Fund yearly revenue coming from real estate taxes, the School District is concerned with any changes that could be made by the Ohio General Assembly toward the calculation of those real estate taxes. The issue of not having a reliable and uniform Ohio School Funding Formula could be catastrophic to the finances of Ohio School Districts. Due to the tax nature of Ohio and the School Funding Formula relying heavily on the Local Tax Share, it becomes extremely difficult for school districts to pass levies when truly needed. It also makes it almost impossible to complete a reliable Five-Year Forecast, when the State Legislature continues to deviate from the Funding Formula. In January 2013, the Board passed a resolution to maintain a cash reserve balance of 60 days of operating expenses, which is necessary in the interest of sound fiscal management and affirm that tax levies shall be pursued, and/or the School District's finances otherwise managed to ensure the cash reserve. The Board of Education and administration of the School District must continue to maintain careful financial planning and prudent fiscal management in order to preserve the opportunities accustomed to our students.

Contacting the School District's Financial Management

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

Northridge Local School District, Ohio
Statement of Net Position
June 30, 2024

	Governmental Activities
Assets	
Equity in Pooled Cash and Cash Equivalents	\$12,673,049
Investments	544,612
Income Taxes Receivable	686,642
Materials and Supplies Inventory	13,763
Inventory Held for Resale	2,500
Accrued Interest Receivable	38,601
Intergovernmental Receivable	184,349
Accounts Receivable	75,362
Prepaid Items	98,198
Property Taxes Receivable	12,918,356
Net OPEB Asset	1,001,978
Nondepreciable Capital Assets	7,683,839
Depreciable Capital Assets, Net	34,943,249
<i>Total Assets</i>	<u>70,864,498</u>
Deferred Outflows of Resources	
Asset Retirement Obligation	17,600
Pension	3,630,721
OPEB	983,288
<i>Total Deferred Outflows of Resources</i>	<u>4,631,609</u>
Liabilities	
Accounts Payable	98,901
Contracts Payable	661,240
Accrued Wages and Benefits Payable	1,256,754
Intergovernmental Payable	342,869
Matured Compensated Absences Payable	21,769
Accrued Interest Payable	190,213
Unearned Revenue	1,814
Retainage Payable	541,161
Long-Term Liabilities:	
Due Within One Year	1,100,083
Due in More Than One Year:	
Net Pension Liability	15,659,085
Net OPEB Liability	1,405,409
Other Amounts	26,156,469
<i>Total Liabilities</i>	<u>47,435,767</u>
Deferred Inflows of Resources	
Property Taxes	12,031,884
Pension	882,041
OPEB	1,943,382
<i>Total Deferred Inflows of Resources</i>	<u>14,857,307</u>
Net Position	
Net Investment in Capital Assets	16,724,654
Restricted for:	
Capital Projects	2,349,802
Facilities Maintenance	314,983
OPEB Plans	1,001,978
Food Service Operations	192,515
Local, State, and Federal Grants	36,811
Technology Improvements	10,539
Student Activities	26,338
Unrestricted (Deficit)	(7,454,587)
<i>Total Net Position</i>	<u><u>\$13,203,033</u></u>

See accompanying notes to the basic financial statements

Northridge Local School District, Ohio
Statement of Activities
For the Fiscal Year Ended June 30, 2024

		Program Revenues			Net (Expense) Revenue and Changes in Net Position
	Expenses	Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Governmental Activities					
Instruction:					
Regular	\$5,825,122	\$246,255	\$26,685	\$0	(\$5,552,182)
Special	2,798,035	442,958	896,414	0	(1,458,663)
Vocational	87,954	0	22,593	0	(65,361)
Student Intervention Services	935	0	0	0	(935)
Support Services:					
Pupils	945,888	0	56,294	0	(889,594)
Instructional Staff	1,181,107	0	227,446	0	(953,661)
Board of Education	239,175	0	0	0	(239,175)
Administration	1,564,141	31,520	14,543	0	(1,518,078)
Fiscal	887,689	0	0	0	(887,689)
Operation and Maintenance of Plant	2,035,588	30,850	81,348	0	(1,923,390)
Pupil Transportation	2,310,259	0	7,443	0	(2,302,816)
Central	217,225	0	24,506	0	(192,719)
Operation of Non-Instructional Services:					
Food Service Operations	576,944	142,503	329,755	0	(104,686)
Community Services	2,478	0	2,480	0	2
Extracurricular Activities	809,682	226,731	15,900	1,982,958	1,415,907
Interest	854,111	0	0	0	(854,111)
Totals	\$20,336,333	\$1,120,817	\$1,705,407	\$1,982,958	(\$15,527,151)
General Revenues					
Property Taxes Levied for:					
General Purposes					9,072,359
Debt Service					1,036,772
Income Taxes Levied for:					
Capital Improvements					1,645,506
Gain on Sale of Capital Asset					5,104
Grants and Entitlements not Restricted to Specific Programs					5,756,234
Investment Earnings/Interest					381,397
Unrestricted Contributions					300
Miscellaneous					15,623
Total General Revenues					17,913,295
Change in Net Position					2,386,144
Net Position Beginning of Year - as Previously Reported					10,274,617
Restatement - See Note 3					542,272
Restated Net Position Beginning of Year					10,816,889
Net Position End of Year					\$13,203,033

See accompanying notes to the basic financial statements

Northridge Local School District, Ohio

Balance Sheet

Governmental Funds

June 30, 2024

	General Fund	District Stadium Fund	Other Governmental Funds	Total Governmental Funds
Assets				
Equity in Pooled Cash and Cash Equivalents	\$7,729,411	\$1,399,664	\$3,543,974	\$12,673,049
Investments	0	544,612	0	544,612
Income Taxes Receivable	0	0	686,642	686,642
Materials and Supplies Inventory	12,469	0	1,294	13,763
Inventory Held for Resale	0	0	2,500	2,500
Accrued Interest Receivable	25,748	6,181	6,672	38,601
Intergovernmental Receivable	178,895	0	5,454	184,349
Accounts Receivable	16,867	55,876	2,619	75,362
Prepaid Items	91,070	0	7,128	98,198
Interfund Receivable	1,206,392	0	0	1,206,392
Property Taxes Receivable	11,711,825	0	1,206,531	12,918,356
<i>Total Assets</i>	<u>\$20,972,677</u>	<u>\$2,006,333</u>	<u>\$5,462,814</u>	<u>\$28,441,824</u>
Liabilities				
Accounts Payable	\$78,448	\$11,984	\$8,469	\$98,901
Contracts Payable	0	488,544	172,696	661,240
Accrued Wages and Benefits Payable	1,216,953	0	39,801	1,256,754
Matured Compensated Absences Payable	19,201	0	2,568	21,769
Interfund Payable	0	0	1,206,392	1,206,392
Unearned Revenue	0	0	1,814	1,814
Retainage Payable	0	524,388	16,773	541,161
Intergovernmental Payable	297,205	0	45,664	342,869
<i>Total Liabilities</i>	<u>1,611,807</u>	<u>1,024,916</u>	<u>1,494,177</u>	<u>4,130,900</u>
Deferred Inflows of Resources				
Property Taxes	10,907,332	0	1,124,552	12,031,884
Unavailable Revenue	527,533	0	164,871	692,404
<i>Total Deferred Inflows of Resources</i>	<u>11,434,865</u>	<u>0</u>	<u>1,289,423</u>	<u>12,724,288</u>
Fund Balances				
Nonspendable	903,539	0	8,422	911,961
Restricted	0	981,417	2,437,784	3,419,201
Assigned	36,841	0	266,056	302,897
Unassigned (Deficit)	6,985,625	0	(33,048)	6,952,577
<i>Total Fund Balances</i>	<u>7,926,005</u>	<u>981,417</u>	<u>2,679,214</u>	<u>11,586,636</u>
<i>Total Liabilities , Deferred Inflows of Resources, and Fund Balances</i>	<u>\$20,972,677</u>	<u>\$2,006,333</u>	<u>\$5,462,814</u>	<u>\$28,441,824</u>

See accompanying notes to the basic financial statements

Northridge Local School District, Ohio
*Reconciliation of Total Governmental Fund Balances to
Net Position of Governmental Activities
June 30, 2024*

Total Governmental Fund Balances	\$11,586,636
---	---------------------

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

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	42,627,088
---	------------

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

Delinquent Property Taxes	358,392	
Income Taxes	124,284	
Intergovernmental Revenues	6,975	
Investment Earnings/Interest	15,808	
Tuition and Fees	177,413	
Charges for Services	2,529	
Miscellaneous	103	
Insurance Recoveries	6,900	692,404

Deferred outflows of resources represent the asset retirement obligation which are not reported in the funds.	17,600
---	--------

Accrued Interest Payable is recognized for outstanding long-term liabilities with interest accrual that are not expected to be paid with expendable available financial resources and therefore are not reported in the funds.	(190,213)
--	-----------

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

Bonds Payable	(18,960,000)	
Bond Premium	(999,037)	
Certificates of Participation	(5,550,000)	
Certificates of Participation Premium	(216,278)	
Asset Retirement Obligation	(20,000)	
Financed Purchase	(838,521)	
Compensated Absences	(672,716)	(27,256,552)

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

Net OPEB Asset	1,001,978	
Deferred Outflows - Pension	3,630,721	
Deferred Outflows - OPEB	983,288	
Net Pension Liability	(15,659,085)	
Net OPEB Liability	(1,405,409)	
Deferred Inflows - Pension	(882,041)	
Deferred Inflows - OPEB	(1,943,382)	(14,273,930)

<i>Net Position of Governmental Activities</i>	<u><u>\$13,203,033</u></u>
--	----------------------------

See accompanying notes to the basic financial statements

Northridge Local School District, Ohio
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended June 30, 2024

	General Fund	(Formerly Major) Permanent Improvement Fund	District Stadium Fund	Other Governmental Funds	Total Governmental Funds
Revenues					
Property Taxes	\$8,914,932	\$0	\$0	\$1,024,700	\$9,939,632
Income Taxes	0	0	0	1,640,747	1,640,747
Intergovernmental	6,138,512	0	0	1,862,655	8,001,167
Investment Earnings/Interest	373,466	0	305,727	8,814	688,007
Tuition and Fees	715,261	0	0	0	715,261
Extracurricular Activities	32,134	0	0	171,966	204,100
Rentals	23,950	0	0	0	23,950
Charges for Services	0	0	0	142,018	142,018
Contributions and Donations	300	0	1,629,170	27,283	1,656,753
Miscellaneous	57,366	0	0	0	57,366
<i>Total Revenues</i>	<i>16,255,921</i>	<i>0</i>	<i>1,934,897</i>	<i>4,878,183</i>	<i>23,069,001</i>
Expenditures					
Current:					
Instruction:					
Regular	5,317,781	0	0	49,008	5,366,789
Special	2,006,147	0	0	522,298	2,528,445
Vocational	78,602	0	0	1,818	80,420
Student Intervention Services	935	0	0	0	935
Support Services:					
Pupils	832,740	0	0	55,885	888,625
Instructional Staff	1,061,953	0	0	228,252	1,290,205
Board of Education	239,175	0	0	0	239,175
Administration	1,412,285	0	0	14,215	1,426,500
Fiscal	772,925	0	0	41,534	814,459
Operation and Maintenance of Plant	1,699,145	0	0	176,025	1,875,170
Pupil Transportation	2,247,778	0	0	0	2,247,778
Central	172,222	0	0	42,281	214,503
Operation of Non-Instructional Services:					
Food Service Operations	0	0	0	473,974	473,974
Community Services	0	0	0	2,478	2,478
Extracurricular Activities	2,592	0	0	757,793	760,385
Capital Outlay	0	0	6,870,649	402,846	7,273,495
Debt Service:					
Principal Retirement	34,801	0	0	1,084,734	1,119,535
Interest	1,458	0	0	932,642	934,100
<i>Total Expenditures</i>	<i>15,880,539</i>	<i>0</i>	<i>6,870,649</i>	<i>4,785,783</i>	<i>27,536,971</i>
<i>Excess of Revenues Over (Under) Expenditures</i>	<i>375,382</i>	<i>0</i>	<i>(4,935,752)</i>	<i>92,400</i>	<i>(4,467,970)</i>
Other Financing Sources (Use)					
Transfers In	0	0	0	575,498	575,498
Proceeds from Sale of Capital Assets	0	0	0	53,650	53,650
Insurance Recoveries	0	0	80,347	0	80,347
Transfers Out	(575,498)	0	0	0	(575,498)
<i>Total Other Financing Sources (Use)</i>	<i>(575,498)</i>	<i>0</i>	<i>80,347</i>	<i>629,148</i>	<i>133,997</i>
<i>Net Change in Fund Balances</i>	<i>(200,116)</i>	<i>0</i>	<i>(4,855,405)</i>	<i>721,548</i>	<i>(4,333,973)</i>
<i>Fund Balances Beginning of Year as Previously Reported</i>	<i>8,126,121</i>	<i>547,598</i>	<i>5,836,822</i>	<i>1,410,068</i>	<i>15,920,609</i>
<i>Change from Major Fund to Nonmajor Fund Adjustments - See Note 3</i>	<i>0</i>	<i>(547,598)</i>	<i>0</i>	<i>547,598</i>	<i>0</i>
<i>Adjusted Fund Balances Beginning of Year</i>	<i>8,126,121</i>	<i>0</i>	<i>5,836,822</i>	<i>1,957,666</i>	<i>15,920,609</i>
<i>Fund Balances End of Year</i>	<i>\$7,926,005</i>	<i>\$0</i>	<i>\$981,417</i>	<i>\$2,679,214</i>	<i>\$11,586,636</i>

See accompanying notes to the basic financial statements

Northridge Local School District, Ohio
*Reconciliation of the Statement of Revenues, Expenditures, and Changes
in Fund Balances of Governmental Funds to the Statement of Activities
For the Fiscal Year Ended June 30, 2024*

Net Change in Fund Balances - Total Governmental Funds	(\$4,333,973)
---	---------------

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

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation/amortization expense. This is the amount by which depreciation/amortization exceeded capital outlay in the current period.

