



OHIO AUDITOR OF STATE  
**KEITH FABER**





**NORTH ROYALTON CITY SCHOOL DISTRICT  
CUYAHOGA COUNTY**

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**NORTH ROYALTON CITY SCHOOL DISTRICT  
CUYAHOGA COUNTY**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2023**

FEDERAL GRANTOR <i>Pass Through Grantor</i> Program / Cluster Title	Federal AL Number	Total Federal Expenditures
<b>U.S. DEPARTMENT OF AGRICULTURAL</b>		
<b><i>Passed Through Ohio Department of Education</i></b>		
Child Nutrition Cluster:		
School Breakfast Program	10.553	\$ 325,097
National School Lunch Program	10.555	956,912
COVID-19 National School Lunch Program	10.555	70,949
National School Lunch Program - Non-Cash	10.555	110,576
Total Child Nutrition Cluster		1,463,534
Total U.S. Department of Agricultural		<b>1,463,534</b>
<b>U.S. DEPARTMENT OF TREASURY</b>		
<b><i>Passed Through State of Ohio</i></b>		
COVID-19 Ohio K-12 School Safety Grant Program		150,000
COVID-19 Ohio K-12 School Safety Grant Program - 2021	21.027	150,000
Total COVID-19 Ohio K-12 School Safety Grant Program		150,000
Total U.S. Department of Treasury		<b>150,000</b>
<b>U.S. DEPARTMENT OF EDUCATION</b>		
<b><i>Passed Through Ohio Department of Education</i></b>		
Title I Grants to Local Educational Agencies - 2022	84.010A	2,721
Title I Grants to Local Educational Agencies - 2023	84.010A	380,927
Total Title I Grants to Local Educational Agencies		383,648
Title I Grants - Expanding Opportunities for Each Child - 2022	84.010A	221
Total Title I Grants - Expanding Opportunities for Each Child		221
Total Title I		383,869
Special Education Cluster (IDEA):		
Special Education - Grants to States (IDEA, Part B) - 2022	84.027A	158,141
Special Education - Grants to States (IDEA, Part B) - 2023	84.027A	837,350
Total Special Education - Grants to States (IDEA, Part B)		995,491
COVID-19 Special Education - ARP Grants to States (IDEA, Part B) - 2022	84.027X	4,125
COVID-19 Special Education - ARP Grants to States (IDEA, Part B) - 2023	84.027X	72,715
Total COVID-19 Special Education - ARP Grants to States (IDEA, Part B)		76,840
Special Education - Preschool Grants (IDEA Preschool) - 2022	84.173A	808
Special Education - Preschool Grants (IDEA Preschool) - 2023	84.173A	22,526
Total Special Education - Preschool Grants (IDEA Preschool)		23,334
Total Special Education Cluster (IDEA)		1,095,665
English Language Acquisition State Grants - 2022	84.365A	4,630
English Language Acquisition State Grants - 2023	84.365A	22,693
Total English Language Acquisition State Grants		27,323
Title II, Part A, Supporting Effective Instruction State Grants - 2022	84.367A	5,503
Title II, Part A, Supporting Effective Instruction State Grants - 2023	84.367A	87,668
Total Title II, Part A, Supporting Effective Instruction State Grants		93,171
Student Support and Academic Enrichment Program - 2022	84.424A	13
Student Support and Academic Enrichment Program - 2023	84.424A	27,950
Total Student Support and Academic Enrichment Program		27,963
COVID-19 Education Stabilization Fund:		
COVID-19 Elementary and Secondary Emergency Relief I Fund - 2022	84.425D	1,567
COVID-19 Elementary and Secondary Emergency Relief II Fund - 2022	84.425D	79,501
COVID-19 ARP Elementary and Secondary Emergency Relief Fund - 2022	84.425U	983,703
COVID-19 ARP Elementary and Secondary Emergency Relief Fund - 2023	84.425U	541,577
COVID-19 ARP Homeless Round II - 2022	84.425U	9,862
COVID-19 ARP Homeless Round II - 2023	84.425U	653
Total COVID-19 Education Stabilization Fund		1,616,863
Total U.S. Department of Education		<b>3,244,854</b>
<b>Total Expenditures of Federal Awards</b>		<b>\$ 4,858,388</b>

The accompanying notes are an integral part of this schedule.

**NORTH ROYALTON CITY SCHOOL DISTRICT  
CUYAHOGA COUNTY**

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
2 CFR 200.510(b)(6)  
FOR THE YEAR ENDED JUNE 30, 2023**

**NOTE A – BASIS OF PRESENTATION**

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of North Royalton City School District (the District) under programs of the federal government for the year ended June 30, 2023. 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 District, it is not intended to and does not present the financial position, changes in net position, or cash flows of the District.

**NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Expenditures reported on the Schedule are reported on the cash basis. 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 District has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

**NOTE D - CHILD NUTRITION CLUSTER**

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

**NOTE E – FOOD DONATION PROGRAM**

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

**NOTE F - MATCHING REQUIREMENTS**

Certain Federal programs require the District to contribute non-Federal funds (matching funds) to support the Federally-funded programs. The District has met its matching requirements. The Schedule does not include the expenditure of non-Federal matching funds.

**NOTE G - TRANSFERS BETWEEN PROGRAM YEARS**

Federal regulations require schools to obligate certain federal awards by June 30. However, with ODE's consent, schools can transfer unobligated amounts to the subsequent fiscal year's program. The District transferred the following amounts from 2022 to 2023 programs:

<u>Program Title</u>	<u>AL Number</u>	<u>Amount Transferred</u>
COVID-19 ARP Elementary and Secondary Relief Fund	84.425U	\$1,544,252
COVID-19 Special Education – ARP Grants to States (IDEA, Part B)	84.027X	\$ 72,715
Title I Grants to Local Educational Agencies	84.010A	\$ 1,440
Special Education - Grants to States (IDEA, Part B)	84.027A	\$ 701
Title II, Part A, Supporting Effective Instruction State Grants	84.367A	\$ 999
Student Support and Academic Enrichment Program	84.424A	\$ 45

# OHIO AUDITOR OF STATE KEITH FABER



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

North Royalton City School District  
Cuyahoga County  
6579 Royalton Road  
North Royalton, Ohio 44133

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 North Royalton City School District, Cuyahoga County, (the District) as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated December 28, 2023.

### ***Report on Internal Control Over Financial Reporting***

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



Keith Faber  
Auditor of State  
Columbus, Ohio

December 28, 2023



# OHIO AUDITOR OF STATE KEITH FABER



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## INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE AND ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE

North Royalton City School District  
Cuyahoga County  
6579 Royalton Road  
North Royalton, Ohio 44133

To the Board of Education:

### **Report on Compliance for Each Major Federal Program**

#### ***Opinion on Each Major Federal Program***

We have audited North Royalton City School District's (the 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 each of North Royalton City School District's major federal programs for the year ended June 30, 2023. North Royalton City School District's major federal programs are identified in the *Summary of Auditor's Results* section of the accompanying schedule of findings.

In our opinion, North Royalton City School District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2023.

#### ***Basis for Opinion on Each 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 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 each major federal program. Our audit does not provide a legal determination of the District's compliance with the compliance requirements referred to above.

### ***Responsibilities of Management for Compliance***

The 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 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 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 District's compliance with the requirements of each 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 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 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 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.

***Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance***

We have audited the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of North Royalton City School District (the District) as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements. We issued our unmodified report thereon dated December 28, 2023. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying schedule of expenditures of federal awards is presented for the purposes additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. The schedule is the responsibility of management and was derived from and relates directly to the underlying accounting and other records management used to prepare the basic financial statements. We subjected this schedule to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this schedule 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 taken as a whole.



Keith Faber  
Auditor of State  
Columbus, Ohio

December 28, 2023

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**NORTH ROYALTON CITY SCHOOL DISTRICT  
CUYAHOGA COUNTY**

**SCHEDULE OF FINDINGS  
2 CFR § 200.515  
JUNE 30, 2023**

**1. SUMMARY OF AUDITOR'S RESULTS**

<b>(d)(1)(i)</b>	<b>Type of Financial Statement Opinion</b>	Unmodified
<b>(d)(1)(ii)</b>	<b>Were there any material weaknesses in internal control reported at the financial statement level (GAGAS)?</b>	No
<b>(d)(1)(ii)</b>	<b>Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?</b>	No
<b>(d)(1)(iii)</b>	<b>Was there any reported material noncompliance at the financial statement level (GAGAS)?</b>	No
<b>(d)(1)(iv)</b>	<b>Were there any material weaknesses in internal control reported for major federal programs?</b>	No
<b>(d)(1)(iv)</b>	<b>Were there any significant deficiencies in internal control reported for major federal programs?</b>	No
<b>(d)(1)(v)</b>	<b>Type of Major Programs' Compliance Opinion</b>	Unmodified
<b>(d)(1)(vi)</b>	<b>Are there any reportable findings under 2 CFR § 200.516(a)?</b>	No
<b>(d)(1)(vii)</b>	<b>Major Programs (list):</b>	Special Education Cluster COVID-19 Educational Stabilization Fund – AL #84.425 D, U
<b>(d)(1)(viii)</b>	<b>Dollar Threshold: Type A/B Programs</b>	Type A: > \$ 750,000 Type B: all others
<b>(d)(1)(ix)</b>	<b>Low Risk Auditee under 2 CFR §200.520?</b>	Yes

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

None.

**3. FINDINGS FOR FEDERAL AWARDS**

None.



*North Royalton City School District  
North Royalton, Ohio*



***"We Inspire and Empower Learners"***

*Annual Comprehensive Financial Report  
For the Fiscal Year Ended June 30, 2023*





*North Royalton, Ohio  
City School District*

*Annual Comprehensive Financial Report*

*For the Fiscal Year Ended June 30, 2023*

*Prepared by  
Treasurer's Office  
Biagio Sidoti, CPA  
Treasurer*



# INTRODUCTORY SECTION



**North Royalton City School District**  
*Annual Comprehensive Financial Report*  
*For the Fiscal Year Ended June 30, 2023*  
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# North Royalton City Schools

6579 Royalton Road • North Royalton, Ohio 44133

Phone: (440) 237-8800 • Fax: (440) 582-7336 • [www.northroyaltonsd.org](http://www.northroyaltonsd.org)

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December 28, 2023

Citizens and Board of Education Members  
North Royalton City School District

It is our privilege to present to you the Annual Comprehensive Financial Report of the North Royalton City School District (School District) for the fiscal year ended June 30, 2023. This Annual Comprehensive Financial Report enables the School District to comply with the Ohio Administrative Code Section 117-2-03 (B), which requires reporting on a GAAP (Generally Accepted Accounting Principles) basis, and Ohio Revised Code Section 117.38 which requires school districts reporting on a GAAP basis to file an unaudited annual report with the Auditor of State within 150 days of fiscal year end.