Capital Asset Additions	7,483,638	
Capital Contributions	50,000	
Depreciation/Amortization Expense	(1,194,636)	6,339,002

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

Gain on Disposal of Capital Assets	5,104	
Proceeds from Sale of Capital Assets	(53,650)	(48,546)

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

Delinquent Property Taxes	169,499	
Income Taxes	4,759	
Intergovernmental Revenues	(573,681)	
Investment Earnings/Interest	4,050	
Tuition and Fees	(26,048)	
Extracurricular Activities	(1,725)	
Charges for Services	485	
Miscellaneous	(41,743)	
Insurance Recoveries	6,900	(457,504)

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

General Obligation Bonds Payable	575,000	
Certificates of Participation Payable	450,000	
Financed Purchase	59,734	
Leases Payable	34,801	1,119,535

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

19,131

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

(51,159)

The amortization of premiums are reported on the Statement of Activities.

60,858

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

(800)

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

Pension	1,404,842	
OPEB	56,461	1,461,303

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

Pension	(1,806,485)	
OPEB	84,782	(1,721,703)

Change in Net Position of Governmental Activities

\$2,386,144

See accompanying notes to the basic financial statements

Northridge Local School District, Ohio
Statement of Revenues, Expenditures, and Changes
in Fund Balance - Budget and Actual (Budget Basis)
General Fund
For the Fiscal Year Ended June 30, 2024

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
Revenues				
Property Taxes	\$9,933,871	\$9,933,871	\$10,509,019	\$575,148
Intergovernmental	5,955,642	5,955,642	6,152,510	196,868
Interest	60,000	60,000	257,602	197,602
Tuition and Fees	529,919	529,919	724,906	194,987
Rentals	26,820	26,820	27,517	697
Contributions and Donations	1,000	1,000	300	(700)
Miscellaneous	99,475	99,475	62,769	(36,706)
<i>Total Revenues</i>	<u>16,606,727</u>	<u>16,606,727</u>	<u>17,734,623</u>	<u>1,127,896</u>
Expenditures				
Current:				
Instruction:				
Regular	5,594,300	5,419,600	5,337,955	81,645
Special	1,950,400	2,074,066	2,014,753	59,313
Vocational	85,157	93,286	90,648	2,638
Student Intervention Services	0	1,742	935	807
Support Services:				
Pupil	835,344	870,517	865,602	4,915
Instructional Staff	1,098,398	1,116,434	1,046,234	70,200
Board of Education	155,796	227,203	227,173	30
Administration	1,413,853	1,464,692	1,423,984	40,708
Fiscal	758,164	792,433	772,627	19,806
Operation and Maintenance of Plant	1,793,840	1,808,741	1,724,419	84,322
Pupil Transportation	2,369,076	2,280,337	2,280,019	318
Central	277,586	173,879	172,170	1,709
Extracurricular Activities	0	2,592	2,592	0
<i>Total Expenditures</i>	<u>16,331,914</u>	<u>16,325,522</u>	<u>15,959,111</u>	<u>366,411</u>
<i>Excess of Revenues Over Expenditures</i>	<u>274,813</u>	<u>281,205</u>	<u>1,775,512</u>	<u>1,494,307</u>
Other Financing Sources (Uses)				
Advances In	972,775	972,775	972,775	0
Proceeds from Sale of Capital Assets	835	835	0	(835)
Advances Out	0	(6,392)	(6,392)	0
Transfers Out	(675,646)	(675,646)	(575,498)	100,148
<i>Total Other Financing Sources (Uses)</i>	<u>297,964</u>	<u>291,572</u>	<u>390,885</u>	<u>99,313</u>
<i>Net Change in Fund Balance</i>	<u>572,777</u>	<u>572,777</u>	<u>2,166,397</u>	<u>1,593,620</u>
<i>Fund Balance Beginning of Year</i>	<u>5,609,742</u>	<u>5,609,742</u>	<u>5,609,742</u>	<u>0</u>
<i>Prior Year Encumbrances Appropriated</i>	<u>9,758</u>	<u>9,758</u>	<u>9,758</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$6,192,277</u>	<u>\$6,192,277</u>	<u>\$7,785,897</u>	<u>\$1,593,620</u>

See accompanying notes to the basic financial statements

Northridge Local School District, Ohio
Statement of Changes in Fiduciary Net Position
Custodial Fund
For the Fiscal Year Ended June 30, 2024

	<u>Custodial</u>
Additions	
Charges Received for the Ohio High School Athletic Association	\$5,788
Deductions	
Distributions to the Ohio High School Athletic Association	<u>5,788</u>
<i>Change in Net Position</i>	0
<i>Net Position Beginning of Year</i>	<u>0</u>
<i>Net Position End of Year</i>	<u><u>\$0</u></u>

See accompanying notes to the basic financial statements

Northridge Local School District, Ohio

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2024

Note 1 - Description of the School District and Reporting Entity

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

The School District was established in 1962 through the consolidation of existing land areas and school districts. The School District serves an area of approximately 120 square miles. It is located in Licking, Knox, and Delaware Counties, and includes Burlington Township and the Villages of Alexandria and Croton. The School District is staffed by 51 classified employees, 96 certificated full-time teaching personnel, and 9 administrative employees who provide services to 1,110 students and other community members. The School District currently operates three instructional buildings and one garage.

Reporting Entity

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

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

The School District is associated with two jointly governed organizations and two insurance purchasing pools. These organizations are the Licking Area Computer Association, the META Solutions, the Ohio School Boards Association Workers' Compensation Group Rating Program, and the Ohio School Plan, which are presented in Notes 21 and 22 to the basic financial statements. The School District is associated with a related organization, the Alexandria Public Library, which is discussed in Note 23.

Note 2 - Summary of Significant Accounting Policies

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

Northridge Local School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2024

Basis of Presentation

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

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

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

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

Fund Accounting

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

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

Northridge Local School District, Ohio

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2024

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

District Stadium Fund The District Stadium Fund accounts for the issuance of Certificates of Participation (COPs) that are restricted for the construction of a new stadium. In fiscal year 2024, contributions and donations were received from the Northridge Athletic Boosters through the Licking County Foundation to be used for the construction of the stadium.

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

Measurement Focus

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

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

Basis of Accounting

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

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

Northridge Local School District, Ohio

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2024

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

On a modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized. Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at fiscal year end: property taxes available as an advance, income taxes, investment earnings/interest, grants, tuition and fees, and charges for services.

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

On governmental fund financial statements, revenue received as of June 30, 2024, for fiscal year 2025 services, has been recorded as unearned revenue.

Deferred Outflows/Inflows of Resources In addition to assets, the statements of financial position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net assets that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. For the School District, deferred outflows of resources are reported on the government-wide statement of net position for the asset retirement obligation, pension, and OPEB plans. The deferred outflows of resources related to the asset retirement obligation is originally measured at the amount of the corresponding liability. This amount is expensed in a systematic and rational manner over the tangible asset's useful life. The details of these unavailable revenues are identified on the Reconciliation of Total Governmental Fund Balance to Net Position of Governmental Activities found on page 19. The deferred outflows of resources related to pension and OPEB plans are explained in Notes 12 and 13.

In addition to liabilities, the statements of financial position report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net assets that applies to a future period and will not be recognized until that time. For the School District, deferred inflows of resources include property taxes, pension, OPEB, and unavailable revenue. Property taxes represent amounts for which there is an enforceable legal claim as of June 30, 2024, but which were levied to finance fiscal year 2025 operations. These amounts have been recorded as a deferred inflow on both the government-wide statement of net position and the governmental fund financial statements. Unavailable revenue is reported only on the governmental funds balance sheet and represents receivables which will not be collected within the available period. For the School District, unavailable revenue includes delinquent property taxes, income taxes, intergovernmental revenues, investment earnings/interest, tuition and fees, charges for services, miscellaneous, and insurance recoveries revenues. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available. Deferred inflows of resources related to pension and OPEB plans are reported on the government-wide statement of net position. (See Notes 12 and 13)

Northridge Local School District, Ohio

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2024

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

Budgetary Process

All funds, other than custodial funds, are legally required to be budgeted and appropriated. The major documents prepared are the tax budget, the appropriation resolution, and the certificate of estimated resources, which are prepared on the budgetary basis of accounting. The tax budget is required under the Ohio Revised Code; however, this requirement is waived by the Licking County Budget Commission (Budget Commission). The Budget Commission accepts the School District's five year forecast in place of the tax budget. The certificate of estimated resources establishes a limit on the amounts that the Board of Education may appropriate. The appropriation resolution is the Board's authorization to spend resources and sets annual limits on expenditures plus encumbrances at a level of control selected by the Board. The legal level of control has been established by the Board of Education at the fund level. The Treasurer has been authorized to allocate Board appropriations to the function and object level within each fund.

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

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

Cash and Cash Equivalents

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

Investments of the cash management pool and investments with original maturities of three months or less at the time they are purchased by the School District are presented on the financial statements as cash equivalents. Investments with an original maturity of greater than three months and not purchased from the cash management pool are presented on the financial statements as investments. For fiscal year 2024, investments were shown in the District Stadium Major Capital Projects Fund due to the investment of COPs proceeds related to the construction of a new stadium.

During fiscal year 2024, investments were limited to the State Treasury Asset Reserve of Ohio (STAR Ohio), money market mutual funds, federal agency securities, treasury bonds and notes, and negotiable certificates of deposit.

Northridge Local School District, Ohio

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2024

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

STAR Ohio reserves the right to limit participant transactions to \$250 million per day. Transactions in all of a participant's accounts will be combined for this purpose. Twenty-four hours advance notice to STAR Ohio is appreciated for purchases or redemptions of \$100 million or more. For fiscal year 2024, there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates.

Under existing Ohio statutes, all investment earnings/interest are assigned to the General Fund unless statutorily required to be credited to a specific fund. The Board of Education has, by resolution, specified the funds to receive an allocation of investment earnings/interest. Investment earnings/interest revenue credited to the General Fund during fiscal year 2024 amounted to \$373,466, which includes \$149,917 assigned from other School District funds.

Interfund Balances

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

Prepaid Items

Payments made to vendors for services that will benefit periods beyond June 30, 2024, are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of the purchase and an expenditure/expense is reported in the fiscal year in which services are consumed.

Inventory

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

Capital Assets

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

Northridge Local School District, Ohio

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2024

All capital assets (except for intangible right-to-use lease assets which are discussed later) are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the fiscal year. The School District was able to estimate the historical cost for the initial reporting of capital assets by backtrending (i.e., estimating the current replacement cost of the assets to be capitalized and using an appropriate price-index to deflate the costs to the acquisition year or estimated acquisition year). Donated capital assets are recorded at their acquisition values as of the date received. The School District maintains a capitalization threshold of five thousand dollars. The School District does not possess any infrastructure. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not capitalized.

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

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

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

Internal Activity

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

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

Compensated Absences

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

Northridge Local School District, Ohio

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2024

Sick leave benefits are accrued as a liability using the vesting method. The liability includes the employees who are currently eligible to receive termination benefits and those the School District has identified as probable of receiving payment in the future. The amount is based on accumulated sick leave and employees' wage rates at fiscal year end, taking into consideration any limits specified in the School District's termination policy. The School District records a liability for accumulated unused sick leave for employees with twelve years of experience with the School District.

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

Accrued Liabilities and Long-term Obligations

All payables, accrued liabilities, and long-term obligations are reported in the government-wide financial statements. In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources, are reported as obligations of the funds. However, claims and judgments and compensated absences that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are due for payment during the current fiscal year. Net pension/OPEB liability should be recognized in the governmental funds to the extent that benefit payments are due and payable and the pension/OPEB plan's fiduciary net pension is not sufficient for payment of those benefits. Bonds, COPs, leases, and financed purchases are recognized as liabilities on the governmental fund financial statements when due. The leases matured in fiscal year 2024.