Management assumes full responsibility for the completeness and reliability of the information contained in this Annual Comprehensive Financial Report, based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

Under Ohio law, regular audits are required to be performed on all financial related operations of the School District. These audits may be done by either the Auditor of State's Office or, if the Auditor of State permits, an independent public accounting firm. For fiscal year 2023, the School District was audited by the Auditor of State's Office. Their unmodified opinion is included in the financial section of this Annual Comprehensive Financial Report.

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

## **The School District**

The North Royalton City School District is governed by the Constitution of the State of Ohio and various statutes enacted by the Ohio General Assembly. Under Ohio law, the School District is a separate and distinct unit of government with its own taxing authority. The North Royalton Board of Education is a five-member board, elected at large, with overlapping four-year terms.

The School District is located in Cuyahoga County in northeastern Ohio, 20 miles south of the downtown area of the City of Cleveland and covers 25 square miles. Based on property valuations, the School District includes 99 percent of the City of North Royalton and 22.5 percent of the City of Broadview Heights (1 percent of the City of North Royalton and 77.5 percent of the City of Broadview Heights are in the Brecksville-Broadview Heights City School District). The School District is bounded by the City of Parma on the north, the City of Broadview Heights on the east, the City of Strongsville on the west and Medina County on the south.

North Royalton became a township in 1818, was incorporated as a village in 1927, and became a city in 1961. Early records show that formal schooling began in approximately 1821, with a log schoolhouse on State Road. In 1858, there were 41 students enrolled in the North Royalton School District. On February 13, 1961, North Royalton Local Schools became a City School District.



The North Royalton City School District provides a comprehensive array of programs and services in 3 school buildings: one high school with grades 9 through 12, one middle school with grades 5 through 8, and one elementary school containing pre-kindergarten through grade 4. Course offerings, supplemented by extra-curricular opportunities, afford students with the skills necessary to pursue post-high school educational and career goals.

The students enrolled in the North Royalton City School District attend classes in the following buildings:

- North Royalton High School built in 1950, with additions in 1958, 1976 and 1990 houses students in grades 9 through 12.
- North Royalton Middle School built in 1996 houses students in grades 5 through 8.
- North Royalton Elementary School built in 2021 houses students in grades Kindergarten through 4.

North Royalton's cost-per-pupil is consistently among the lowest for Cuyahoga County school districts. The results of achievement, competency and proficiency testing continue to substantiate the effectiveness of the teaching-learning process in the School District.

### **The Reporting Entity**

The School District has reviewed its reporting entity definition in order to ensure conformance with the Governmental Accounting Standards Board Statement No. 14, "The Financial Reporting Entity," Statement No. 39, "Determining Whether Certain Organizations Are Component Units," and Statement No. 61, "The Financial Reporting Entity: Omnibus; an amendment of GASB Statements No. 14 and No. 34." In evaluating how to define the School District for financial reporting purposes, management has considered all agencies, departments and organizations making up the North Royalton City School District (the primary government) and its potential component units. The School District is not a component unit and has no component units.

The School District is associated with Connect, the Cuyahoga Valley Career Center, the Ohio Schools Council Association and the Suburban Health Consortium, three jointly governed organizations and one shared risk pool.

### **Economic Condition and Outlook**

The City of North Royalton continues to experience a period of growth. The 2020 U.S. Census data reports a population of 31,322 in the City of North Royalton. This represents a 2.9 percent increase since the 2010 census. The median household income is \$70,665.

The North Royalton City School District receives approximately 70 percent of its revenues from local property tax collections. Therefore, the long-term financial health of the School District is very dependent on its tax base. The total assessed value of the School District's tax duplicate increased approximately 32 percent in the last ten years. The value change in the duplicate is due to revisions in property values made by the County Fiscal Officer every three years and new construction taking place in the School District.

Enrollment for fiscal year 2014 was 4,647 students. Enrollment for fiscal year 2023 was 3,955 students. The School District enlists the assistance of a professional demographer to develop enrollment projections. Projections are developed assuming low, moderate and high growth rates in the School District. The last enrollment projections completed in April 2015 indicated the growth in the student population will stabilize and have a gradual decline. Student enrollment projections for fiscal year 2026 estimate an enrollment of 4,062 students.

## **Educational Program**

During fiscal year 2023, the School District's curriculum included a wide range of electives and comprehensive courses of study in college preparatory, liberal arts and technical career programs. The School District offers advanced placement courses at the high school in Calculus AB, Calculus BC, Computer Science Principles, Computer Science A, English Literature and Composition, French Language and Culture, Macroeconomics, Microeconomics, Physics I, Physics II, Psychology, Spanish, Statistics, U.S. Government and Politics, and U.S. History. Additionally, we offer College Credit Plus courses on campus for students through Lorain County Community College in the areas of English Composition I and II and American National Government that are taught by NRCS teachers.

A full range of student activities and athletic programs are available to students at the middle and high school. Some activities are open to all student participants while others, including interscholastic sports, require a try-out process. Competitive sports programs are available via affiliation in the Suburban League for students in grades 7 through 12.

Eighty-nine percent of the 2023 high school graduates indicated they intended to continue their education at the university or college level with 74 percent attending a four-year college and 15 percent attending a two-year college. Of the 329 graduates, one percent of the graduating class will be entering the military, eight percent will enter the workforce and two percent have other plans. The high school offers 189 courses including 50 vocational offerings at Cuyahoga Valley Career Center. Additional academic statistics from the Class of 2023 include: 38 percent received an Honors Diploma, 16 percent were members of the National Honor Society, 28 students graduated Magna Cum Laude and 64 students graduated Summa Cum Laude. Additionally, the class of 2023 had 4 National Merit Commended students and 1 National Merit Finalist.

## **Major Initiatives**

### ***2022-2023 School Year:***

- Implementation of Heggerty Phonemic Awareness curriculum in the primary grade levels to support early literacy skills.
- Professional development and training around supporting English learners in the classroom
- Created a Multidisciplinary Team to analyze student early literacy data to determine intervention and curricular needs.
- Implemented a Flight and Design STEM course in grade 7 and moved the current 7th grade STEM curriculum of Design and Modeling to grade 6.
- Implemented a new Speed, Strength, and Wellness course at the high school level, along with aligned updated health curriculum in grades 8-10.
- Implemented a seventh-grade leadership course as an exploratory nine-week course at the Middle School.
- Implemented a new student information and management system (PowerSchool) for tracking student progress and graduation requirements.

### ***For the Future:***

- Implementation and professional development of a dyslexia screener for grades K-6.
- K-12 math curricular alignment and resource review.
- Implement a fifth-grade exploratory course focused on adolescent brain development, mindset, and goal setting.
- Implement new Advanced Placement courses for English Language and Composition, Biology, and Chemistry.
- Focused Teacher-Based-Team work to identify and implement targeted differentiation and intervention strategies to increase student achievement.
- Alignment of digital citizenship curriculum through School Resource Officers at all levels.
- Curriculum design and implementation plan for mandates in HB 123 and SB 288.

## **Long-Term Planning**

The School District has placed an emphasis on long-term planning. The administrative staff meets yearly to review and discuss staffing levels for the next five years in light of enrollment changes and program requirements. Enrollment projections are completed by professional demographers and the results are analyzed and incorporated into the operating and capital budget projections for the next five year period. Operating budget costs and capital expenditure needs are also reviewed and analyzed during these meetings. The central office administrative staff meets in late July or early August and reviews three years of actual line item expenditures, considers educational and facility needs to establish the current year budget. Our student academic needs and high performance expectations have placed stress on our aging facilities as it relates to our operating and capital budgets. Our community passed an \$88.9 million bond issue in May 2017 along with a .5 mill continuing permanent improvement maintenance fund levy.

## **Relevant Financial Policies**

The Board of Education, in its policy making role, reviews and updates School District policies on a regular basis. The impact of policy changes on School District finances is one part of this review. For example, the Board has adopted a policy requiring intervention services be provided to any student who scores below the proficient level in reading, writing, mathematics, social studies or science proficiency tests, or who does not demonstrate academic performance at their grade level based on the results of a diagnostic assessment.

Intervention services have generally been funded through State and Federal grants. The reduction of those revenue sources has required the School District's general fund to absorb those expenses. In addition, the School District has chosen to increase these services with the implementation of the Response to Intervention process. This is the practice of providing high quality instruction and intervention matched to student need, monitoring progress frequently to make decisions about changes in instructional goals and applying child response data to important educational decisions.

## **Awards**

### ***GFOA Certificate of Achievement***

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to North Royalton City School District for its Annual Comprehensive Financial Report for the fiscal year ended June 30, 2022. The Certificate of Achievement is the highest form of recognition in the area of governmental financial reporting.

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

A Certificate of Achievement is valid for a period of one year only. We believe our current report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to GFOA.

## Acknowledgments

The publication of this report is a significant step toward professionalizing the North Royalton City School District's financial reporting. It enhances the School District's accountability to the residents of the North Royalton City School District.

The preparation of this report would not have been possible without the assistance and support of the staff at the Treasurer's office, various administrators and staff members of the School District. Assistance from the County Fiscal Officer's staff and outside agencies made possible the fair presentation of the statistical data.

Special appreciation is expressed to the Local Government Services Section of State Auditor Keith Faber's office for assistance in planning, designing and reviewing this financial report.

Finally, sincere appreciation is extended to the Board of Education for their support for this project and their continued commitment to excellence.

Respectfully submitted,



Biagio Sidoti, CPA  
Treasurer



Michael Laub  
Superintendent

**North Royalton City School District**

*Principal Officials*

*June 30, 2023*

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***Board of Education***

Dr. John Kelly .....President  
Ms. Anne Reinkober..... Vice President  
Ms. Heidi Dolezal..... Member  
Mr. Jeremiah Sawyer..... Member  
Ms. Lisa Shuck ..... Member

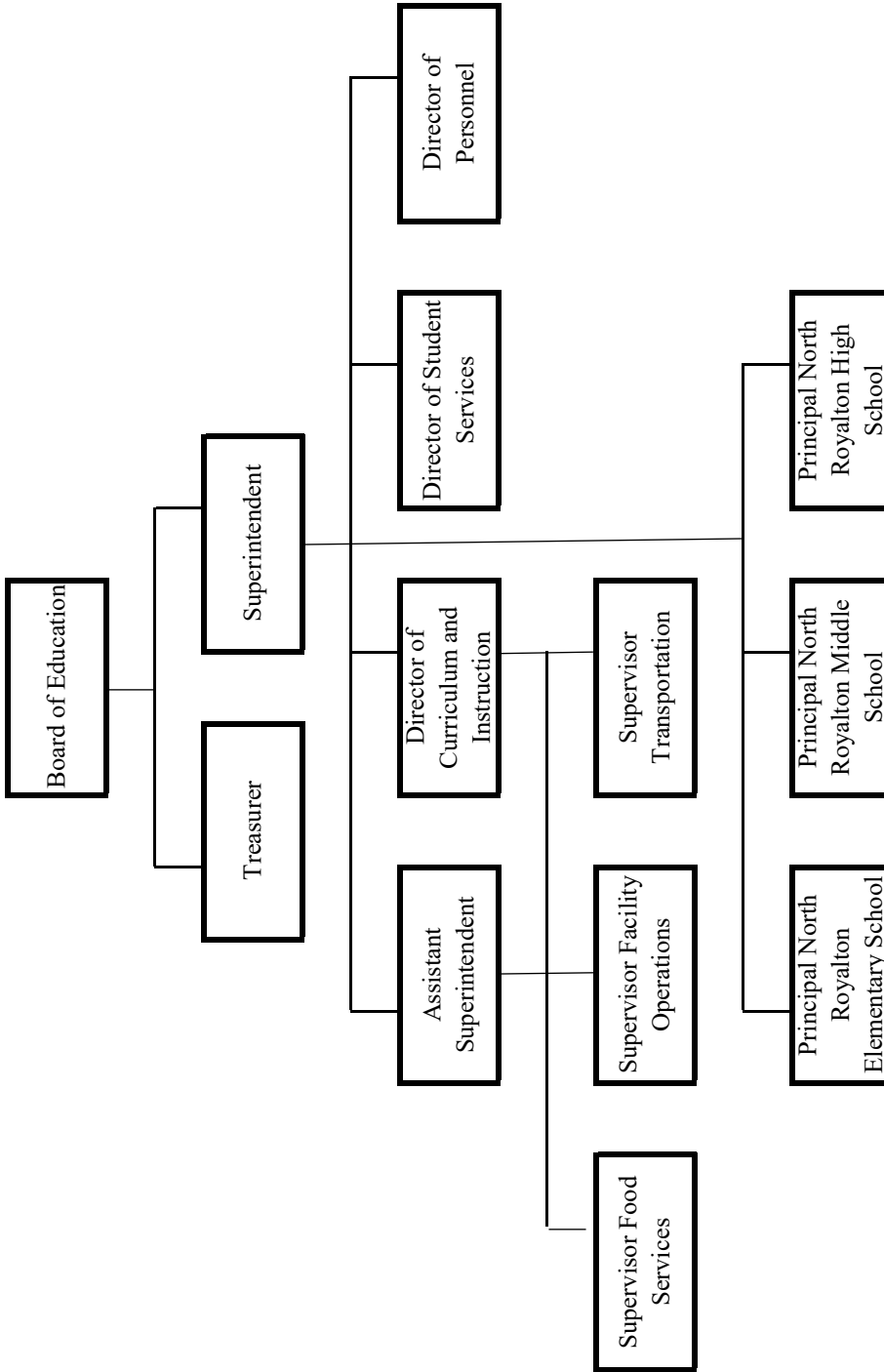
***Treasurer***

Mr. Biagio Sidoti, CPA

***Administration***

Mr. Michael Laub ..... Superintendent  
Mr. Melissa Vojta .....Assistant Superintendent  
Mr. Jeff Cicerchi.....Director of Secondary Curriculum  
Mr. Patrick Farrell .....Director of Human Resources  
Ms. Julie Bogden ..... Director of Pupil Services

**North Royalton City School District  
Organizational Chart  
June 30, 2023**





Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**North Royalton City School District  
Ohio**

For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

June 30, 2022

*Christopher P. Morrill*

Executive Director/CEO

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**FINANCIAL  
SECTION**



# OHIO AUDITOR OF STATE KEITH FABER



88 East Broad Street  
Columbus, Ohio 43215  
ContactUs@ohioauditor.gov  
(800) 282-0370

## INDEPENDENT AUDITOR'S REPORT

North Royalton City School District  
Cuyahoga County  
6579 Royalton Road  
North Royalton, Ohio 44133

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

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the North Royalton City School District, Cuyahoga County, Ohio as of June 30, 2023, and the respective changes in financial position and, where applicable, cash flows thereof and the budgetary comparison for the General Fund for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

#### *Basis for Opinions*

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

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

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

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

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

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

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

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

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

**Required Supplementary Information**

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

**Supplementary Information**

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

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

**Other Information**

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

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

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

In accordance with *Government Auditing Standards*, we will also issue our report dated December 28, 2023, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion of the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.



Keith Faber  
Auditor of State  
Columbus, Ohio

December 28, 2023

**North Royalton City School District**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2023*  
*Unaudited*

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The discussion and analysis of North Royalton City School District's financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2023. The intent of this discussion and analysis is to look at the School District's financial performance as a whole; readers should also review the transmittal letter, the 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 fiscal year 2023 are as follows:

- ❑ Total net position increased during fiscal year 2023, primarily due to the School District completing various capital improvements, increasing capital assets, as well as an increase in the Net OPEB asset. While the net pension liability increased by \$22,133,246, there was a large offsetting decrease in related deferred inflows of \$22,366,638 related to pension. Cash increased from the prior fiscal year by \$4,053,088 as the School District kept expenses relatively the same as the prior fiscal year, while realizing increases in charges for services and sales program revenue, related to food service, and investment earnings/interest revenue.
- ❑ The School District's governmental funds reported an increase in combined fund balances for fiscal year 2023, primarily due to increased property taxes, investment earnings/interest, and charges for services revenues, along with seeing a decrease in expenditures. Expenditures primarily decreased due to less capital outlay expenditures as various building projects concluded.

### **Using this Annual Comprehensive 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 North Royalton City School District as a financial whole, or complete operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities.

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

**North Royalton City School District**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2023*  
*Unaudited*

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## **Reporting the School District as a Whole**

### *Statement of Net Position and the Statement of Activities*

While these statements contain information about the large number of funds used by the School District to provide programs and activities, the view of the School District as a whole looks at all financial transactions and asks the question, "How did we do financially during fiscal year 2023?" The statement of net position and the statement of activities answer this question. These statements include all non-fiduciary 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 net position. This change in net position is important because it tells the reader that, for the School District as a whole the financial position of the School District has improved or diminished. The causes of this change may be the result of many factors, some financial, some not. Non-financial factors include the School District's current property tax base, current property tax laws in Ohio restricting revenue growth, facility conditions, required educational programs and other factors.

In the statement of net position and the statement of activities, all of the School District's activities are classified as governmental. All of the School District's programs and services are reported here including instruction, support services, operation and maintenance of plant, pupil transportation, non-instructional services, operation of food services and extracurricular activities.

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

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 and bond retirement debt service funds.

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

***Proprietary Fund*** The School District maintains a proprietary fund. Internal service funds are an accounting device used to accumulate and allocate costs internally among the School District's various functions. The School District's internal service fund accounts for vision claims self-insurance. The proprietary fund uses the accrual basis of accounting.



**North Royalton City School District**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2023*  
*Unaudited*

**The School District as a Whole**

Recall that the statement of net position provides the perspective of the School District as a whole. Table 1 provides a summary of the School District's net position for fiscal year 2023 compared to 2022:

**Table 1**  
**Net Position**  
**Governmental Activities**

	2023	2022	Change
<b>Assets</b>			
Current and Other Assets	\$89,085,578	\$86,715,511	\$2,370,067
Net OPEB Asset	5,153,960	4,266,633	887,327
Capital Assets, Net of Depreciation	105,827,463	103,621,986	2,205,477
<b>Total Assets</b>	<b>200,067,001</b>	<b>194,604,130</b>	<b>5,462,871</b>
<b>Deferred Outflows of Resources</b>			
Deferred Charge on Refunding	36,408	38,431	(2,023)
Pension	13,049,643	12,871,353	178,290
OPEB	1,174,206	1,312,779	(138,573)
<b>Total Deferred Outflows of Resources</b>	<b>14,260,257</b>	<b>14,222,563</b>	<b>37,694</b>
<b>Liabilities</b>			
Current and Other Liabilities	8,777,856	9,401,383	623,527
Long-Term Liabilities:			
Due Within One Year	2,252,726	2,143,382	(109,344)
Due in More Than One Year:			
Net Pension Liability	55,548,360	33,415,114	(22,133,246)
Net OPEB Liability	3,001,703	3,987,443	985,740
Other Amounts	95,756,027	97,625,886	1,869,859
<b>Total Liabilities</b>	<b>165,336,672</b>	<b>146,573,208</b>	<b>(18,763,464)</b>
<b>Deferred Inflows of Resources</b>			
Property Taxes	44,981,265	45,071,440	90,175
Pension	6,705,038	29,071,676	22,366,638
OPEB	8,137,408	7,865,367	(272,041)
<b>Total Deferred Inflows of Resources</b>	<b>59,823,711</b>	<b>82,008,483</b>	<b>22,184,772</b>
<b>Net Position</b>			
Net Investment in Capital Assets	22,123,871	17,880,417	4,243,454
Restricted	6,043,035	4,087,166	1,955,869
Unrestricted (Deficit)	(39,000,031)	(41,722,581)	2,722,550
<b>Total Net Position</b>	<b>(\$10,833,125)</b>	<b>(\$19,754,998)</b>	<b>\$8,921,873</b>

**North Royalton City School District**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2023*  
*Unaudited*

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The net pension liability (NPL) is one of the largest liabilities reported by the School District at June 30, 2023. 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 previously, 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 in fiscal year 2023, primarily due to investments performing better and an increase in capital assets related to building improvements and renovations within the School District. Total liabilities increased largely due to increases in the STRS and SERS net pension liabilities.

In order to further understand what makes up the changes in net position for the current year, the following table gives readers further details regarding the results of activities for the current year.

**North Royalton City School District**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2023*  
*Unaudited*

Table 2 shows total revenues, expenses and changes in net position for fiscal years 2023 and 2022.