Premiums and Issuance Costs

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

Northridge Local School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2024

Leases

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

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

Pensions/Other Postemployment Benefits (OPEB)

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

Fund Balance

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

Nonspendable: The nonspendable fund balance category includes amounts that cannot be spent because they are not in spendable form or are legally or contractually required to be maintained intact. The "not in spendable form" includes items that are not expected to be converted to cash. It also includes prepaids for all governmental fund types.

Restricted: The restricted fund balance category includes amounts that can be spent only for the specific purposes stipulated by State constitution or external resource providers. 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. Under Ohio law, amounts paid into any fund, including by transfer, shall have the same constraints placed on the use of funds as those externally imposed by creditors, grantors, contributors, or laws or regulations of other governments.

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

Northridge Local School District, Ohio

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2024

Assigned: Amounts in the assigned fund balance classification are intended to be used by the School District for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed. These amounts are assigned by the School District's Board of Education. In the general fund, assigned amounts represent intended uses established by policies of the School District's Board of Education or a School District official delegated that authority by resolution or by State Statute. State statute authorizes the School District's Treasurer to assign fund balance for purchases on order provided such amounts have been lawfully appropriated. The Board of Education has also assigned fund balance for capital improvements and public school support.

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 deficit balances.

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

Net Position

Net position represents the difference between all other elements in a statement of financial position. Net investment in capital assets consists of capital assets, net of accumulated depreciation/amortization, 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 through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The School District applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net position are available. Restricted Net Position for OPEB plans represent the corresponding restricted asset amounts held in trust by the OPEB plan for future benefits.

Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the Board of Education and that are either unusual in nature or infrequent in occurrence. There were no extraordinary or special items in fiscal year 2024.

Estimates

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

Northridge Local School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2024

Note 3 - Changes in Accounting Principles, Restatement of Net Position, and Changes to or within the Financial Reporting Entity

Changes in Accounting Principles and Restatement of Net Position

For fiscal year 2024, the School District implemented Governmental Accounting Standards Board (GASB) Statement No. 100, *Accounting Changes and Error Corrections*, and the related guidance from GASB Implementation Guide No. 2023-1, *Implementation Guidance Update — 2023*. The School District also implemented Question 5.1 from GASB Implementation Guide No. 2021-1, *Implementation Guidance Update — 2021*.

GASB 100 will improve the clarity of the accounting and financial reporting requirements for accounting changes and error corrections, which will result in greater consistency in application in practice. In turn, more understandable, reliable, relevant, consistent, and comparable information will be provided to financial statement users for making decisions or assessing accountability. In addition, the display and note disclosure requirements will result in more consistent, decision-useful, understandable, and comprehensive information for users about accounting changes and error corrections.

The implementation of this GASB Statement No. 100 and GASB Implementation Guide 2023-1 did not have any effect on beginning net position.

Question 5.1 from Implementation Guide 2021-1 addresses the collective significance of applying the capitalization threshold to individual items in a group of assets. The School District reviewed its capital asset groupings and determined there were asset groups where individually the assets were under the capitalization threshold yet were significant collectively. As a result, the School District is restating capital assets and net position of governmental activities for the carrying amount of these assets. This new principle will impact the statement of activities by reflecting functional depreciation expense and no longer reflecting functional expense for the acquisition of the noncapitalized asset. The impact of this restatement is reflected on the following table.

		Change in Accounting Principle	
	6/30/2023 As Previously Reported	Implementation Guide 2021-1	6/30/2023 As Restated/ Adjusted
Government-Wide			
Governmental Activities	\$10,274,617	\$542,272	\$10,816,889

In an effort to promote comparability with other governments, the School District updated its calculation of net position restricted for pension and OPEB plans for fiscal year 2024. This change had no impact on beginning net position, but rather impacted the amounts presented as net position restricted for an OPEB plan and unrestricted net position.

Changes to or within the Financial Reporting Entity

For fiscal year 2024, the Permanent Improvement Capital Projects Fund presentation was adjusted from major to nonmajor due to it no longer meeting the quantitative threshold for a major fund. This change is separately displayed in the financial statements.

Northridge Local School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2024

Note 4 - Fund Deficits

The following funds had deficit fund balances as of June 30, 2024:

	<u>Deficit Fund Balances</u>
<u>Special Revenue Funds:</u>	
Title VI-B	\$5,454
High School Athletics	25,357

These deficits are the result of the recognition of payables in accordance with generally accepted accounting principles as well as short-term interfund loans from the General Fund needed for operations until the receipt of grant monies. The General Fund provides transfers to cover deficit balances; however, this is done when cash is needed rather than when accruals occur.

Note 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 and Actual (Budget Basis) presented for the General Fund is presented on the budgetary basis to provide a meaningful comparison of actual results with the budget. The major differences between the budget basis and GAAP (modified accrual) basis are as follows:

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

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

Northridge Local School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2024

Net Change in Fund Balance	
GAAP Basis	(\$200,116)
Net Adjustment for Revenue Accruals	1,623,246
Net Adjustment for Expenditure Accruals	(98,895)
Beginning:	
Change in Fair Value of Investments	(218,649)
Prepaid Items	102,990
Ending:	
Change in Fair Value of Investments	106,239
Prepaid Items	(91,070)
To reclassify excess of revenues and other sources of financial resources over expenditures and other uses of financial resources into financial statement fund types	2,888
Advances In	972,775
Advances Out	(6,392)
Adjustment for Encumbrances	(26,619)
Budget Basis	<u><u>\$2,166,397</u></u>

Note 6 - Deposits and Investments

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

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

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

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

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

Northridge Local School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2024

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

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

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

Investments As of June 30, 2024, the School District had the following investments:

Northridge Local School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2024

Measurement/Investment	Measurement Amount	Maturity	Ratings	Percentage of Total Investment
Net Asset Value Per Share:				
STAR Ohio	\$503,397	Average 47 Days	AAAm	5.13%
Fair Value - Level One Inputs:				
Money Market Mutual Funds	3,301,398	Less than one year	AAAm	33.62
Fair Value - Level Two Inputs:				
Federal Farm Credit Bank Notes	1,543,041	Under five years	Aaa	15.72
Federal National Mortgage Association Notes	453,424	Under three years	Aaa	4.62
Federal Home Loan Bank Notes	842,011	Under four years	Aaa	8.58
United States Treasury Bonds	495,147	Under two years	Aaa	5.04
United States Treasury Notes	1,910,550	Under five years	Aaa	19.45
Farmer MAC	188,158	Under five years	n/a	1.92
Negotiable Certificates of Deposit	580,821	Under five years	n/a	5.92
Total Fair Value - Level Two Inputs	6,013,152			
Total	\$9,817,947			

The School District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets. Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The above chart identifies the School District's recurring fair value measurements as of June 30, 2024. The money market mutual funds are measured at fair value and is valued using quoted market prices (Level 1 inputs). The School District's remaining investments measured at fair value are valued using methodologies that incorporate market inputs such as benchmark yields, reported trades, broker/dealer quotes, issuer spreads, two-sided markets, benchmark securities, bids, offers and reference data including market research publications. Market indicators and industry and economic events are also monitored, which could require the need to acquire further market data (Level 2 inputs).

Interest Rate Risk The School District's investment policy addresses interest rate risk to the extent that it allows the Treasurer to invest funds to a maximum maturity of five years except for commercial paper and bankers' acceptances which will be limited to 180 days. The Treasurer cannot make investments which he does not reasonably believe can be held until the maturity date.

Credit Risk STAR Ohio and money market mutual funds carry a rating of AAAm by Standard and Poor's. Ohio law requires that STAR Ohio maintain the highest rating provided by at least one nationally recognized statistical rating organization and that the money market mutual fund be rated in the highest category at the time of purchase by at least one nationally recognized statistical rating organization. All other investment ratings are Moody's ratings. The School District has no investment policy dealing with investment credit risk beyond the requirements in State statutes.

Custodial Credit Risk For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the School District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The School District has no investment policy

Northridge Local School District, Ohio

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2024

dealing with investment custodial risk beyond the requirement in State statute that prohibits payment for investments prior to the delivery of the securities representing such investments to the Treasurer or qualified trustee.

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

Note 7 - Property Taxes

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

Property taxes include amounts levied against all real and public utility property located in the School District. Real property tax revenue received in calendar year 2024 represents collections of calendar year 2023 taxes. Real property taxes received in calendar year 2024 were levied after April 1, 2023, on the assessed value listed as of January 1, 2023, the lien date. Assessed values for real property taxes are established by State statute at thirty-five percent of appraised market value. Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semi-annually, the first payment is due December 31 with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established.

Public utility property tax revenue received in calendar 2024 represents collections of calendar year 2023 taxes. Public utility real property taxes received in calendar year 2024 became a lien December 31, 2022, were levied after April 1, 2023, and are collected with real property taxes. Public utility real property is assessed at thirty-five percent of true value; public utility tangible personal property currently is assessed at varying percentages of true value.

The School District receives property taxes from Licking, Knox, and Delaware Counties. The County Auditors periodically advance to the School District its portion of the taxes collected. Second-half real property tax payments collected by the County by June 30, 2024, are available to finance fiscal year 2024 operations. The amount available to be advanced can vary based on the date the tax bills are sent.

Accrued property taxes receivable includes real property and public utility property taxes which were measurable as of June 30, 2024, and for which there is an enforceable legal claim. Although total property tax collections for the next fiscal year are measurable, only the amount of real property taxes available as an advance at June 30 were levied to finance current fiscal year operations and is reflected as revenue at fiscal year end. The portion of the receivable not levied to finance current fiscal year operations is offset by a credit to deferred inflow of resources for property taxes.

The amount available as an advance at June 30, 2024, was \$528,080, \$478,705 was available to the General Fund and \$49,375 was available to the Bond Retirement Debt Service Fund. The amount available as an advance at June 30, 2023, was \$2,323,193, \$2,072,792 was available to the General Fund and \$250,401 was available to the Bond Retirement Debt Service Fund.

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

Northridge Local School District, Ohio*Notes to the Basic Financial Statements**For the Fiscal Year Ended June 30, 2024*

The assessed values upon which the fiscal year 2024 taxes were collected are:

	2023 Second - Half Collections		2024 First - Half Collections	
	Amount	Percent	Amount	Percent
Real Estate	\$349,453,957	90.81%	\$470,443,780	92.56%
Public Utility Personal	35,369,570	9.19%	37,830,780	7.44%
	<u>\$384,823,527</u>	<u>100.00%</u>	<u>\$508,274,560</u>	<u>100.00%</u>
Tax rate per \$1,000 of assessed valuation	\$41.30		\$39.30	

The decrease in the tax rates was due to an adjustment in the debt service mills. Tax rates are adjusted according to the amount required for debt service payments.

Note 8 - Income Tax

On May 7, 2019, voters of the School District approved a combination 4.3 mills bond issue and a one-half percent earned income tax levy for the construction of a new elementary school and the purpose of permanent improvements. The tax was effective on January 1, 2020, through December 31, 2047. Employers of residents are required to withhold income tax on compensation and remit the tax to the State. Taxpayers are required to file an annual return. The State makes quarterly distributions to the School District after withholding amounts for administrative fees and estimated refunds. Income tax revenue is credited to the Permanent Improvement Fund. A receivable has been recorded at June 30, 2024, for income tax revenue amounts that were provided by the Ohio Department of Taxation.

Note 9 - Receivables

Receivables at June 30, 2024, consist of property taxes, income taxes, accrued interest, accounts (billings for user charged services, vendors commissions, and tuition and fees), interfund, and intergovernmental grants. All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes, the stable condition of State programs, and the current fiscal year guarantee of federal funds. All receivables, except property taxes, are expected to be received within one year. Property taxes, although ultimately collectible, include some portion of delinquencies that will not be collected within one year. The delinquent property taxes amounted to \$358,392 as of June 30, 2024.

A summary of the principal items of intergovernmental receivables follows:

	Amounts
Governmental Activities	
State Foundation Adjustments	\$171,615
Medicaid Reimbursements	3,874
Fuel Tax Refund	3,406
Title VI-B	5,454
Total	<u>\$184,349</u>

Northridge Local School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2024

Note 10 - Capital Assets

Capital asset activity for the fiscal year ended June 30, 2024, was as follows:

	Restated Balance 7/1/2023	Additions	Deletions	Balance 06/30/2024
<i>Nondepreciable Capital Assets</i>				
Land	\$338,545	\$0	\$0	\$338,545
Construction in Progress	219,474	7,125,820	0	7,345,294
<i>Total Nondepreciable Capital Assets</i>	558,019	7,125,820	0	7,683,839
<i>Depreciable Capital Assets</i>				
<i>Tangible Assets</i>				
Land Improvements	2,646,950	0	0	2,646,950
Buildings and Improvements	34,365,214	0	0	34,365,214
Furniture and Equipment	7,239,310	407,818	(75,216)	7,571,912
Vehicles	102,310	0	0	102,310
<i>Total Tangible Assets</i>	44,353,784	407,818	(75,216)	44,686,386
<i>Intangible Right to Use</i>				
<i>Lease Assets</i>				
Intangible Right to Use - Equipment	102,122	0	(14,985)	87,137
<i>Total Depreciable/Amortizable Capital Assets</i>	44,455,906	407,818	(90,201)	44,773,523
<i>Less Accumulated Depreciation/Amortization</i>				
<i>Depreciation</i>				
Land Improvements	(884,019)	(86,601)	0	(970,620)
Buildings and Improvements	(5,513,799)	(680,718)	0	(6,194,517)
Furniture and Equipment	(2,125,962)	(378,701)	26,670	(2,477,993)
Vehicles	(86,192)	(13,815)	0	(100,007)
<i>Total Depreciation</i>	(8,609,972)	(1,159,835) *	26,670	(9,743,137)
<i>Amortization</i>				
<i>Lease Assets</i>				
Intangible Right to Use - Equipment	(67,321)	(34,801) *	14,985	(87,137)
<i>Total Accumulated Depreciation/Amortization</i>	(8,677,293)	(1,194,636) *	41,655	(9,830,274)
<i>Depreciable/Amortizable Capital Assets, Net</i>	35,778,613	(786,818)	(48,546)	34,943,249
<i>Governmental Activities Capital Assets, Net</i>	\$36,336,632	\$6,339,002	(\$48,546)	\$42,627,088

Construction in progress as of June 30, 2024, consisted of the new district stadium, the middle school plumbing project, and the high school fire panel replacement. During fiscal year 2024, Robertson Construction donated \$50,000 in services to the School District to stabilize the track in the new stadium. This donation was included in construction in progress.

Northridge Local School District, Ohio*Notes to the Basic Financial Statements**For the Fiscal Year Ended June 30, 2024*

Lease copiers were paid for and in use by the School District through fiscal year end. These copiers were not returned until after June 30, 2024, when the new copier lease began.

During fiscal year 2024, the School District was in the process of constructing a new stadium. On March 15, 2024, the School District experienced an EF-1 tornado. As a result of the tornado, equipment and property were damaged. The School District recognized insurance recovery monies in the amount of \$24,471 for property damages and replacement of equipment. Due to the damage and replacement of equipment items being within the same fiscal year in which it was installed, the capital asset table does not reflect the addition and deletion. Accordingly, the expense and insurance recovery were eliminated on the Statement of Activities.

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

	<u>Depreciation</u>	<u>Amortization</u>	<u>Total</u>
Instruction:			
Regular	\$398,475	\$0	\$398,475
Special	222,677	0	222,677
Vocational	5,860	0	5,860
Support Services:			
Pupils	46,879	0	46,879
Instructional Staff	35,160	0	35,160
Administration	76,179	32,671	108,850
Fiscal	29,300	0	29,300
Operation and Maintenance of Plant	158,112	2,130	160,242
Pupil Transportation	62,481	0	62,481
Extracurricular Activities	39,188	0	39,188
Food Service Operations	85,524	0	85,524
Total	<u>\$1,159,835</u>	<u>\$34,801</u>	<u>\$1,194,636</u>

Note 11 - Risk Management

During fiscal year 2024, the School District joined together with other school districts in Ohio to participate in the Ohio School Plan (OSP), a public entity insurance purchasing pool, for insurance coverage (See Note 22). Each individual school district enters into an agreement with the OSP and its premium is based on types of coverage, limits of coverage, and deductibles that it selects. The School District pays this annual premium to the OSP. Coverage provided by Ohio School Plan is as follows:

Building and Contents-replacement cost (\$1,000 deductible)	\$80,301,626
Educational General Liability:	
Bodily Injury and Property Damage – Each Occurrence and	
Each Wrongful Act and Sexual Abuse Injury Limit –	
Each Sexual Abuse Offense	3,000,000
Personal and Advertising Injury – Each Offense Limit	3,000,000
Fire Damage – Any One Event Limit	500,000
Medical Expense - Any One Person Limit	10,000
Each Accident Limit	10,000
General Aggregate Limit	5,000,000
Products-Completed Operations Aggregate Limit	3,000,000

Northridge Local School District, Ohio

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2024

Employers Liability – Stop Gap – Occurrence:	
Bodily Injury by Accident - Each Accident Limit	\$3,000,000
Bodily Injury by Disease - Endorsement Limit	3,000,000
Bodily Injury by Disease - Each Employee Limit	3,000,000
Fiduciary Liability – Claims Made:	
Each Offense Limit	3,000,000
Aggregate Limit	5,000,000
Educational Legal Liability:	
Errors and Omissions Injury Limit (\$2,500 Deductible)	3,000,000
Errors and Omissions Injury Aggregate Limit	5,000,000
Employment Practices Injury Limit (\$2,500 Deductible)	3,000,000
Employment Practices Injury Aggregate Limit	5,000,000
Automobile Liability (\$1,000 Comprehensive/\$1,000 collision):	
Auto Liability-Combined Single Limit	3,000,000
Uninsured Motorists	1,000,000
Medical Payments	5,000

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

For fiscal year 2024, the School District participated in the Ohio School Boards Associations Workers' Compensation Group Rating Program (GRP), an insurance purchasing pool (Note 22). 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. Participation in the GRP is limited to school districts that can meet the GRP's selection criteria. The firm of Sedgwick provides administrative, cost control, and actuarial services to the GRP.

Note 12 - Defined Benefit Pension Plans

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

Net Pension Liability/Net OPEB Liability (Asset)

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

Northridge Local School District, Ohio

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2024

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

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

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

The proportionate share of each plan's unfunded benefits is presented as a *net OPEB asset* or long-term *net pension/OPEB liability* on the accrual basis of accounting. Any liability for the contractually required pension/OPEB contribution outstanding at the end of the year is included in *intergovernmental payable* on both the accrual and modified accrual bases of accounting. The remainder of this note includes the required pension disclosures. See Note 13 for the required OPEB disclosures.

Plan Description - School Employees Retirement System (SERS)

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

Age and service requirements for retirement are as follows:

Northridge Local School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2024

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

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

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

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

Funding Policy – Plan members are required to contribute 10 percent of their annual covered salary and the School District is required to contribute 14 percent of annual covered payroll. The contribution requirements of plan members and employers are established and may be amended by the SERS' Retirement Board up to statutory maximum amounts of 10 percent for plan members and 14 percent for employers. The Retirement Board, acting with the advice of the actuary, allocates the employer contribution rate among four of the System's funds (Pension Trust Fund, Death Benefit Fund, Medicare B Fund, and Health Care Fund). For the fiscal year ended June 30, 2024, the allocation to pension, death benefits, and Medicare B was 14 percent. For fiscal year 2024, the Retirement Board did not allocate any employer contribution to the Health Care Fund.

The School District's contractually required contribution to SERS was \$460,834 for fiscal year 2024. Of this amount, \$47,734 is reported as an intergovernmental payable. The Special Fund Situation contractually required contributions to SERS was \$138,250 (which is included as a part of the \$460,834) for fiscal year 2024.

Plan Description - State Teachers Retirement System (STRS)

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

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.

Northridge Local School District, Ohio

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2024

The DB plan offers an annual retirement allowance based on final average salary multiplied by a percentage that varies based on years of service. Effective August 1, 2015, the calculation is 2.2 percent of final average salary for the five highest years of earnings multiplied by all years of service. In April 2017, the Retirement Board made the decision to reduce COLA granted on or after July 1, 2017, to 0 percent upon a determination by its actuary that it was necessary to preserve the fiscal integrity of the retirement system. Benefit recipients' base benefit and past cost-of-living increases are not affected by this change. Effective July 1, 2022, a one-time ad-hoc COLA of 3 percent of the base benefit was granted to eligible benefit recipients to begin on the anniversary of their retirement benefit in fiscal year 2023 as long as they retired prior to July 1, 2018. Effective July 1, 2023, a one-time ad-hoc COLA of 1 percent of the base benefit was granted to eligible benefit recipients to begin on the anniversary of their retirement benefit in fiscal year 2024 as long as they retired prior to July 1, 2019. Pursuant to Ohio Revised Code 3307.67(E) the STRS Ohio Retirement Board may adjust the COLA upon a determination by the board's actuary that a change will not materially impair the fiscal integrity of the system or is necessary to preserve the fiscal integrity of the system. Eligibility changes will be phased in until August 1, 2023, when retirement eligibility for unreduced benefits will be five years of service credit and age 65, or 34 years of service credit at any age.

Eligibility changes for DB Plan members who retire with actuarially reduced benefits will be phased in until August 1, 2023, when retirement eligibility will be five years of qualifying service credit and age 60, or 30 years of service credit regardless of age.

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

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

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

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

Northridge Local School District, Ohio

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2024

Funding Policy – Employer and member contribution rates are established by the State Teachers Retirement Board and limited by Chapter 3307 of the Ohio Revised Code. The 2024 employer and employee contribution rate of 14 percent was equal to the statutory maximum rates. For 2024, the full employer contribution was allocated to pension.

The School District's contractually required contribution to STRS was \$944,008 for fiscal year 2024. Of this amount \$156,420 is reported as an intergovernmental payable.

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

The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The School District's proportion of the net pension liability was based on the School District's share of contributions to the pension plan relative to the contributions of all participating entities. Following is information related to the proportionate share and pension expense:

Prior Measurement Date	SERS		STRS	
	Contributions made by School District	Special Funding Situation		
Proportion of the Net Pension Liability:				
Current Measurement Date	0.08260670%	0.08260670%	0.05151925%	
Prior Measurement Date	0.07728450%	0.07728450%	0.05192838%	
Change in Proportionate Share	<u>-0.00532220%</u>	<u>-0.00532220%</u>	<u>0.00040913%</u>	
				<u>Total</u>
Proportionate Share of the Net				
Pension Liability	\$3,195,112	\$1,369,334	\$11,094,639	\$15,659,085
Pension Expense	\$437,900	\$187,671	\$1,180,914	\$1,806,485

At June 30, 2024, the School District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Northridge Local School District, Ohio

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2024

	SERS			
	Contributions made by School District	Special Funding Situation	STRS	Total
Deferred Outflows of Resources				
Differences between expected and actual experience	\$137,333	\$58,857	\$404,487	\$600,677
Changes of assumptions	22,633	9,700	913,703	946,036
Changes in proportionate share and difference between School District contributions and proportionate share of contributions	167,084	71,608	440,474	679,166
School District contributions subsequent to the measurement date	<u>322,584</u>	<u>138,250</u>	<u>944,008</u>	<u>1,404,842</u>
Total Deferred Outflows of Resources	<u>\$649,634</u>	<u>\$278,415</u>	<u>\$2,702,672</u>	<u>\$3,630,721</u>
Deferred Inflows of Resources				
Differences between expected and actual experience	\$0	\$0	\$24,620	\$24,620
Changes of assumptions	0	0	687,756	687,756
Net difference between projected and actual earnings on pension plan investments	44,910	19,247	33,251	97,408
Changes in proportionate share and difference between School District contributions and proportionate share of contributions	<u>0</u>	<u>0</u>	<u>72,257</u>	<u>72,257</u>
Total Deferred Inflows of Resources	<u>\$44,910</u>	<u>\$19,247</u>	<u>\$817,884</u>	<u>\$882,041</u>

\$1,404,842 reported as deferred outflows of resources related to pension resulting from School District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the fiscal year ending June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

	SERS			
	Contributions made by School District	Special Funding Situation	STRS	Total
Fiscal Year Ending June 30:				
2025	\$100,045	\$42,876	\$143,226	\$286,147
2026	(65,593)	(28,111)	(208,823)	(302,527)
2027	245,307	105,132	1,083,939	1,434,378
2028	<u>2,381</u>	<u>1,021</u>	<u>(77,562)</u>	<u>(74,160)</u>
Total	<u>\$282,140</u>	<u>\$120,918</u>	<u>\$940,780</u>	<u>\$1,343,838</u>

Actuarial Assumptions - SERS

SERS' total pension liability was determined by their actuaries in accordance with GASB Statement No. 67, as part of their annual actuarial valuation for each defined benefit retirement plan. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts (e.g., salaries, credited service) and assumptions about the probability of occurrence of events far into the future (e.g., mortality, disabilities,

Northridge Local School District, Ohio

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2024

retirements, employment termination). Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing benefit costs between the employers and plan members to that point. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations. Future benefits for all current plan members were projected through 2137.