**Table 2**  
Governmental Activities

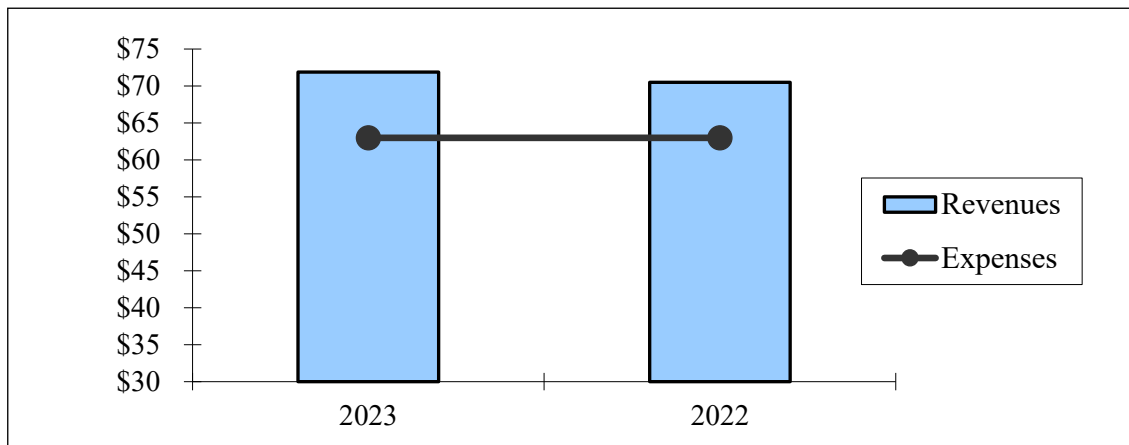
	2023	2022	Change
<b>Program Revenues</b>			
Charges for Services and Sales	\$2,763,657	\$1,868,692	\$894,965
Operating Grants, Contributions and Interest	5,858,344	7,024,541	(1,166,197)
<b>Total Program Revenues</b>	<b>8,622,001</b>	<b>8,893,233</b>	<b>(271,232)</b>
<b>General Revenues</b>			
Property Taxes	50,330,902	50,291,641	39,261
Grants and Entitlements not Restricted to Specific Programs	11,716,727	11,439,692	277,035
Unrestricted Contributions	1,072	0	1,072
Investment Earnings/Interest	1,055,107	(406,624)	1,461,731
Miscellaneous	211,571	283,564	(71,993)
<b>Total General Revenues</b>	<b>63,315,379</b>	<b>61,608,273</b>	<b>1,707,106</b>
<b>Total Revenues</b>	<b>71,937,380</b>	<b>70,501,506</b>	<b>1,435,874</b>
<b>Program Expenses</b>			
Instruction:			
Regular	29,333,645	27,561,900	(1,771,745)
Special	6,611,569	5,633,996	(977,573)
Vocational	59,094	213,687	154,593
Adult/Continuing	0	34	34
Student Intervention Services	16,701	13,912	(2,789)
Support Services:			
Pupil	4,493,446	3,576,056	(917,390)
Instructional Staff	2,406,075	2,657,904	251,829
Board of Education	37,995	35,907	(2,088)
Administration	3,559,023	3,255,460	(303,563)
Fiscal	1,529,603	1,318,868	(210,735)
Business	139,081	325,464	186,383
Operation and Maintenance of Plant	2,943,238	6,449,248	3,506,010
Pupil Transportation	4,043,846	3,720,829	(323,017)
Central	270,461	238,781	(31,680)
Operation of Non-Instructional Services	1,188,291	1,139,480	(48,811)
Operation of Food Services	1,343,244	1,489,740	146,496
Extracurricular Activities	1,587,124	1,859,765	272,641
Interest	3,453,071	3,485,222	32,151
<b>Total Program Expenses</b>	<b>63,015,507</b>	<b>62,976,253</b>	<b>(39,254)</b>
<b>Change in Net Position</b>	<b>8,921,873</b>	<b>7,525,253</b>	<b>1,396,620</b>
<b>Net Position Beginning of Year</b>	<b>(19,754,998)</b>	<b>(27,280,251)</b>	<b>7,525,253</b>
<b>Net Position End of Year</b>	<b>(\$10,833,125)</b>	<b>(\$19,754,998)</b>	<b>\$8,921,873</b>

**North Royalton City School District**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2023*  
*Unaudited*

**Governmental Activities**

**Graph 1**  
 Revenues and Expenses  
 (In Millions)

	2023	2022
Revenues	\$71.9	\$70.5
Expenses	63.0	63.0



During fiscal year 2023, the School District revenues exceeded expenses, while the School District was able to keep expenses similar to the prior fiscal year, as one can see from the preceding graph. Increases in investment earnings/interest and charges for services and sales program revenue were the main drivers for the increase in revenues.

The unique nature of property taxes in Ohio creates the need to routinely seek voter approval for operating funds. The overall revenue generated by a voted levy does not increase solely as a result of inflation. It increases as a result of new construction or collection from a new voted levy. Although school districts experience inflationary growth in expenses, tax revenue does not keep pace with the increased expenses due to House Bill 920. As an example, a homeowner with a home valued at \$100,000 and taxed at 1.0 mill would pay \$35 annually in taxes. If three years later the home was reappraised and increased to \$200,000 (and this inflationary increase in value is comparable to other property owners) the effective tax rate would become 0.5 mills and the owner would still pay less than \$35 and the School District would collect the same dollar value the levy generated in the year it passed. The 10 percent rollback on all residential/agricultural property and the 2.5 percent rollback on all owner occupied homes would reduce the amount of taxes paid. Thus school districts dependent upon property taxes are hampered by a lack of revenue growth and must regularly return to the voters to maintain a constant level of service.

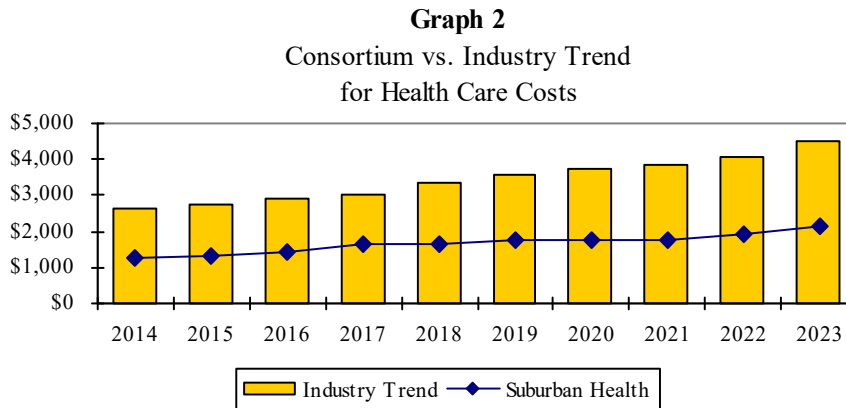
Investment earnings/interest revenue increased due to investments performing better throughout the fiscal year, although the fair value of investments had a negative adjustment at fiscal year end in accordance with GASB 31.

**North Royalton City School District**  
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Total program revenues decreased from the prior fiscal year. While charges for services and sales increased, mainly from food operations, operating grants, contributions and interest was lower than fiscal year 2022 as less COVID-19 money was received.

The School District is a member of the Suburban Health Consortium (the "Consortium"). The Consortium is a shared risk pool created pursuant to State statute for the purpose of maximizing benefits and/or reducing costs of health care benefits. To date the Consortium has been an overwhelming success. The following graph compares the School District's costs for medical and prescription drug insurance as a result of participating in the Consortium versus what the costs would have been if the School District had experienced the health industry inflationary trends for the same time period.



The statement of activities shows the cost of program services and the charges for services and grants offsetting those costs. Table 3 shows, for governmental activities, the total cost of services and the net cost of services. That is, it identifies the cost of these services supported by tax revenue and unrestricted State entitlements.

The deficit amounts indicated in Table 3 should not be construed as something negative; they are merely indicative of whether a particular function of government relies on general revenues for financing or is a net contributor of resources to the School District. The community, as a whole, is by far the primary support for North Royalton City School District students.

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**Table 3**  
 Total and Net Cost of Program Services - Governmental Activities

	2023		2022	
	Total Cost of Services	Net Cost of Services	Total Cost of Services	Net Cost of Services
<b>Program Expenses</b>				
Instruction:				
Regular	\$29,333,645	(\$27,403,069)	\$27,561,900	(\$25,495,546)
Special	6,611,569	(5,358,910)	5,633,996	(4,401,024)
Vocational	59,094	(47,521)	213,687	(197,242)
Adult/Continuing	0	0	34	(34)
Student Intervention Services	16,701	(10,173)	13,912	(7,838)
Support Services:				
Pupil	4,493,446	(4,360,755)	3,576,056	(3,512,458)
Instructional Staff	2,406,075	(2,171,865)	2,657,904	(2,409,970)
Board of Education	37,995	(37,407)	35,907	(35,261)
Administration	3,559,023	(3,507,249)	3,255,460	(3,197,068)
Fiscal	1,529,603	(1,509,144)	1,318,868	(1,297,485)
Business	139,081	(136,884)	325,464	(319,505)
Operation and Maintenance of Plant	2,943,238	(2,505,741)	6,449,248	(6,225,698)
Pupil Transportation	4,043,846	(3,579,203)	3,720,829	(3,522,945)
Central	270,461	(266,516)	238,781	(234,430)
Operation of Non-Instructional Services	1,188,291	68,867	1,139,480	(42,009)
Operation of Food Services	1,343,244	496,167	1,489,740	1,383,122
Extracurricular Activities	1,587,124	(611,032)	1,859,765	(1,082,407)
Interest	3,453,071	(3,453,071)	3,485,222	(3,485,222)
Total Program Expenses	<u>\$63,015,507</u>	<u>(\$54,393,506)</u>	<u>\$62,976,253</u>	<u>(\$54,083,020)</u>

**The School District's Funds**

Information regarding the School District's major funds begins on page 20. These funds are accounted for using the modified accrual basis of accounting. Total governmental funds had an increase in fund balance primarily due to increased property taxes, investment earnings/interest, and charges for services revenue. The general fund had an increase in fund balance for fiscal year 2023 as the result of increases in property taxes and investment earnings/interest, offset slightly by increases in expenditures for regular and special instruction, along with increases for support services related to pupil, administrative, and operation and maintenance of plant. The bond retirement fund continues to make the bonded debt service requirements. The bond retirement fund balance increased due to property tax collections exceeding debt service requirements. Other governmental funds had an increase in fund balance due to revenues exceeding expenditures, primarily due to less capital outlay made out of the building and permanent improvement funds as various building construction and improvements were completed. Revenues decreased mainly due to decreased grant funding. As one can see from the statement of revenues, expenditures and changes in fund balances – governmental funds, property taxes from the communities that comprise the School District are the largest revenue source, accounting for a majority of total revenue.

**North Royalton City School District**  
*Management's Discussion and Analysis*  
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***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 fund to be budgeted is the main operating fund of the School District, the general fund.

During the course of fiscal year 2023, the School District amended its general fund budget several times. The School District uses an operational unit budget process and has in place systems that are designed to tightly control expenses but provide flexibility for program based decisions and management.

The School District likes to take a conservative approach when budgeting. As the fiscal year went on, the School District needed to amend and increase its final certificate of estimated resources by \$1,519,668. The School District increased its final appropriations by \$623,514, overall, with increases being seen in most expenditure lines. Actual revenues and expenditures were mostly in line with final budgets. This is due in large part to the School District's continued commitment to provide a quality education while still controlling costs.

**Capital Assets and Debt Administration**

***Capital Assets***

Capital assets increased for fiscal year 2023. The majority of the capital asset additions were for buildings and improvements related to improvements and renovations within the School District. Ohio law requires school districts to set aside three percent of certain revenues for capital improvements. For fiscal year 2023, this amounted to \$847,164 for the set-aside. See Note 12 to the basic financial statements for additional information on the School District's capital assets and Note 19 for additional information regarding required set-asides.

***Debt Administration***

On July 25, 2017, the School District issued \$88,900,000 in general obligation bonds, which included serial and term bonds. The bonds were issued for the purpose of constructing, renovating, remodeling, rehabilitating, adding to, furnishing, equipping and otherwise improving buildings and facilities, and acquiring, preparing, equipping and otherwise improving real estate for School District purposes. The serial bonds have interest rates ranging from 1.50 to 5.00 percent and a maturity date of December 1, 2041. The term bonds have an interest rate of 5.00 percent and a maturity date of December 1, 2047.

The School District's other obligation consists of 2020 refunding certificates of participation (COPs), which were issued to refund the 2011 certificates of participation.

The School District's overall legal debt margin increased to approximately \$51 million. This is the additional amount of debt the School District could issue. The debt margin increased from fiscal year 2022 due to higher assessed values within the School District and less debt subject to the limit. See Note 14 to the basic financial statements for detail on the School District's long-term obligations.

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**School District Outlook**

The School District has been successful in continuing to maintain its strong academic programs while maintaining one of the lowest per pupil expenditure levels in Cuyahoga County. State funding changes, limited local tax revenue growth inherent with Ohio's tax structure will present the most significant challenges in the future.

During fiscal year 2010, the School District completed a strategic planning process. This process engaged all segments of the community in focus groups and action planning teams. The five year strategic plan was updated in fiscal year 2019 and fiscal year 2023 and is now used to guide the School District's decision making process. During past fiscal years and the current fiscal year, a majority of the action steps included in the plan were initiated and on their way to completion.

The State looked to increase State funding by \$300,000 and \$500,000, respectively, in the 2014-2015 biennium budget. The State of Ohio's 2016-2017 biennium budget projected increases to the School District's State funding by approximately \$460,000 in fiscal year 2016 and an additional \$285,000 in fiscal year 2017, of which a \$257,000 increase was realized in fiscal year 2016 and a \$92,000 loss was realized in fiscal year 2017. The State of Ohio's 2018-2019 biennium budget was projected to remain constant at a base funding level of \$5,797,760 in fiscal years 2018 and 2019. The 2020-2021 biennium budget projected increases to the School District's State funding in the form of student wellness and success funds by approximately \$133,000 in fiscal year 2020 and an additional \$57,000 in fiscal year 2021. The guarantees are included in the biennium budget causing our base funding level to remain constant. Unfortunately, the COVID-19 pandemic caused the State of Ohio to reduce our funding by approximately \$600,000 in fiscal year 2020. The State of Ohio increased the funding level by \$800,000 in fiscal year 2021 netting a two-year increase of \$200,000. The Ohio 2022-2023 biennium budget was signed into law on July 1, 2021. The bill includes the Fair School Funding Plan (HB1) as the basis for funding public education shifting school funding from property value to property value and income wealth. The funding formula is limited to fiscal year 2022 and fiscal year 2023 rather than the six-year phase-in approach. The bill also applied Student Wellness and Success funds received in fiscal year 2020 and fiscal year 2021 to the Disadvantaged Pupil Impact Aid and the base cost. The most recent State of Ohio 2024-2025 biennium budget was signed into law on July 4, 2023. The bill maintained the Fair School Funding Plan, noting fiscal year 2022 data for base cost inputs capacity calculation based on 60 percent property and 40 percent residents' income, increased minimum State share percentage from 5 percent to 10 percent in fiscal year 2024 and fiscal year 2025, and included the Comprehensive Economically Disadvantaged Cost study funding.

The School District was awarded three funding grants of Emergency and Secondary School Emergency Relief (ESSER) fund and one Coronavirus Relief fund from the federal grant program to manage the economic downturn resulting from the Coronavirus Pandemic. The School District was awarded a total of \$4,457,024, comprised of \$290,051 from ESSER, \$1,226,029 from ESSER II, \$2,734,777 from ARP ESSER, and \$206,167 from the Coronavirus Relief fund.

Residential development continues to take place in both the cities of North Royalton and Broadview Heights. Due to the increased enrollment from fiscal year 2003 through 2008, the School District's facilities reached maximum capacity. As a stopgap measure, the School District leased four buildings from the City of Broadview Heights to house preschool and kindergarten students beginning in fiscal year 2005. This freed classroom space at the elementary level and enabled redistricting, achieving a better balance of student enrollment at each of the elementary schools. The School District's enrollment projection, updated in 2015, reflected student enrollment to have a



**North Royalton City School District**  
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slight decline over the next ten years. In light of the most recent enrollment study, the School District decided to terminate its lease with the City of Broadview Heights and create the needed space among the three elementary buildings to house the preschool and kindergarten students beginning in fiscal year 2016.

The School District contracted with an architectural firm and a construction management firm to update the facilities master plan. A citizen advisory group, working with the School District and the firms, prepared a long-term solution to the facilities issues. The Board of Education reviewed and accepted the recommendations and submitted a \$54.3 million bond issue to the community at the November 2012 general election. The bond issue was not approved.

The School District contracted with Triad Research to conduct a random survey of registered voters regarding the facilities issue. The survey results indicated 62 percent of the respondents were definitely or probably for the issue, 30 percent were definitely or probably against, and 8 percent were undecided with an error range of plus or minus 5 percent. Two components of the issue, a new locker room and a transportation facility, were viewed less essential when compared to the other components.

The survey also queried those respondents definitely or probably against the issue if the School District removed the locker room and transportation facility from the issue if that would increase their likelihood of voting for the revised bond issue. The response indicated a positive seven-point swing in favor of the issue with the removal of those two components. The School District placed a bond issue on the November 2013 ballot without the new locker room and transportation facility. This bond issue was also not successful. The School District then placed a \$28.4 million bond issue and a one mill permanent improvement issue on the November 2014 general election. The decision to place the November 2014 issue on the ballot came from community input requesting the amount of the bond to be less than \$30 million, the term of the bonds be less than 35 years and to incorporate a plan that provided for the ongoing maintenance needs of our facilities. This bond issue was not successful.

The School District then contracted with William G. O'Callaghan, Jr. to conduct another community survey and formed a Community Engagement Committee Task Force to engage the community in the form of community meetings to seek input and provide a recommendation to the Board of Education. The Community Engagement Committee Task Force, with the consultation of the Ohio Facilities Construction Commission and an architectural firm, made changes to the School District long-term facilities plan. The Board of Education reviewed and accepted the plan and took formal action to place an \$88.9 million bond issue, along with a .5 mill continuing permanent improvement maintenance fund, on the November 8, 2016 general election. This bond issue was not successful.

The Board of Education unanimously passed a resolution to place the same \$88.9 million bond issue, along with a .5 mill continuing permanent improvement maintenance fund levy, on the May 2, 2017, ballot. The issue passed by 1,945 votes with 6,190 voting for the issue and 4,245 voting against. In fiscal year 2022, we began occupying the new elementary building that replaced three elementary buildings, the improvements to the middle school and the additional and renovations to the high school. The School District is now focused on making the needed improvements to our athletic facilities and transportation and maintenance department, which began construction in September of 2023.

**North Royalton City School District**  
*Management's Discussion and Analysis*  
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On July 9, 2018, the Board of Education passed a resolution to place a \$17,790,000 ten year renewal levy on the November 6, 2018 ballot, which was passed by the voters. The renewal levy will replace a \$6,700,000 levy approved on May 5, 2009, with the last collection occurring in calendar year 2019, a \$6,695,000 levy approved on May 4, 2010, with the last collection occurring in calendar year 2020, and a \$4,395,000 levy approved on November 8, 2011, with the last collection occurring in calendar year 2022. With the passing of the levy, any remaining tax years on the three existing levies will not be collected after tax year 2018.

In conclusion, the School District is in a period of opportunities to shape the educational and financial vision of the School District to prepare our students for twenty-first century learning. Management is committed to working with all stakeholders to complete the construction of facilities and educational plans that will most effectively use the available resources to continue to provide an excellent education to the students of the School District.

**Contacting the School District's Financial Management**

This financial report is designed to provide our citizens, taxpayers, and investors and creditors with a general overview of the School District's finances and to show the School District's accountability for the money it receives. If you have questions about this report or need additional financial information contact Biagio Sidoti, Treasurer at North Royalton City School District, 6579 Royalton Road, North Royalton, Ohio 44133 or E-Mail at [biagio.sidoti@northroyaltonsd.org](mailto:biagio.sidoti@northroyaltonsd.org).