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

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

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

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

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

The long-term return expectation for the Pension Plan Investments has been determined by using a building-block approach and assumes a time horizon, as defined in SERS' *Statement of Investment Policy*. A forecasted rate of inflation serves as the baseline for the return expectation. Various real return premiums over the baseline inflation rate have been established for each asset class. The long-term expected nominal rate of return has been determined by calculating an arithmetic weighted average of the expected real return premiums for each asset class, adding the projected inflation rate, and adding the expected return from rebalancing uncorrelated asset classes. As of June 30, 2023:

Northridge Local School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2024

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	2.00 %	0.75 %
US Equity	24.75	4.82
Non-US Equity Developed	13.50	5.19
Non-US Equity Emerging	6.75	5.98
Fixed Income/Global Bonds	19.00	2.24
Private Equity	12.00	7.49
Real Estate/Real Assets	17.00	3.70
Private Debt/Private Credit	5.00	5.64
Total	<u>100.00 %</u>	

Discount Rate The total pension liability for 2023 was calculated using the discount rate of 7.00 percent. The discount rate determination did not use a municipal bond rate. The projection of cash flows used to determine the discount rate assumed that employers would contribute the actuarially determined contribution rate of projected compensation over the remaining 21-year amortization period of the unfunded actuarial accrued liability. The actuarially determined contribution rate for fiscal year 2023 was 14 percent. Projected inflows from investment earnings were calculated using the long-term assumed investment rate of return (7.00 percent). Based on those assumptions, the plan's fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefits to determine the total pension liability. The annual money-weighted rate of return, calculated as the internal rate of return on pension plan investments, for fiscal year 2023 was 6.90 percent.

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

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
School District's proportionate share of the net pension liability	\$4,715,822	\$3,195,112	\$1,914,203
Special Funding Situtation's proportionate share of the net pension liability	\$2,021,067	\$1,369,334	\$820,373

Actuarial Assumptions – STRS

Key methods and assumptions used in the June 30, 2023, actuarial valuation are presented as follows:

Northridge Local School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2024

Inflation	2.50 percent
Salary increases	From 2.5 percent to 8.5 percent based on service
Investment Rate of Return	7.00 percent, net of investment expenses, including inflation
Discount Rate of Return	7.00 percent
Payroll Increases	3.00 percent
Cost-of-Living Adjustments (COLA)	0.0 percent, effective July 1, 2017

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

Actuarial assumptions used in the June 30, 2023, valuation are based on the results of an actuarial experience study for the period July 1, 2015, through June 30, 2021. An actuarial experience study is done on a quinquennial basis.

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

<u>Asset Class</u>	<u>Target Allocation *</u>	<u>Long-Term Expected Rate of Return **</u>
Domestic Equity	26.00%	6.60%
International Equity	22.00	6.80
Alternatives	19.00	7.38
Fixed Income	22.00	1.75
Real Estate	10.00	5.75
Liquidity Reserves	1.00	1.00
Total	<u>100.00%</u>	

* Final target weights reflected at October 1, 2022.

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

Discount Rate The discount rate used to measure the total pension liability was 7.00 percent as of June 30, 2023. The projection of cash flows used to determine the discount rate assumes that member and employer contributions will be made at the statutory contribution rates in accordance with rate increases described above. For this purpose, only employer contributions that are intended to fund benefits of current plan members and their beneficiaries are included. Based on those assumptions, STRS' fiduciary net position was projected to be available to make all projected future benefit payments to current plan members as of

Northridge Local School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2024

June 30, 2023. Therefore, the long-term expected rate of return on pension plan investments of 7.00 percent was applied to all periods of projected benefit payment to determine the total pension liability as of June 30, 2023.

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

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
School District's proportionate share of the net pension liability	\$17,061,098	\$11,094,639	\$6,048,646

Social Security System

Effective July 1, 1991, all employees not otherwise covered by the School Employees Retirement System or the State Teachers Retirement System of Ohio have an option to choose Social Security or the School Retirement System. As of June 30, 2024, no members of the Board of Education have elected Social Security. The contribution rate would be 6.2 percent of wages.

Note 13 - Defined Benefit OPEB Plans

See Note 12 for a description of the net OPEB liability.

Plan Description - School Employees Retirement System (SERS)

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

Northridge Local School District, Ohio

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2024

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

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

Funding Policy - State statute permits SERS to fund the health care benefits through employer contributions. Each year, after the allocation for statutorily required pensions and benefits, the Retirement Board may allocate the remainder of the employer contribution of 14 percent of covered payroll to the Health Care Fund in accordance with the funding policy. For fiscal year 2024, no allocation was made to health care. An additional health care surcharge on employers is collected for employees earning less than an actuarially determined minimum compensation amount, pro-rated if less than a full year of service credit was earned. For fiscal year 2024, this amount was \$30,000. Statutes provide that no employer shall pay a health care surcharge greater than 2 percent of that employer's SERS-covered payroll; nor may SERS collect in aggregate more than 1.5 percent of the total statewide SERS-covered payroll for the health care surcharge. For fiscal year 2024, the School District's surcharge obligation was \$56,461.

The surcharge, added to the allocated portion of the 14 percent employer contribution rate is the total amount assigned to the Health Care Fund. The School District's contractually required contribution to SERS was \$56,461 for fiscal year 2024, which is reported as an intergovernmental payable. The Special Funding Situation contractually required contributions to SERS was \$16,938 (which is included as a part of the \$56,461) for fiscal year 2024.

Plan Description - State Teachers Retirement System (STRS)

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

Funding Policy – Ohio Revised Code Chapter 3307 authorizes STRS to offer the Plan and gives the Retirement Board discretionary authority over how much, if any, of the health care costs will be absorbed by STRS. Active employee members do not contribute to the Health Care Plan. All benefit recipients pay a portion of the health care costs in the form of a monthly premium. Under Ohio law, funding for post-employment health care may be deducted from employer contributions, currently 14 percent of covered payroll. For the fiscal year ended June 30, 2024, STRS did not allocate any employer contributions to post-employment health care.

Northridge Local School District, Ohio

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2024

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

The net OPEB liability (asset) was measured as of June 30, 2023, and the total OPEB liability used to calculate the net OPEB liability (asset) was determined by an independent 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:

Current Measurement Date	SERS		STRS	
	Contributions made by School District	Special Funding Situation		
Proportion of the Net OPEB Liability (Asset):				
Current Measurement Date	0.08530840%	0.08530840%	0.05151925%	
Prior Measurement Date	0.07901420%	0.07901420%	0.05192838%	
Change in Proportionate Share	-0.00629420%	-0.00629420%	0.00040913%	
				<u>Total</u>
Proportionate Share of the:				
Net OPEB Liability	\$983,786	\$421,623	\$0	\$1,405,409
Net OPEB (Asset)	\$0	\$0	(\$1,001,978)	(\$1,001,978)
OPEB Expense	(\$28,428)	(\$12,183)	(\$44,171)	(\$84,782)

At June 30, 2024, the School District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

This space intentionally left blank.

Northridge Local School District, Ohio

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2024

	<u>SERS</u>			
	<u>Contributions made by School District</u>	<u>Speical Funding Situation</u>	<u>STRS</u>	<u>Total</u>
Deferred Outflows of Resources				
Differences between expected and actual experience	\$2,050	\$878	\$1,562	\$4,490
Changes of assumptions	332,647	142,563	147,606	622,816
Net difference between projected and actual earnings on OPEB plan investments	7,624	3,268	1,789	12,681
Changes in proportionate Share and difference between School District contributions and proportionate share of contributions	194,477	83,347	9,016	286,840
School District contributions subsequent to the measurement date	<u>39,523</u>	<u>16,938</u>	<u>0</u>	<u>56,461</u>
Total Deferred Outflows of Resources	<u><u>\$576,321</u></u>	<u><u>\$246,994</u></u>	<u><u>\$159,973</u></u>	<u><u>\$983,288</u></u>
Deferred Inflows of Resources				
Differences between expected and actual experience	\$507,376	\$217,446	\$152,826	\$877,648
Changes of assumptions	279,404	119,745	661,091	1,060,240
Changes in Proportionate Share and Difference between School District contributions and proportionate share of contributions	<u>2,789</u>	<u>1,195</u>	<u>1,510</u>	<u>5,494</u>
Total Deferred Inflows of Resources	<u><u>\$789,569</u></u>	<u><u>\$338,386</u></u>	<u><u>\$815,427</u></u>	<u><u>\$1,943,382</u></u>

\$56,461 reported as deferred outflows of resources related to OPEB resulting from School District contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability, or an increase to the net OPEB asset, in the year ending June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

	<u>SERS</u>			
	<u>Contributions made by School District</u>	<u>Special Funding Situation</u>	<u>STRS</u>	<u>Total</u>
Fiscal Year Ending June 30:				
2025	(\$108,347)	(\$46,435)	(\$288,486)	(\$443,268)
2026	(86,495)	(37,069)	(133,949)	(257,513)
2027	(43,361)	(18,583)	(50,791)	(112,735)
2028	(27,861)	(11,940)	(69,641)	(109,442)
2029	(22,056)	(9,452)	(63,932)	(95,440)
Thereafter	<u>35,349</u>	<u>15,149</u>	<u>(48,655)</u>	<u>1,843</u>
Total	<u><u>(\$252,771)</u></u>	<u><u>(\$108,330)</u></u>	<u><u>(\$655,454)</u></u>	<u><u>(\$1,016,555)</u></u>

Northridge Local School District, Ohio

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2024

Actuarial Assumptions - SERS

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

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

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

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

	<u>June 30, 2023</u>
Inflation	2.40 percent
Future Salary Increases, including inflation	3.25 percent to 13.58 percent
Investment Rate of Return	7.00 percent net of investment expense
Actuarial Cost Method	Entry Age Normal (Level Percent of Payroll)
Fiduciary Net Position is Projected to be Depleted	2048
Municipal Bond Index Rate:	
Measurement Date	3.86 percent
Prior Measurement Date	3.69 percent
Single Equivalent Interest Rate,	
Measurement Date	4.27 percent
Prior Measurement Date	4.08 percent
Health Care Cost Trend Rate	
Medical Trend Assumption	
Measurement Date	6.75 to 4.40 percent
Prior Measurement Date	7.00 to 4.40 percent

Northridge Local School District, Ohio

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2024

Mortality rates among healthy retirees were based on the PUB-2010 General Employee Amount Weighted Below Median Healthy Retiree mortality table projected to 2017 with ages set forward 1 year and adjusted 94.20 percent for males and set forward 2 years and adjusted 81.35 percent for females. Mortality among disabled members was based upon the PUB-2010 General Disabled Retiree mortality table projected to 2017 with ages set forward 5 years and adjusted 103.3 percent for males and set forward 3 years and adjusted 106.8 percent for females. Mortality rates for contingent survivors were based on PUB-2010 General Amount Weighted Below Median Contingent Survivor mortality table projected to 2017 with ages set forward 1 year and adjusted 105.5 percent for males and adjusted 122.5 percent for females. Mortality rates for actives is based on PUB-2010 General Amount Weighted Below Median Employee mortality table. Mortality rates are projected using a fully generational projection with Scale MP-2020.

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

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

The SERS health care plan follows the same asset allocation and long-term expected real rate of return for each major asset class as the pension plan, see Note 12.

Discount Rate The discount rate used to measure the total OPEB liability at June 30, 2023 was 4.27 percent. The discount rate used to measure total OPEB liability prior to June 30, 2023, was 4.08 percent. The projection of cash flows used to determine the discount rate assumed that contributions will be made from members and the System at the contribution rate of 1.50 percent of projected covered payroll each year, which includes a 1.50 percent payroll surcharge and no contributions from the basic benefits plan. Based on these assumptions, the OPEB plan's fiduciary net position was projected to be depleted in 2048 by SERS' actuaries. The Fidelity General Obligation 20-year Municipal Bond Index Rate was used in the determination of the single equivalent interest rate for both the June 30, 2022, and the June 30, 2023, total OPEB liability. The Municipal Bond Index Rate is the single rate that will generate a present value of benefit payments equal to the sum of the present value determined by the long-term expected rate of return, and the present value determined by discounting those benefits after the date of depletion. The Municipal Bond Index Rate was 3.86 percent at June 30, 2023, and 3.69 percent at June 30, 2022.

Sensitivity of the School District's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate and Changes in the Health Care Cost Trend Rates The net OPEB liability is sensitive to changes in the discount rate and the health care cost trend rate. The following table presents the net OPEB liability of SERS, what SERS' net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (3.27%) and higher (5.27%) than the current discount rate (4.27%). Also shown is what SERS' net OPEB liability would be based on health care cost trend rates that are 1 percentage point lower (5.75% decreasing to 3.40%) and higher (7.75% decreasing to 5.40%) than the current rate.