## **Basic Financial Statements**

**North Royalton City School District**

*Statement of Net Position*

*June 30, 2023*

	Governmental Activities
<b>Assets</b>	
Equity in Pooled Cash and Cash Equivalents	\$37,525,815
Intergovernmental Receivable	410,243
Accrued Interest Receivable	67,700
Inventory Held for Resale	13,600
Materials and Supplies Inventory	197,734
Taxes Receivable	50,820,952
Prepaid Items	49,534
Net OPEB Asset (See Note 22)	5,153,960
Nondepreciable Capital Assets	1,110,140
Depreciable Capital Assets, Net	<u>104,717,323</u>
<i>Total Assets</i>	<u>200,067,001</u>
<b>Deferred Outflows of Resources</b>	
Deferred Charge on Refunding	36,408
Pension	13,049,643
OPEB	<u>1,174,206</u>
<i>Total Deferred Outflows of Resources</i>	<u>14,260,257</u>
<b>Liabilities</b>	
Accounts Payable	314,712
Accrued Wages and Benefits	4,786,980
Contracts Payable	56,272
Intergovernmental Payable	1,448,623
Accrued Interest Payable	313,530
Vacation Benefits Payable	207,629
Matured Compensated Absences Payable	28,700
Unearned Revenue	1,605,940
Claims Payable	15,470
Long-Term Liabilities:	
Due Within One Year	2,252,726
Due In More Than One Year:	
Net Pension Liability (See Note 21)	55,548,360
Net OPEB Liability (See Note 22)	3,001,703
Other Amounts Due in More Than One Year	<u>95,756,027</u>
<i>Total Liabilities</i>	<u>165,336,672</u>
<b>Deferred Inflows of Resources</b>	
Property Taxes	44,981,265
Pension	6,705,038
OPEB	<u>8,137,408</u>
<i>Total Deferred Inflows of Resources</i>	<u>59,823,711</u>
<b>Net Position</b>	
Net Investment in Capital Assets	22,123,871
Restricted for:	
Debt Service	542,422
Capital Improvements	2,373,896
Food Service Operations	1,694,602
Local Grants	14,471
Student Activities	162,555
Athletics and Music	153,775
Auxiliary Services	1,852
State Grants	41,300
Unclaimed Funds	21,175
OPEB Plans	1,036,987
Unrestricted (Deficit)	<u>(39,000,031)</u>
<i>Total Net Position</i>	<u><u>(\$10,833,125)</u></u>

See accompanying notes to the basic financial statements

**North Royalton City School District**  
*Statement of Activities*  
For the Fiscal Year Ended June 30, 2023

	Program Revenues			Net (Expense) Revenue and Changes in Net Position
	Expenses	Charges for Services and Sales	Operating Grants, Contributions and Interest	Governmental Activities
<b>Governmental Activities</b>				
Instruction:				
Regular	\$29,333,645	\$556,538	\$1,374,038	(\$27,403,069)
Special	6,611,569	80,318	1,172,341	(5,358,910)
Vocational	59,094	830	10,743	(47,521)
Student Intervention Services	16,701	6,528	0	(10,173)
Support Services:				
Pupil	4,493,446	70,331	62,360	(4,360,755)
Instructional Staff	2,406,075	36,826	197,384	(2,171,865)
Board of Education	37,995	588	0	(37,407)
Administration	3,559,023	51,774	0	(3,507,249)
Fiscal	1,529,603	20,459	0	(1,509,144)
Business	139,081	2,197	0	(136,884)
Operation and Maintenance of Plant	2,943,238	96,387	341,110	(2,505,741)
Pupil Transportation	4,043,846	55,493	409,150	(3,579,203)
Central	270,461	3,945	0	(266,516)
Operation of Non-Instructional Services	1,188,291	459	1,256,699	68,867
Operation of Food Services	1,343,244	994,924	844,487	496,167
Extracurricular Activities	1,587,124	786,060	190,032	(611,032)
Interest	3,453,071	0	0	(3,453,071)
<b>Totals</b>	<b>\$63,015,507</b>	<b>\$2,763,657</b>	<b>\$5,858,344</b>	<b>(54,393,506)</b>

**General Revenues**

Property Taxes Levied for:	
General Purposes	42,811,724
Debt Service	5,780,388
Capital Outlay	1,738,790
Grants and Entitlements not Restricted to Specific Programs	
Unrestricted Contributions	1,072
Investment Earnings/Interest	1,055,107
Miscellaneous	211,571
<b>Total General Revenues</b>	<b>63,315,379</b>
Change in Net Position	8,921,873
<i>Net Position Beginning of Year</i>	<u>(19,754,998)</u>
<i>Net Position End of Year</i>	<u><u>(\$10,833,125)</u></u>

See accompanying notes to the basic financial statements

**North Royalton City School District**

*Balance Sheet  
Governmental Funds  
June 30, 2023*

	General	Bond Retirement	Other Governmental Funds	Total Governmental Funds
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	\$22,778,636	\$8,381,203	\$6,154,269	\$37,314,108
Restricted Assets:				
Equity in Pooled Cash and Cash Equivalents	21,175	0	0	21,175
Property Taxes Receivable	43,158,745	5,891,694	1,770,513	50,820,952
Accrued Interest Receivable	61,484	0	6,216	67,700
Intergovernmental Receivable	64,838	0	345,405	410,243
Interfund Receivable	207,546	0	0	207,546
Prepaid Items	48,859	0	675	49,534
Inventory Held for Resale	0	0	13,600	13,600
Materials and Supplies Inventory	193,713	0	4,021	197,734
<i>Total Assets</i>	<u>\$66,534,996</u>	<u>\$14,272,897</u>	<u>\$8,294,699</u>	<u>\$89,102,592</u>
<b>Liabilities</b>				
Accounts Payable	\$168,529	\$0	\$142,662	\$311,191
Accrued Wages and Benefits	4,622,408	0	161,795	4,784,203
Contracts Payable	0	0	56,272	56,272
Interfund Payable	0	0	207,546	207,546
Intergovernmental Payable	1,408,605	0	40,018	1,448,623
Matured Compensated Absences Payable	28,700	0	0	28,700
Unearned Revenue	0	0	1,605,940	1,605,940
<i>Total Liabilities</i>	<u>6,228,242</u>	<u>0</u>	<u>2,214,233</u>	<u>8,442,475</u>
<b>Deferred Inflows of Resources</b>				
Property Taxes	38,133,690	5,277,585	1,569,990	44,981,265
Unavailable Revenue	1,563,429	183,810	122,166	1,869,405
<i>Total Deferred Inflows of Resources</i>	<u>39,697,119</u>	<u>5,461,395</u>	<u>1,692,156</u>	<u>46,850,670</u>
<b>Fund Balances</b>				
Nonspendable	263,747	0	4,696	268,443
Restricted	0	8,811,502	4,446,293	13,257,795
Committed	0	0	1,200	1,200
Assigned	285,220	0	0	285,220
Unassigned (Deficit)	20,060,668	0	(63,879)	19,996,789
<i>Total Fund Balances</i>	<u>20,609,635</u>	<u>8,811,502</u>	<u>4,388,310</u>	<u>33,809,447</u>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i>	<u>\$66,534,996</u>	<u>\$14,272,897</u>	<u>\$8,294,699</u>	<u>\$89,102,592</u>

See accompanying notes to the basic financial statements

**North Royalton City School District**  
*Reconciliation of Total Governmental Fund Balances to  
 Net Position of Governmental Activities  
 June 30, 2023*

<b>Total Governmental Fund Balances</b>	\$33,809,447
 <i>Amounts reported for governmental activities in the statement of net position are different because:</i>	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	105,827,463
Other long-term assets are not available to pay for current-period expenditures and therefore are unavailable in the funds:	
Delinquent Property Taxes	1,746,519
Intergovernmental	63,879
Tuition and Fees	59,007
Total	1,869,405
An internal service fund is used by management to charge the costs of insurance to individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the statement of net position.	168,764
Deferred outflows of resources represent deferred charges on refundings, which are not reported in the funds.	36,408
In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due.	(313,530)
Vacation benefits payable is not expected to be paid with expendable available financial resources and therefore is not reported in the funds.	(207,629)
Long-term liabilities payable are not due and payable in the current period and therefore are not reported in the funds:	
General Obligation Bonds	(89,554,360)
Certificates of Participation	(2,325,000)
Compensated Absences	(6,129,393)
Total	(98,008,753)
The net OPEB asset and the net pension and net OPEB liabilities are not due and payable in the current period; therefore, the asset/liabilities and related deferred inflows/outflows are not reported in the funds:	
Net OPEB Asset	5,153,960
Deferred Outflows - Pension	13,049,643
Deferred Outflows - OPEB	1,174,206
Net Pension Liability	(55,548,360)
Net OPEB Liability	(3,001,703)
Deferred Inflows - Pension	(6,705,038)
Deferred Inflows - OPEB	(8,137,408)
Total	(54,014,700)
 <i>Net Position of Governmental Activities</i>	 (\$10,833,125)

See accompanying notes to the basic financial statements

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

	General	Bond Retirement	Other Governmental Funds	Total Governmental Funds
<b>Revenues</b>				
Property Taxes	\$43,406,543	\$5,880,052	\$1,765,654	\$51,052,249
Intergovernmental	11,749,538	89,711	5,013,425	16,852,674
Investment Earnings/Interest	990,211	0	128,137	1,118,348
Tuition and Fees	823,241	0	0	823,241
Extracurricular Activities	303,018	0	608,433	911,451
Contributions and Donations	37,119	0	562,702	599,821
Charges for Services	0	0	995,164	995,164
Rentals	29,895	0	49,401	79,296
Miscellaneous	211,546	25	0	211,571
<i>Total Revenues</i>	<u>57,551,111</u>	<u>5,969,788</u>	<u>9,122,916</u>	<u>72,643,815</u>
<b>Expenditures</b>				
Current:				
Instruction:				
Regular	27,253,848	0	635,672	27,889,520
Special	5,455,216	0	1,125,514	6,580,730
Vocational	58,946	0	0	58,946
Student Intervention Services	16,701	0	0	16,701
Support Services:				
Pupil	4,381,526	0	83,487	4,465,013
Instructional Staff	2,617,759	0	197,384	2,815,143
Board of Education	41,721	0	0	41,721
Administration	3,733,749	0	14,338	3,748,087
Fiscal	1,416,031	95,288	28,094	1,539,413
Business	182,793	0	0	182,793
Operation and Maintenance of Plant	4,042,077	0	895,732	4,937,809
Pupil Transportation	3,889,129	0	467,333	4,356,462
Central	273,250	0	0	273,250
Operation of Non-Instructional Services	32,558	0	1,152,174	1,184,732
Operation of Food Services	0	0	1,440,285	1,440,285
Extracurricular Activities	1,106,122	0	860,148	1,966,270
Capital Outlay	0	0	1,615,686	1,615,686
Debt Service:				
Principal Retirement	0	1,800,000	100,000	1,900,000
Interest	0	3,714,400	65,075	3,779,475
<i>Total Expenditures</i>	<u>54,501,426</u>	<u>5,609,688</u>	<u>8,680,922</u>	<u>68,792,036</u>
<i>Excess of Revenues Over Expenditures</i>	<u>3,049,685</u>	<u>360,100</u>	<u>441,994</u>	<u>3,851,779</u>
<b>Other Financing Sources (Uses)</b>				
Transfers In	0	0	100,000	100,000
Transfers Out	(100,000)	0	0	(100,000)
<i>Total Other Financing Sources (Uses)</i>	<u>(100,000)</u>	<u>0</u>	<u>100,000</u>	<u>0</u>
<i>Net Change in Fund Balances</i>	2,949,685	360,100	541,994	3,851,779
<i>Fund Balances Beginning of Year</i>	<u>17,659,950</u>	<u>8,451,402</u>	<u>3,846,316</u>	<u>29,957,668</u>
<i>Fund Balances End of Year</i>	<u>\$20,609,635</u>	<u>\$8,811,502</u>	<u>\$4,388,310</u>	<u>\$33,809,447</u>

See accompanying notes to the basic financial statements



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

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**Net Change in Fund Balances - Total Governmental Funds** \$3,851,779

*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 expense.

This is the amount by which capital outlay exceeded depreciation in the current period:

Capital Outlay	6,016,553	
Depreciation	(3,811,076)	
Total	2,205,477	2,205,477

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds:

Delinquent Property Taxes	(721,347)	
Intergovernmental	60,407	
Tuition and Fees	(45,495)	
Total	(706,435)	(706,435)

Repayment of bond principal and certificates of participation is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. 1,900,000

Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds:

Accrued Interest on Bonds	2,853	
Amortization of Loss on Refunding	(2,023)	
Amortization of Premium on Bonds	325,574	
Total	326,404	326,404

Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds:

Vacation Benefits Payable	(13,766)	
Compensated Absences	(465,059)	
Total	(478,825)	(478,825)

The internal service fund used by management to charge the costs of insurance to individual funds are not reported in the district-wide statements of activities. Governmental fund expenditures and related internal service fund revenues are eliminated. The net revenue (expense) of the internal service fund is allocated among the governmental activities. (50,662)

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

Pension	4,908,870	
OPEB	177,988	
Total	5,086,858	5,086,858

Except for amounts reported as deferred inflows/outflows, changes in the net pension/OPEB asset and liabilities are reported as pension/OPEB expense in the statement of activities:

Pension	(4,497,188)	
OPEB	1,284,465	
Total	(3,212,723)	(3,212,723)

*Change in Net Position of Governmental Activities* \$8,921,873

See accompanying notes to the basic financial statements

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

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>Revenues</b>				
Property Taxes	\$42,363,858	\$43,129,297	\$43,129,297	\$0
Intergovernmental	11,534,200	11,670,283	11,762,550	92,267
Interest	145,170	947,105	1,019,598	72,493
Tuition and Fees	869,530	811,024	811,024	0
Extracurricular Activities	142,560	128,090	129,215	1,125
Contributions and Donations	0	1,072	1,072	0
Rentals	32,000	29,895	29,895	0
Miscellaneous	195,048	124,618	124,618	0
<i>Total Revenues</i>	55,282,366	56,841,384	57,007,269	165,885
<b>Expenditures</b>				
Current:				
Instruction:				
Regular	28,161,727	27,451,815	27,451,815	0
Special	5,046,127	5,418,355	5,418,355	0
Vocational	49,876	50,720	50,720	0
Adult/Continuing	34	0	0	0
Support Services:				
Pupil	3,996,031	4,363,318	4,363,318	0
Instructional Staff	2,741,639	2,791,850	2,791,850	0
Board of Education	40,068	39,172	39,172	0
Administration	3,632,087	3,762,196	3,762,196	0
Fiscal	1,328,759	1,416,412	1,416,412	0
Business	368,119	204,340	204,340	0
Operation and Maintenance of Plant	3,803,397	4,077,883	4,077,883	0
Pupil Transportation	3,861,962	3,969,959	3,969,959	0
Central	272,422	276,025	276,025	0
Operation of Non-Instructional Services	24,779	38,537	38,537	0
Extracurricular Activities	1,005,774	1,095,733	1,095,733	0
<i>Total Expenditures</i>	54,332,801	54,956,315	54,956,315	0
<i>Excess of Revenues Over Expenditures</i>	949,565	1,885,069	2,050,954	165,885
<b>Other Financing Sources (Uses)</b>				
Sale of Capital Assets	39,350	0	0	0
Transfers Out	(100,000)	(100,000)	(100,000)	0
<i>Total Other Financing Sources (Uses)</i>	(60,650)	(100,000)	(100,000)	0
<i>Net Change in Fund Balance</i>	888,915	1,785,069	1,950,954	165,885
<i>Fund Balance Beginning of Year</i>	20,996,649	20,996,649	20,996,649	0
Prior Year Encumbrances Appropriated	178,639	178,639	178,639	0
<i>Fund Balance End of Year</i>	\$22,064,203	\$22,960,357	\$23,126,242	\$165,885

See accompanying notes to the basic financial statements

**North Royalton City School District**

*Statement of Fund Net Position*

*Internal Service Fund*

*June 30, 2023*

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	<u>Self Insurance</u>
<b>Assets</b>	
<i>Current Assets:</i>	
Equity in Pooled Cash and Cash Equivalents	<u>\$190,532</u>
<b>Liabilities</b>	
<i>Current Liabilities:</i>	
Accounts Payable	3,521
Accrued Wages and Benefits	2,777
Claims Payable	<u>15,470</u>
<i>Total Liabilities</i>	<u>21,768</u>
<b>Net Position</b>	
Unrestricted	<u><u>\$168,764</u></u>

See accompanying notes to the basic financial statements

**North Royalton City School District**  
*Statement of Revenues,  
Expenses and Changes in Fund Net Position  
Internal Service Fund  
For the Fiscal Year Ended June 30, 2023*

	<u>Self Insurance</u>
<b>Operating Revenues</b>	
Charges for Services	\$114,283
<b>Operating Expenses</b>	
Fringe Benefits	2,777
Purchased Services	71,858
Claims	90,310
<i>Total Operating Expenses</i>	164,945
<i>Change in Net Position</i>	(50,662)
<i>Net Position Beginning of Year</i>	219,426
<i>Net Position End of Year</i>	\$168,764

See accompanying notes to the basic financial statements

**North Royalton City School District**  
*Statement of Cash Flows*  
*Internal Service Fund*  
For the Fiscal Year Ended June 30, 2023

	<u>Self Insurance</u>
 <i><b>Increase (Decrease) in Cash and Cash Equivalents</b></i>	
 <b>Cash Flows from Operating Activities</b>	
Cash Received from Interfund Services Provided	\$114,283
Cash Payments for Purchased Services	(71,909)
Cash Payments for Claims	(86,760)
<i>Net Decrease in Cash and Cash Equivalents</i>	(44,386)
<i>Cash and Cash Equivalents Beginning of Year</i>	234,918
<i>Cash and Cash Equivalents End of Year</i>	\$190,532
 <b>Reconciliation of Operating Loss to Net Cash Used for Operating Activities</b>	
Operating Loss	(\$50,662)
Adjustments:	
Decrease in Accounts Payable	(51)
Increase in Accrued Wages and Benefits	2,777
Increase in Claims Payable	3,550
<i>Net Cash Used for Operating Activities</i>	(\$44,386)

See accompanying notes to the basic financial statements

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## **North Royalton City School District**

*Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2023*

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### **Note 1 – Description of the School District and Reporting Entity**

North Royalton City 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 is located in a suburban area south of Cleveland, Ohio. It is located in Cuyahoga County and encompasses nearly all of the City of North Royalton and a smaller portion of the City of Broadview Heights. It is staffed by 206 classified employees and 294 certified personnel who provide services to 3,955 students and other community members. The School District currently operates one elementary building, one middle school, one high school, an administrative building, a maintenance garage and a bus garage.

#### ***Reporting Entity***

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

Non-public Schools – Within the School District boundaries, there are various non-public schools. Current State legislature provides funding to these non-public schools. These monies are received and disbursed on behalf of the non-public school by the Treasurer of the School District, as directed by the non-public school. These transactions are reported in a special revenue fund and as a governmental activity of the School District.

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

The School District participates in three jointly governed organizations and a shared risk pool. These organizations are Connect, Cuyahoga Valley Career Center, Ohio Schools Council Association and the Suburban Health Consortium which are presented in Notes 17 and 18 to the basic financial statements.

## North Royalton City School District

*Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2023*

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### **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 as follows.

#### ***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. The activity of the internal service fund is eliminated to avoid "doubling up" revenues and expenses. These statements usually distinguish between those activities of the School District that are governmental and those that are considered business-type. The School District, however, 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, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the School District.

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

#### ***Fund Accounting***

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



## North Royalton City School District

*Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2023*

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

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

**Bond Retirement Fund** The bond retirement fund accounts for and reports property tax and intergovernmental revenues that are restricted for payment of principal and interest on general obligation debt.

The other governmental funds of the School District account for grants and other resources whose uses are restricted, committed, or assigned to a particular purpose.

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

**Internal Service Fund** The internal service fund accounts and reports for financing of services provided by one department or agency to other departments or agencies of the School District on a cost reimbursement basis. The School District's only internal service fund is a self insurance fund that accounts for vision benefits of the School District's employees.

### **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, 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 reconciliations with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

## North Royalton City School District

### *Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2023*

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Like the government-wide statements, all proprietary funds are accounted for on a flow of economic resources measurement focus. All assets and deferred outflows of resources and all liabilities and deferred inflows of resources associated with the operation of these funds are included on the statement of fund net position. The statement of changes in fund net position presents increases (i.e., revenues) and decreases (i.e., expenses) in total net position. The statement of cash flows provides information about how the School District finances and meets the cash flow needs of its internal service fund.

#### ***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 and the statements presented for proprietary funds are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Differences in the accrual and modified accrual basis of accounting arise in the recognition of revenue, in 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 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.

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

***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 the amounts have not yet been earned. The School District recognizes unearned revenue for intergovernmental revenue from grants received before the eligibility requirements are met.

***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, represents 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 deferred charges on refunding and pension and OPEB plans. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The deferred outflows of resources related to pension and OPEB plans are explained in Notes 21 and 22.

## North Royalton City School District

*Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2023*

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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 plans and unavailable revenue. Property taxes represent amounts for which there is an enforceable legal claim as of June 30, 2023, but which were levied to finance fiscal year 2024 operations. These amounts have been recorded as a deferred inflow on both the government-wide statement of net position and 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, intergovernmental revenue, and tuition and fees. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available. The details of these unavailable revenues are identified on the Reconciliation of Total Governmental Fund Balances to Net Position of Governmental Activities found on page 21. Deferred inflows of resources related to pension and OPEB plans are reported on the government-wide statement of net position (see Notes 21 and 22).

***Expenditures/Expenses*** On the accrual basis of accounting, expenses are recognized at the time they are incurred.

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

### ***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.

### ***Budgetary Process***

All funds are legally required to be budgeted and appropriated. The major documents prepared are the tax budget, the appropriation resolution and the certificate of estimated resources, which are prepared on the budgetary basis of accounting. The tax budget demonstrates a need for existing or increased tax rates. The certificate of estimated resources establishes a limit on the amounts that the Board of Education may appropriate. The appropriation resolution is the Board's authorization to spend resources and sets annual limits on expenditures plus encumbrances at a level of control selected by the Board. The legal level of control has been established by the Board of Education at the fund level. Budgetary modifications at this level require a resolution of the Board of Education. The Treasurer has been given authority to allocate Board appropriations to the function and object levels within each fund.

The certificate of estimated resources may be amended during the year if projected increases or decreases in revenue are identified by the School District Treasurer. The amounts reported as the original and final budgeted amounts in the budgetary statements reflect the amounts in the amended certificate that were in effect at the time the original and final appropriations were passed by the Board of Education. Prior to June 30, the Board requested and received an amended certificate in which estimated revenue closely reflects actual revenue for the fiscal year.