Northridge Local School District, Ohio

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2024

	1% Decrease (3.27%)	Current Discount Rate (4.27%)	1% Increase (5.27%)
School District's proportionate share of the net OPEB liability	\$1,257,561	\$983,786	\$767,904
Special Funding Situation's proportionate share of the net OPEB liability	\$538,955	\$421,623	\$329,102

	1% Decrease (5.75% decreasing to 3.40%)	Current Trend Rate (6.75% decreasing to 4.40%)	1% Increase (7.75% decreasing to 5.40%)
School District's proportionate share of the net OPEB liability	\$722,754	\$983,786	\$1,329,690
Special Funding Situation's proportionate share of the net OPEB liability	\$309,752	\$421,623	\$569,867

Actuarial Assumptions – STRS

Key methods and assumptions used in the June 30, 2023, actuarial valuation compared to the prior year are presented below:

	June 30, 2023	June 30, 2022
Projected salary increases	Varies by service from 2.5 percent to 8.5 percent	Varies by service from 2.5 percent to 8.5 percent
Investment Rate of Return	7.00 percent, net of investment expenses, including inflation	7.00 percent, net of investment expenses, including inflation
Payroll Increases	3 percent	3 percent
Discount Rate of Return	7.00 percent	7.00 percent
Health Care Cost Trends		
Medical		
Pre-Medicare	7.50 percent initial 4.14 percent ultimate	7.50 percent initial 3.94 percent ultimate
Medicare	-10.94 percent initial 4.14 percent ultimate	-68.78 percent initial 3.94 percent ultimate
Prescription Drug		
Pre-Medicare	-11.95 percent initial 4.14 percent ultimate	9.00 percent initial 3.94 percent ultimate
Medicare	1.33 percent initial 4.14 percent ultimate	-5.47 percent initial 3.94 percent ultimate

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

Northridge Local School District, Ohio

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2024

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

Actuarial assumptions used in the June 30, 2023, valuation are based on the results of an actuarial experience study for the period July 1, 2015, through June 30, 2021. An actuarial experience study is done on a quinquennial basis.

The STRS health care plan follows the same asset allocation and long-term expected real rate of return for each major asset class as the pension plan, see Note 12.

Discount Rate The discount rate used to measure the total OPEB liability was 7.00 percent as of June 30, 2023. The projection of cash flows used to determine the discount rate assumed STRS continues to allocate no employer contributions to the health care fund. Based on these assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments to current plan members as of June 30, 2023. Therefore, the long-term expected rate of return on health care plan investments of 7.00 percent was applied to all periods of projected health care costs to determine the total OPEB liability as of June 30, 2023.

Sensitivity of the School District's Proportionate Share of the Net OPEB Asset to Changes in the Discount and Health Care Cost Trend Rate The following table represents the net OPEB asset as of June 30, 2023, calculated using the current period discount rate assumption of 7.00 percent, as well as what the net OPEB asset would be if it were calculated using a discount rate that is one percentage point lower (6.00 percent) or one percentage point higher (8.00 percent) than the current assumption. Also shown is the net OPEB asset as if it were calculated using health care cost trend rates that are one percentage point lower or one percentage point higher than the current health care cost trend rates.

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
School District's proportionate share of the net OPEB asset	(\$848,043)	(\$1,001,978)	(\$1,136,039)

	1% Decrease	Current Trend Rate	1% Increase
School District's proportionate share of the net OPEB asset	(\$1,142,260)	(\$1,001,978)	(\$833,011)

Northridge Local School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2024

Note 14 - Employee Benefits

Compensated Absences

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

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

Health Care Benefits

The School District provides health and drug insurance for all eligible employees through United Healthcare. For fiscal year 2024, employees had three health insurance options to choose from. The three options include a health plan with a \$3,000 deductible, a plan with a \$4,000 deductible, and the option of establishing a Health Savings Account (HSA). For the health plan with a \$3,000 deductible, the School District pays medical and drug monthly premiums for staff of \$1,551.69 for family coverage and \$635.90 for single coverage. For the health plan with a \$4,000 deductible, the School District pays medical and drug monthly premiums for staff of \$1,635.11 for family coverage and \$670.10 for single coverage. For the health plan that uses the HSA, the School District pays medical and drug monthly premiums for staff of \$1,460.23 for family coverage and \$598.43 for single coverage. The School District also provides dental insurance for all eligible employees through Delta Dental. The School District's share of the monthly premium for dental insurance coverage is \$70.45 for family and \$25.31 for single employees. The School District provides vision insurance through Vision Insurance Plan. The School District pays \$20.17 per month for family and \$8.91 for single employees. The School District provides life insurance and accidental death and dismemberment insurance to most employees through Standard Insurance Company. Premiums are paid from the same funds that pay the employees' salaries.

Note 15 - Long-Term Obligations

Changes in long-term obligations of the School District during fiscal year 2024 were as follows:

Northridge Local School District, Ohio

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2024

	Principal Outstanding 6/30/2023	Additions	Deductions	Principal Outstanding 6/30/2024	Due Within One Year
Bonds:					
School Improvement General					
Obligation Bonds Series 2019					
Series Bonds - 1.50% - 4.00%	\$14,015,000	\$0	\$575,000	\$13,440,000	\$600,000
Term Bonds 3.00%	5,520,000	0	0	5,520,000	0
Bond Premium	1,044,447	0	45,410	999,037	0
Total Bonds	20,579,447	0	620,410	19,959,037	600,000
Certificate of Participation:					
Certificates of Participation					
Series 2023					
Serial Certificates - 4.573%	3,215,000	0	450,000	2,765,000	290,000
Term Certificates - 4.000%	2,785,000	0	0	2,785,000	0
Certificate Premium	231,726	0	15,448	216,278	0
Total Certificate of Participation	6,231,726	0	465,448	5,766,278	290,000
Net Pension Liability					
SERS	4,180,146	384,300	0	4,564,446	0
STRS	11,543,744	0	449,105	11,094,639	0
Total Net Pension Liability	15,723,890	384,300	449,105	15,659,085	0
Net OPEB Liability - SERS	1,109,368	296,041	0	1,405,409	0
Financed Purchase from Direct					
Borrowing:					
Energy Conservation - 3.13%	898,255	0	59,734	838,521	61,619
Leases Payable	34,801	0	34,801	0	0
Asset Retirement Obligation	20,000	0	0	20,000	0
Compensated Absences	621,557	200,491	149,332	672,716	148,464
Total General					
Long-Term Obligations	\$45,219,044	\$880,832	\$1,778,830	\$44,321,046	\$1,100,083

School Improvement General Obligation Bonds – On July 31, 2019, the School District issued \$22,000,000 in School Improvement General Obligation Bonds, Series 2019, at a variable interest rate. The bonds were issued for a twenty-seven year period with a final maturity at October 1, 2045. The bond proceeds represented the School District's construction of new elementary instruction building for grades kindergarten through fifth. The bond issue included serial and term bonds in the amount of \$16,480,000 and \$5,520,000, respectively. The bonds were issued at a premium in the amount of \$1,226,087 which will be amortized over the life of the bonds using the straight-line method. The amortized premium for fiscal year 2024 was \$45,410. This bond will be retired from the Bond Retirement Debt Service Fund through property taxes.

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

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

Northridge Local School District, Ohio*Notes to the Basic Financial Statements**For the Fiscal Year Ended June 30, 2024*

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

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

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

Principal and interest requirements to retire general obligation bonds outstanding at June 30, 2024, were as follows:

Fiscal Year Ending June 30	Serial		Term	
	Principal	Interest	Principal	Interest
2025	\$600,000	\$604,650	\$0	\$0
2026	605,000	588,050	0	0
2027	630,000	563,350	0	0
2028	655,000	537,650	0	0
2029	680,000	510,950	0	0
2030-2034	3,785,000	2,182,750	0	0
2035-2039	4,495,000	1,471,875	0	0
2040-2044	1,990,000	391,350	3,215,000	354,075
2045-2046	0	0	2,305,000	69,675
	<u>\$13,440,000</u>	<u>\$6,850,625</u>	<u>\$5,520,000</u>	<u>\$423,750</u>

2023 Certificates of Participation – On April 20, 2023, the School District issued \$6,000,000 in Certificates of Participation (COPs) which include serial and term certificates in the amount of \$3,215,000 and \$2,785,000, respectively. The COPs were issued for the construction of a new School District Stadium completed in the fall of 2024. The COPs issuance included a premium of \$231,726, which will be amortized over the life of the COPs. Issuance costs in the amount of \$153,760 were expensed during fiscal year 2023. The COPs were issued through a series of lease agreements and trust indentures in accordance with Section 3313.375 of the Ohio Revised Code. In accordance with the lease terms, the project assets are leased to the Buckeye Leasing Services Corporation, and then subleased back to the School District. The COPs were issued through a series of annual leases with an initial lease term expiring June 30, 2024 which includes the right to renew for 14 successive one-year terms through December 1, 2037 subject to annual appropriations. To satisfy the trustee agreements, the School District is required to make annual base rent payments, subject to the lease terms and appropriations, semi-annually. The base rent includes an interest component ranging from 4.000 to 4.573 percent. The School District has the option to purchase the project facilities on any lease payment date by paying the amount necessary to defease the indenture. At June 30, 2024, \$641,369, after payables, of the COPs issue remain unspent (unspent cash balance was \$1,654,301). The COPs will be retired from the Permanent Improvement Capital Projects Fund through income taxes.

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

Northridge Local School District, Ohio

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2024

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

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

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

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

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

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

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

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

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

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

Northridge Local School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2024

Optional Redemption

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

Annual base rent requirements to retire the certificates of participation outstanding at June 30, 2024 are as follows:

Fiscal Year Ending June 30	Serial		Term	
	Principal	Interest	Principal	Interest
2025	\$290,000	\$234,450	\$0	\$0
2026	305,000	219,575	0	0
2027	320,000	203,950	0	0
2028	335,000	187,575	0	0
2029	350,000	170,450	0	0
2030-2034	1,165,000	407,350	855,000	188,900
2035-2038	0	0	1,930,000	158,000
	<u>\$2,765,000</u>	<u>\$1,423,350</u>	<u>\$2,785,000</u>	<u>\$346,900</u>

The School District's overall legal debt margin was \$22,178,579, with an unvoted debt margin of \$508,275 at June 30, 2024.

Compensated Absences and Net Position/OPEB Liability - Compensated absences are paid from the fund from which the employees' salaries are paid, which includes the General Fund and the Food Service and District Managed Activities Special Revenue Funds. There is no repayment schedule for the net pension/OPEB liabilities. However, employee pension contributions are made from the following funds: the General Fund and the Food Service and District Managed Activities Special Revenue Funds. For additional information related to the net pension/OPEB liabilities, see Notes 12 and 13.

Asset Retirement Obligations - The School District will be required to pay future obligations related to the asset retirement of certain capital assets when they are removed from service. For additional information related to the asset retirement obligations, see Note 19.

Financed Purchase - The School District has entered into a financed purchase for an energy conservation project for the high school and middle school. Ownership of the assets transfers to the School District by the end of the contract. The School District disbursed \$87,386 from the Permanent Improvement Capital Projects Fund to pay these costs for the fiscal year ended June 30, 2024. Future finance purchase payments are as follows:

Northridge Local School District, Ohio*Notes to the Basic Financial Statements**For the Fiscal Year Ended June 30, 2024*

Fiscal Year Ending June 30	Principal	Interest	Total
2025	\$61,619	\$25,767	\$87,386
2026	63,563	23,824	87,387
2027	65,568	21,818	87,386
2028	67,636	19,750	87,386
2029	69,770	17,617	87,387
2030-2034	383,284	53,647	436,931
2035-2036	127,081	3,998	131,079
Total	<u>\$838,521</u>	<u>\$166,421</u>	<u>\$1,004,942</u>

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

Leases Payable – The School District had outstanding agreements to lease copiers and phone equipment. The future lease payments were discounted based on the interest rate implicit in the lease or using the School District’s incremental borrowing rate. This discount has been amortized using the interest method over the life of the lease. These leases were paid from the General Fund and matured in fiscal year 2024.

Northridge Local School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2024

Note 16 - Interfund Transactions

Interfund balances at June 30, 2024, consist of the following individual fund receivables and payables:

	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
Governmental Funds:		
Major Funds:		
General Fund	<u>\$1,206,392</u>	<u>\$0</u>
Other Nonmajor Governmental Funds:		
Title VI-B	0	5,454
Miscellaneous Federal Grants	0	938
Permanent Improvement Fund	0	1,200,000
Total Other Nonmajor Governmental Funds	<u>0</u>	<u>1,206,392</u>
Total All Funds	<u><u>\$1,206,392</u></u>	<u><u>\$1,206,392</u></u>

Interfund balances are used to move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them and unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorization; to segregate and to return money to the fund from which it was originally provided once a project is completed. The loans were made to cover actual cash deficits until grant monies are received. In fiscal year 2022, the General Fund advanced \$2,000,000 to the Permanent Improvement Capital Projects Fund for the purpose of financing the construction of certain permanent improvements associated with the new school building construction project. This advance will be repaid over a five-year period with income tax revenues. The School District repaid \$400,000 during fiscal years 2023 and 2024 and anticipates repaying an additional \$400,000 in fiscal year 2025.

During fiscal year 2024, the General Fund transferred \$65,057 to Student Activities and \$510,441 to the District Managed Activities Special Revenue Funds for the purpose of covering operational expenses.

Note 17 - Set-Aside Calculations

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

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

Northridge Local School District, Ohio*Notes to the Basic Financial Statements**For the Fiscal Year Ended June 30, 2024*

	Capital Improvements Reserve
Set-aside Reserve Balance as of June 30, 2023	\$0
Current Year Set-aside Requirement	243,834
Current Year Offsets	(1,189,217)
Qualifying Disbursements	(231,159)
Total	<u>(\$1,176,542)</u>
Set-aside Balance Carried Forward to Future Fiscal Years	<u>\$0</u>

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

Note 18 - Significant Commitments**Encumbrances**

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

Governmental Funds:	
General Fund	\$26,619
District Stadium Fund	1,425,649
Nonmajor Governmental Funds	<u>857,058</u>
Total Governmental Funds	<u>\$2,309,326</u>

Contractual Commitments

As of June 30, 2024, the School District's contractual purchase commitments are as follows:

Project	Fund	Contract Amount	Amount Expended	Balance at 6/30/2024
Stadium Project	Permanent Improvement Fund and District Stadium Fund	\$7,126,781	\$7,037,800	\$88,981
Middle School Plumbing Renovation	Permanent Improvement Fund	504,190	211,469	292,721
Fire Panel Project	Classroom Facilities Fund	231,511	96,025	135,486
Enrollment Project Study	General Fund	<u>39,600</u>	<u>11,052</u>	<u>28,548</u>
Total Contractual Commitments		<u>\$7,902,082</u>	<u>\$7,356,346</u>	<u>\$545,736</u>

Northridge Local School District, Ohio*Notes to the Basic Financial Statements**For the Fiscal Year Ended June 30, 2024***Note 19 - Asset Retirement Obligation**

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

Ohio Revised Code Section 6111.44 requires the School District to submit any changes to their sewerage system to the Ohio EPA for approval. Through this review process, the School District would be responsible to address any public safety issues associated with their waste water treatment facilities. The School Districts' Maintenance Supervisor estimates these public safety issues to include removing/filling any tankage, cleaning/removing certain equipment, and backfilling certain exposed areas. This asset retirement obligation (ARO) of \$20,000 associated with the School District waste water treatment facility was estimated by the School Districts' Maintenance Supervisor. The remaining useful life of these facility is 22 years.

Note 20 - Fund Balances

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

Fund Balances	General	District Stadium	Other Governmental Funds	Total
<u>Nonspendable:</u>				
Prepays	\$91,070	\$0	\$7,128	\$98,198
Long-Term Advance	800,000	0	0	800,000
Materials and Supplies Inventory	12,469	0	1,294	13,763
<i>Total Nonspendable</i>	<u>903,539</u>	<u>0</u>	<u>8,422</u>	<u>911,961</u>
<u>Restricted for:</u>				
Capital Projects	0	981,417	994,900	1,976,317
Debt Service	0	0	943,869	943,869
Facilities Maintenance	0	0	228,663	228,663
Food Service Operations	0	0	198,164	198,164
Local, State, and Federal Grants	0	0	36,811	36,811
Technology Improvements	0	0	10,539	10,539
Student Activities	0	0	24,838	24,838
<i>Total Restricted</i>	<u>0</u>	<u>981,417</u>	<u>2,437,784</u>	<u>3,419,201</u>
<u>Assigned to:</u>				
Capital Projects	0	0	266,056	266,056
Public School Support	22,884	0	0	22,884
Purchases on Order for:				
Professional Services	7,444	0	0	7,444
Equipment and Supplies	6,513	0	0	6,513
<i>Total Assigned</i>	<u>36,841</u>	<u>0</u>	<u>266,056</u>	<u>302,897</u>
Unassigned (Deficit)	6,985,625	0	(33,048)	6,952,577
<i>Total Fund Balances</i>	<u>\$7,926,005</u>	<u>\$981,417</u>	<u>\$2,679,214</u>	<u>\$11,586,636</u>

Northridge Local School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2024

Note 21 - Jointly Governed Organizations

Licking Area Computer Association

The School District is a participant in the Licking Area Computer Association (LACA), a regional council of governments, computer consortium. LACA is an association which services 26 school districts, educational service centers, and community schools within the boundaries of Licking, Muskingum, Fairfield, Perry, and Knox Counties. The organization was formed for the purpose of applying modern technology with the aid of computers and other electronic equipment to administrative and instructional functions among member school districts. The governing board of LACA consists of the superintendents from all participating districts. The continued existence of LACA is not dependent on the School District's continued participation and no equity interest exists.

The LACA constitution states that any school district withdrawing from the Association prior to dissolution forfeits their claim to the Association's capital assets. The Board exercises total control over the operations of LACA including budgeting, appropriating, contracting, and designating management. The School District's total payments to LACA for computer services for fiscal year 2024 were \$81,456. Financial statements for LACA can be obtained from the Licking Area Computer Association, 50 South Quentin Road, Newark, OH 43055.

META Solutions

The School District participates in the META Solutions (META), formerly the Metropolitan Educational Council (MEC), which is a jointly governed organization, created as a regional council of governments pursuant to Chapter 167 of the Ohio Revised Code. META operates as, and has all the powers of, a data acquisition site/information technology center pursuant to applicable provisions of the Ohio Revised Code. The organization was formed for the purpose of identifying, developing, and providing to members and nonmembers innovative educational and technological services and products, as well as expanded opportunities for cooperative purchasing. The General Assembly of META consists of one delegate from every member school district. The delegate is the superintendent of the school district or the superintendent's designee. The degree of control exercised by any participating school district is limited to its representation on the General Assembly. The General Assembly exercises total control over the operation of META including budgeting, appropriating, contracting, and designating management. During fiscal year 2024, the School District's membership for the purchasing cooperative was waived by META. Financial information can be obtained from the Metropolitan Educational Technology Association at 2100 Citygate Drive, Columbus, Ohio 43219.

Note 22 - Insurance Purchasing Pools

Ohio School Boards Association Workers' Compensation Group Rating Program

The School District participates in the Ohio School Boards Association Workers' Compensation Group Rating Program (GRP), an insurance purchasing pool. The GRP's business and affairs are conducted by a three member Board of directors consisting of the President, the President-Elect, and the Immediate Past President of the OSBA. The Executive Director of the OSBA, or his designee, serves as coordinator of the program. Each year, the participating school districts pay an enrollment fee to the GRP to cover the costs of administering the program. The School District's enrollment fee of \$2,725 for policy year 2025 was paid to Sedgwick.

Northridge Local School District, Ohio

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2024

Ohio School Plan

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

Note 23 - Related Organization

Alexandria Public Library

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

Note 24 - Contingencies

Grants

The School District received financial assistance from federal and state agencies in the form of grants. The expenditure of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the School District at June 30, 2024.

School Foundation

School District foundation funding is based on the annualized full-time equivalent (FTE) enrollment of each student. The Ohio Department of Education and Workforce (DEW) 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. DEW adjustments for fiscal year 2024 were finalized in November 2024.

Litigation

As of June 30, 2024, the School District is not a party to any lawsuits.

Northridge Local School District, Ohio

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2024

Note 25 - COVID-19

The United States and the State of Ohio declared a state of emergency in March 2020, due to the COVID-19 pandemic. Ohio's state of emergency ended in June 2021, while the national state of emergency ended in April 2023. During fiscal year 2024, the School District received COVID-19 funding. The School District will continue to spend available COVID-19 funding consistent with the applicable program guidelines.

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

	2024	2023	2022	2021
School District Contributions:				
School District's Proportion of the Net Pension Liability	0.08260670%	0.07728450%	0.07498670%	0.06887220%
School District's Proportionate Share of the Net Pension Liability	\$3,195,112	\$2,842,499	\$1,936,754	\$3,052,086
School District's Covered Payroll	\$2,243,801	\$2,034,255	\$1,741,336	\$1,578,721
School District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	142.40%	139.73%	111.22%	193.33%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	76.06%	75.82%	82.86%	68.55%
Special Funding Situation:				
School District's Proportion of the Net Pension Liability	0.08260670%	0.07728450%	0.07498670%	0.06887220%
School District's Proportionate Share of the Net Pension Liability	\$1,369,334	\$1,337,647	\$830,038	\$1,503,266

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

See accompanying notes to the required supplementary information

2020	2019	2018	2017	2016	2015
0.06464910%	0.06469880%	0.06608490%	0.06435510%	0.06345840%	0.06214500%
\$2,514,245	\$2,371,469	\$2,681,929	\$3,250,038	\$2,360,245	\$2,036,651
\$1,413,467	\$1,469,415	\$1,479,243	\$1,359,050	\$1,305,311	\$1,124,560
177.88%	161.39%	181.30%	239.14%	180.82%	181.11%
70.85%	71.36%	69.50%	62.98%	69.16%	71.70%
0.06464910%	0.06469880%	0.06608490%	0.06435510%	0.06345840%	0.06214500%
\$1,353,824	\$1,333,951	\$1,266,499	\$1,460,161	\$1,260,752	\$1,108,472

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

	2024	2023	2022	2021
School District Contributions:				
School District's Proportion of the Net OPEB Liability	0.08530840%	0.07901420%	0.07714270%	0.07138680%
School District's Proportionate Share of the Net OPEB Liability	\$983,786	\$754,370	\$1,021,992	\$1,039,484
School District's Covered Payroll	\$2,243,801	\$2,034,255	\$1,741,336	\$1,578,721
School District's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	43.84%	37.08%	58.69%	65.84%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	30.02%	30.34%	24.08%	18.17%
Special Funding Situation:				
School District's Proportion of the Net OPEB Liability	0.08530840%	0.07901420%	0.07714270%	0.07138680%
School District's Proportionate Share of the Net OPEB Liability	\$421,623	\$354,998	\$437,996	\$511,984

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

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

See accompanying notes to the required supplementary information

2020	2019	2018	2017
0.06608770%	0.06545590%	0.06687090%	0.06512480%
\$1,080,279	\$1,162,191	\$1,220,355	\$1,262,283
\$1,413,467	\$1,469,415	\$1,479,243	\$1,359,050
76.43%	79.09%	82.50%	92.88%
15.57%	13.57%	12.46%	11.49%
0.06608770%	0.06545590%	0.06687090%	0.06512480%
\$581,688	\$653,732	\$574,285	\$594,015

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

	2024	2023	2022	2021
School District's Proportion of the Net Pension Liability	0.05151925%	0.05192838%	0.04968233%	0.04764459%
School District's Proportionate Share of the Net Pension Liability	\$11,094,639	\$11,543,744	\$6,352,332	\$11,528,295
School District's Covered Payroll	\$7,243,579	\$6,789,593	\$6,190,893	\$5,814,836
School District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	153.17%	170.02%	102.61%	198.26%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	80.00%	78.90%	87.80%	75.50%

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

See accompanying note to the required supplementary information

2020	2019	2018	2017	2016	2015
0.04568644%	0.04528207%	0.04457624%	0.04424950%	0.04214519%	0.04063942%
\$10,103,282	\$9,956,510	\$10,589,181	\$14,811,642	\$11,647,698	\$9,884,914
\$5,385,757	\$5,176,843	\$4,821,171	\$4,811,336	\$4,401,643	\$4,220,186
187.59%	192.33%	219.64%	307.85%	264.62%	234.23%
77.40%	77.30%	75.30%	66.80%	69.16%	74.70%

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

	2024	2023	2022	2021
School District's Proportion of the Net OPEB (Asset) Liability	0.05151925%	0.05192838%	0.04968233%	0.04764459%
School District's Proportionate Share of the Net OPEB (Asset) Liability	(\$1,001,978)	(\$1,344,599)	(\$1,047,512)	(\$837,352)
School District's Covered Payroll	\$7,243,579	\$6,789,593	\$6,190,893	\$5,814,836
School District's Proportionate Share of the Net OPEB (Asset) Liability as a Percentage of its Covered Payroll	-13.83%	-19.80%	-16.92%	-14.40%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	168.50%	230.70%	174.70%	182.10%

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

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

See accompanying notes to the required supplementary information

2020	2019	2018	2017
0.04568644%	0.04528207%	0.04457624%	0.04424950%
(\$756,678)	(\$727,637)	\$1,739,200	\$2,366,475
\$5,385,757	\$5,176,843	\$4,821,171	\$4,811,336
-14.05%	-14.06%	36.07%	49.19%
174.70%	176.00%	47.10%	37.30%

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

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Net Pension Liability				
School District Contributions:				
Contractually Required Contribution	\$322,584	\$314,132	\$284,796	\$243,787
Contributions in Relation to the Contractually Required Contribution	<u>(322,584)</u>	<u>(314,132)</u>	<u>(284,796)</u>	<u>(243,787)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
School District Covered Payroll	\$2,304,170	\$2,243,801	\$2,034,255	\$1,741,336
Contributions as a Percentage of Covered Payroll	14.00%	14.00%	14.00%	14.00%
Special Funding Situation:				
Contractually Required Contribution	\$138,250	\$147,827	\$122,055	\$120,074
Contributions in Relation to the Contractually Required Contribution	<u>(138,250)</u>	<u>(147,827)</u>	<u>(122,055)</u>	<u>(120,074)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

See accompanying notes to the required supplementary information

<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
\$221,021	\$190,818	\$198,371	\$207,094	\$190,267	\$172,040
<u>(221,021)</u>	<u>(190,818)</u>	<u>(198,371)</u>	<u>(207,094)</u>	<u>(190,267)</u>	<u>(172,040)</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$1,578,721	\$1,413,467	\$1,469,415	\$1,479,243	\$1,359,050	\$1,305,311
14.00%	13.50%	13.50%	14.00%	14.00%	13.18%
\$119,012	\$107,335	\$93,351	\$93,042	\$89,538	\$80,960
<u>(119,012)</u>	<u>(107,335)</u>	<u>(93,351)</u>	<u>(93,042)</u>	<u>(89,538)</u>	<u>(80,960)</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

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

	2024	2023	2022	2021
Net OPEB Liability				
School District Contributions:				
Contractually Required Contribution (1)	\$39,523	\$43,528	\$36,084	\$34,950
Contributions in Relation to the Contractually Required Contribution	<u>(39,523)</u>	<u>(43,528)</u>	<u>(36,084)</u>	<u>(34,950)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
School District Covered Payroll	\$2,304,170	\$2,243,801	\$2,034,255	\$1,741,336
Contributions as a Percentage of Covered Payroll (1)	1.72%	1.94%	1.77%	2.01%
Special Funding Situation:				
Contractually Required Contribution	\$16,938	\$20,484	\$15,465	\$13,784
Contributions in Relation to the Contractually Required Contribution	<u>(16,938)</u>	<u>(20,484)</u>	<u>(15,465)</u>	<u>(13,784)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

(1) Includes Surcharge

See accompanying notes to the required supplementary information

2020	2019	2018	2017	2016	2015
\$32,860	\$37,953	\$32,302	\$24,186	\$22,141	\$32,803
<u>(32,860)</u>	<u>(37,953)</u>	<u>(32,302)</u>	<u>(24,186)</u>	<u>(22,141)</u>	<u>(32,803)</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$1,578,721	\$1,413,467	\$1,469,415	\$1,479,243	\$1,359,050	\$1,305,311
2.08%	2.69%	2.20%	1.64%	1.63%	2.51%
\$12,614	\$12,655	\$13,061	\$11,381	\$10,419	\$15,437
<u>(12,614)</u>	<u>(12,655)</u>	<u>(13,061)</u>	<u>(11,381)</u>	<u>(10,419)</u>	<u>(15,437)</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

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

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Net Pension Liability				
Contractually Required Contribution	\$944,008	\$1,014,101	\$950,543	\$866,725
Contributions in Relation to the Contractually Required Contribution	<u>(944,008)</u>	<u>(1,014,101)</u>	<u>(950,543)</u>	<u>(866,725)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
School District Covered Payroll (1) (2)	\$6,742,914	\$7,243,579	\$6,789,593	\$6,190,893
Contributions as a Percentage of Covered Payroll	14.00%	14.00%	14.00%	14.00%

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

(2) Although the covered payroll for the net OPEB liability is the same as the net pension liability, there were no OPEB related required contributions for 2015-2024 as STRS did not allocate any employer contributions to postemployment health care. There is no required supplementary information to present to the statutorily established employer contribution requirements for the net OPEB liability.

See accompanying notes to the required supplementary information

<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
\$814,077	\$754,006	\$724,758	\$674,964	\$673,587	\$616,230
<u>(814,077)</u>	<u>(754,006)</u>	<u>(724,758)</u>	<u>(674,964)</u>	<u>(673,587)</u>	<u>(616,230)</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$5,814,836	\$5,385,757	\$5,176,843	\$4,821,171	\$4,811,336	\$4,401,643
14.00%	14.00%	14.00%	14.00%	14.00%	14.00%

Northridge Local School District, Ohio
Notes to the Required Supplementary Information
For the Fiscal Year Ended June 30, 2024

Net Pension Liability

Changes in Benefit Terms/Assumptions – SERS

Beginning in fiscal year 2018, on each anniversary of the initial retirement, the allowance of all retirees and survivors may be increased by the annual rate of increase in the CPI-W measured as of the June preceding the beginning of the applicable calendar year. The annual rate of increase shall not be less than 0 percent nor greater than 2.5 percent. The COLA was suspended for 2018-2020. Prior to 2018, an assumption of 3 percent was used. For 2021, the cost-of-living adjustment was reduced from 2.5 percent to 2 percent. For 2023 and 2024, the cost-of-living adjustment was increased from 2 percent to 2.5 percent.

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

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

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

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

Changes in Assumptions - STRS

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

Northridge Local School District, Ohio
Notes to the Required Supplementary Information
For the Fiscal Year Ended June 30, 2024

	<u>Fiscal Year 2022</u>	<u>Fiscal Years 2021-2018</u>	<u>Fiscal Years 2017 and Prior</u>
Inflation	2.50 percent	2.50 percent	2.75 percent
Projected salary increases	Varies by Service from 2.5 percent to 8.5 percent	12.50 percent at age 20 to 2.50 percent at age 65	12.25 percent at age 20 to 2.75 percent at age 70
Investment Rate of Return	See Below	See Below	See Below
Payroll Increases	3 percent	3 percent	3.5 percent
Cost-of-Living Adjustment (COLA)	0.0 percent, effective July 1, 2017	0.0 percent, effective July 1, 2017	2 percent simple applied as follows: for members retiring before August 1, 2013, 2 percent per year; for members retiring after August 1, 2013, or later, COLA commences on fifth anniversary of retirement date.

Investment rate of return:

Fiscal Years 2022 through 2024	7.00 percent, net of investment expenses, including inflation
Fiscal Years 2018 through 2021	7.45 percent, net of investment expenses, including inflation
Fiscal Year 2017 and prior	7.75 percent, net of investment expenses, including inflation

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

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

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

Northridge Local School District, Ohio
Notes to the Required Supplementary Information
For the Fiscal Year Ended June 30, 2024

Changes in Benefit Term – STRS Pension

For 2024, demographic assumptions were changed based on the actuarial experience study for the period July 1, 2015, through June 30, 2021.

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

Net OPEB Liability

Changes in Assumptions – SERS

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

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

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

Municipal Bond Index Rate:

Fiscal year 2024	3.86 percent
Fiscal year 2023	3.69 percent
Fiscal year 2022	1.92 percent
Fiscal year 2021	2.45 percent
Fiscal year 2020	3.13 percent
Fiscal year 2019	3.62 percent
Fiscal year 2018	3.56 percent
Fiscal year 2017	2.92 percent

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

Fiscal year 2024	4.27 percent
Fiscal year 2023	4.08 percent
Fiscal year 2022	2.27 percent
Fiscal year 2021	2.63 percent
Fiscal year 2020	3.22 percent
Fiscal year 2019	3.70 percent
Fiscal year 2018	3.63 percent
Fiscal year 2017	2.98 percent

Northridge Local School District, Ohio
Notes to the Required Supplementary Information
For the Fiscal Year Ended June 30, 2024

Changes in Assumptions – STRS

For fiscal year 2018, the discount rate was increased from 3.26 percent to 4.13 percent based on the methodology defined under GASB *Statement No. 74, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans (OPEB)* and the long-term expected rate of return was reduced from 7.75 percent to 7.45 percent. Valuation year per capita health care costs were updated, and the salary scale was modified. The percentage of future retirees electing each option was updated based on current data and the percentage of future disabled retirees and terminated vested participants electing health coverage 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 fiscal year 2019, the discount rate was increased from the blended rate of 4.13 percent to the long-term expected rate of return of 7.45.

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

For fiscal year 2023, the projected salary increases were changed from age-based to service-based. Healthcare trends were updated to reflect emerging claims and recoveries experience.

Changes in Benefit Terms – STRS OPEB

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

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

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

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

Northridge Local School District, Ohio
Notes to the Required Supplementary Information
For the Fiscal Year Ended June 30, 2024

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

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

For fiscal year 2024, healthcare trends were updated to reflect emerging claims and recoveries experience as well as benefit changes effective January 1, 2024.

**NORTHRIDGE LOCAL SCHOOL DISTRICT
LICKING COUNTY**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

Federal Grantor/ Pass thru Grantor/ Program / Cluster Title	Federal AL Number	Pass-Through Entity Identifying Number	Federal Expenditures
U.S. DEPARTMENT OF AGRICULTURE			
<i>Passed through Ohio Department of Education and Workforce:</i>			
Child Nutrition Cluster:			
Non-Cash Assistance (Food Distribution)			
National School Lunch Program	10.555	N/A	\$ 45,528
Cash Assistance			
National School Lunch Program	10.555	N/A	267,613
COVID-19 National School Lunch Program	10.555	N/A	36,559
Total National School Lunch Program			<u>349,700</u>
Cash Assistance			
School Breakfast Program	10.553	N/A	<u>120,232</u>
Total U.S. Department of Agriculture			<u>469,932</u>
U.S. DEPARTMENT OF EDUCATION			
<i>Passed through Ohio Department of Education and Workforce:</i>			
Title I Grants to Local Educational Agencies	84.010A	N/A	174,372
Special Education Cluster:			
Special Education - Grants to States	84.027A	N/A	266,725
IDEA Early Childhood Special Education	84.173A	N/A	294
COVID-19 Special Education - Grants to States	84.027X	N/A	27,847
COVID-19 Special Education - Preschool Grants	84.173X	N/A	2,869
Total Special Education Cluster			<u>297,735</u>
English Language Acquisition State Grants	84.365A	N/A	1,975
Improving Teacher Quality State Grants	84.367A	N/A	36,628
Student Support and Academic Enrichment Program	84.424A	N/A	14,152
Javits Gifted and Talented Students Education	84.206	N/A	257
COVID-19 Education Stabilization Fund:			
COVID-19 Elementary and Secondary School Emergency Relief Fund	84.425D	N/A	13,698
COVID-19 Elementary and Secondary School Emergency Relief Fund - ARP ESSER	84.425U	N/A	346,914
COVID-19 Elementary and Secondary School Emergency Relief Fund - ARP Homeless	84.425W	N/A	9
Total COVID-19 Education Stabilization Fund			<u>360,621</u>
Total U.S. Department of Education			<u>885,740</u>
U.S. DEPARTMENT OF THE TREASURY			
<i>Passed through Ohio Facilities Construction Commission:</i>			
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027	N/A	<u>68,027</u>
Total U.S. Department of the Treasury			<u>68,027</u>
Total Expenditures of Federal Awards			<u>\$ 1,423,699</u>

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

**NORTHBRIDGE LOCAL SCHOOL DISTRICT
LICKING COUNTY**

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
2 CFR 200.510(b)(6)
FOR THE YEAR ENDED JUNE 30, 2024**

NOTE A - BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of the Northridge Local School District, Licking County (the School District) under programs of the federal government for the fiscal year ended June 30, 2024. The information on this Schedule is prepared in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the School District, it is not intended to and does not present the financial position, or changes in net position of the School District.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

NOTE C - INDIRECT COST RATE

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

NOTE D - CHILD NUTRITION CLUSTER

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

NOTE E - FOOD DONATION PROGRAM

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

OHIO AUDITOR OF STATE KEITH FABER



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

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS REQUIRED BY GOVERNMENT AUDITING STANDARDS

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

To the Board of Education:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Northridge Local School District, Licking County, Ohio (the School District) as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements and have issued our report thereon dated March 5, 2025. We also noted the School District adopted new accounting guidance in GASB Implementation Guide No. 2021-1 Question 5.1.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the School District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the School District's internal control. Accordingly, we do not express an opinion on the effectiveness of the School District's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the School District's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the School District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Keith Faber
Auditor of State
Columbus, Ohio

March 5, 2025

OHIO AUDITOR OF STATE KEITH FABER



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

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

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

To the Board of Education:

Report on Compliance for the Major Federal Program

Opinion on the Major Federal Program

We have audited Northridge Local School District's, Licking County, School District compliance with the types of compliance requirements identified as subject to audit in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could have a direct and material effect on Northridge Local School District's major federal program for the year ended June 30, 2024. Northridge Local School District's major federal program is identified in the *Summary of Auditor's Results* section of the accompanying schedule of findings.

In our opinion, Northridge Local School District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2024.

Basis for Opinion on the Major Federal Program

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

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

Responsibilities of Management for Compliance

The School District's Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the School District's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the School District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the School District's compliance with the requirements of the major federal program as a whole.

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

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the School District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of the School District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the School District's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the *Auditor's Responsibilities for the Audit of Compliance* section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of this testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.



Keith Faber
Auditor of State
Columbus, Ohio

March 5, 2025

THIS PAGE INTENTIONALLY LEFT BLANK

**NORTHRIDGE LOCAL SCHOOL DISTRICT
LICKING COUNTY**

**SCHEDULE OF FINDINGS
2 CFR § 200.515
JUNE 30, 2024**

1. SUMMARY OF AUDITOR'S RESULTS

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

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

None.

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None.

THIS PAGE INTENTIONALLY LEFT BLANK

OHIO AUDITOR OF STATE KEITH FABER



NORTHRIDGE LOCAL SCHOOL DISTRICT

LICKING COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

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



Certified for Release 3/27/2025

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

This report is a matter of public record and is available online at
www.ohioauditor.gov