**North Royalton City School District**

*Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2023*

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The appropriation resolution is subject to amendment by the Board throughout the fiscal year with the restriction that appropriations may not exceed estimated resources. 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 fiscal years. The amounts reported as the final budgeted amounts represent the final appropriation amounts passed by the Board during the fiscal year. Prior to June 30, the School District passed an amended appropriation measure which closely matched appropriations to expenditures plus encumbrances in the majority of categories.

The scholarship special revenue fund did not have any budgetary activity in fiscal year 2023; therefore, budgetary information is not provided.

***Cash and Cash Equivalents***

To improve cash management, all cash received by the School District is pooled. Monies for all funds are maintained in this pool. Interest in the pool is presented as “equity in pooled cash and cash equivalents” on the financial statements.

During fiscal year 2023, investments were limited to commercial paper, STAR Ohio, the State Treasurer’s Investment Pool, money market accounts, federal home loan bank bonds, federal home loan mortgage corporation bonds, federal national mortgage association bonds, federal farm credit bank bonds, federal agricultural mortgage corporation bonds, Tennessee Valley Authority Power bonds, treasury notes, and negotiable certificates of deposit. Investments are reported at fair value except for commercial paper and STAR Ohio. The School District’s commercial paper is measured at amortized cost, as it is a highly liquid debt instrument with a remaining maturity at the time of purchase of less than one year.

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

For fiscal year 2023, there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates; however, 24 hours advance notice for deposits and withdrawals of \$100 million or more is appreciated. STAR Ohio reserves the right to limit the transaction to \$250 million per day.

Under existing Ohio statutes all investment earnings are assigned to the general fund unless statutorily required to be credited to a specific fund. Investment earnings/interest revenue credited to the general fund during fiscal year 2023 amounted to \$990,211, which includes \$310,729 assigned from other School District funds.

Investments of the cash management pool and investments with an original maturity of three months or less at the time they are purchased by the School District are presented on the financial statements as cash equivalents.

**North Royalton City School District**

*Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2023*

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***Restricted Assets***

Assets are reported as restricted when limitations on their use change in nature or normal understanding of the availability of the asset. Such constraints are either externally imposed by creditors, contributors, grantors, or laws or other governments or imposed by law through constitutional provisions. Restricted assets in the general fund represent money set aside for unclaimed monies.

***Prepaid Items***

Payments made to vendors for services that will benefit periods beyond June 30, 2023, are recorded as prepaid items using the consumption method by recording a current asset for the prepaid amount and reflecting the expenditure/expense in the year in which services are consumed.

***Inventory***

Materials and supplies inventory is reported at cost, while inventory held for resale is presented at the lower of cost or market value, and donated commodities are presented at their entitlement value. Inventories are presented on a first-in, first-out basis and are expended/expensed when used. Inventories consist of materials and supplies held for consumption and donated and purchased food held for resale.

***Capital Assets***

The School District’s only capital assets are general capital assets. General capital assets are those assets not specifically related to activities reported in the proprietary fund. These assets generally result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide statement of net position but are not reported in the fund financial statements.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. The School District was able to estimate the historical cost for the initial reporting of assets by backtrending (i.e., estimating the current replacement cost of the asset to be capitalized and using an appropriate price-level index to deflate the cost 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.

All reported capital assets, except land, 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	15 - 20 years
Buildings and Improvements	40 years
Furniture and Equipment	5 - 15 years
Vehicles	10 years

***Interfund Balances***

On fund financial statements, receivables and payables resulting from short-term interfund loans are classified as “interfund receivables/payables.” These amounts are eliminated in the governmental activities column of the statement of net position.

## **North Royalton City School District**

*Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2023*

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### ***Compensated Absences***

Vacation benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is probable that the School District will compensate the employees for the benefits through paid time off or some other means. The School District records a liability for accumulated unused vacation time when earned for all employees with more than one year of service. Since the School District's policy limits the accrual of vacation time to one year from the employee's anniversary date, the outstanding liability is recorded as "vacation benefits payable" on the statement of net position rather than as a long-term liability.

Sick leave benefits are accrued as a liability using the termination 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 entire compensated absence 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 fund or funds from which the employees who have accumulated leave are paid.

### ***Accrued Liabilities and Long-Term Obligations***

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements, and all payables, accrued liabilities and long-term obligations payable from the proprietary fund are reported on the proprietary fund 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 liabilities should be recognized in the governmental funds to the extent that benefit payments are due and payable and the pension/OPEB plans' fiduciary net position are not sufficient for payment of those benefits. Bonds and other long-term obligations are recognized as a liability on the governmental fund financial statements when due.

### ***Net Position***

Net position represents the difference between all other elements in a statement of financial position. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use through external restrictions imposed by creditors, grantors or laws or regulations of other governments. Restricted net position for OPEB plans represents the corresponding restricted asset amounts after considering the related deferred outflows and deferred inflows.

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

## North Royalton City School District

*Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2023*

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### ***Fund Balances***

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

***Nonspendable*** The nonspendable fund balance category includes amounts that cannot be spent because they are not in spendable form, or legally or contractually required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash.

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

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

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

***Unassigned*** fund balance is the residual classification for the general fund and includes all spendable amounts not contained in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance.

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

### ***Operating Revenues and Expenses***

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the School District, these revenues are charges for services for the self insurance program. Operating expenses are necessary costs that are incurred to provide the goods or services that is the primary activity of the fund. Any revenues and expenses not meeting the definitions of operating are reported as non-operating.

**North Royalton City School District**

*Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2023*

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***Bond Premiums***

On the government-wide financial statements, bond premiums are deferred and amortized over the term of the bonds using the straight line method. Bond premiums are presented as an increase of the face amount of the general obligation bonds payable. On fund financial statements, bond premiums are received in the year the bonds are issued.

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.

***Deferred Charge on Refunding***

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

***Internal Activity***

Transfers between governmental funds are eliminated on the government-wide financial statements. Internal events that are allocations of overhead expenses from one function to another or within the same function are eliminated on the statement of activities. Interfund payments for 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.

***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 on the financial statements and accompanying notes. Actual results may differ from those estimates.

**Note 3 – Change in Accounting Principles**

For fiscal year 2023, the School District implemented Governmental Accounting Standards Board (GASB) No. 91, *Conduit Debt Obligations*, Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, and GASB Statement No. 99, *Omnibus 2022*.

GASB 91 clarifies the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures. The School District did not have any debt that met the definition of conduit debt.



## **North Royalton City School District**

*Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2023*

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GASB Statement 94 improves financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). This Statement also provides guidance for accounting and financial reporting for availability payment arrangements (APAs). The School District did not have any arrangements that met the GASB 94 definition of a PPP or an APA.

GASB Statement 96 provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). These changes were incorporated in the School District's 2023 financial statements. The School District did not have any contracts that met the GASB 96 definition of a SBITA, other than short-term SBITAs.

GASB Statement 99 addresses various issues including items related to leases, PPPs, and SBITAs. The requirements related to PPPs and SBITAs were incorporated with the corresponding GASB 94 and GASB 96 changes identified previously.

### **Note 4 – 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 balance – budget (non-GAAP basis) and actual for the general fund is presented on the budgetary basis to provide a meaningful comparison of actual results with the budget.

The major differences between the budget basis and GAAP basis are as follows:

1. Revenues are recorded when received in cash (budget) as opposed to when susceptible to accrual (GAAP).
2. Investments are reported at cost (budget) rather than fair value (GAAP).
3. Expenditures are recorded when paid in cash (budget) as opposed to when the liability is incurred (GAAP).
4. Encumbrances are treated as expenditures (budget) rather than as restricted, committed, or assigned (GAAP).
5. Budgetary revenues and expenditures of the adult education and public school support funds are classified to general fund for GAAP reporting.

**North Royalton City School District**

*Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2023*

The following table summarizes the adjustments necessary to reconcile the GAAP basis statements to the budgetary basis statements for the general fund:

	Net Change in Fund Balance
GAAP Basis	\$2,949,685
Net Adjustment for Revenue Accruals	(916,956)
Beginning Fair Value Adjustment for Investments	(393,438)
Ending Fair Value Adjustment for Investments	461,874
Net Adjustment for Expenditure Accruals	78,179
Encumbrances	(209,370)
Perspective Difference:	
Adult Education	(2,695)
Public School Support	(16,325)
Budget Basis	<u>\$1,950,954</u>

**Note 5 – Deposits and Investments**

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

Active deposits are public deposits determined to be necessary to meet current demands upon the School District treasury. Active deposits 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 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.

Interim monies held by the School District can 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 obligation or security 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;

**North Royalton City School District**

*Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2023*

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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 division (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);
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.

**Deposits**

***Custodial Credit Risk*** Custodial credit risk for deposits is the risk that in the event of a bank failure, the School District will not be able to recover deposits or collateral securities that are in the possession of an outside party. At June 30, 2023, \$197,531 of the School District's total bank balance of \$1,060,628 was exposed to custodial credit risk because those deposits were uninsured and uncollateralized. One of the School District's financial institutions participates in the Ohio Pooled Collateral System (OPCS) and was approved for a reduced collateral floor of 50 percent resulting in the uninsured and uncollateralized balance.

The School District has no deposit policy for custodial risk beyond the requirements of State statute. Ohio law requires that deposits either be insured or be protected by:

Eligible securities pledged to the School District and deposited with a qualified trustee by the financial institution as security for repayment whose market value at all times shall be at least 105 percent of the deposits being secured; or

**North Royalton City School District**  
*Notes to the Basic Financial Statements*  
For the Fiscal Year Ended June 30, 2023

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. OPCS requires the total market value of the securities pledged to be 102 percent of the deposits being secured or a rate set by the Treasurer of State.

**Investments**

As of June 30, 2023, the School District had the following investments:

Measurement/Investment	Measurement Amount	Maturity	Standard & Poor's Rating	Percent of Total Investments
<b>Amortized Cost:</b>				
Commercial Paper	\$2,766,543	Less Than One Year	A-1/A-1+	7.46 %
<b>Net Asset Value Per Share:</b>				
STAR Ohio	15,071,059	Less Than One Year	AAA	N/A
<b>Fair Value - Level 1 Inputs:</b>				
Money Market Accounts	245,847	Less Than One Year	AAA	N/A
<b>Fair Value - Level 2 Inputs:</b>				
Federal Home Loan Bank Bonds	3,473,358	Less Than Four Years	AA+	9.36
Federal Home Loan Mortgage Corporation Bonds	662,072	Less Than Three Years	AA+	N/A
Federal National Mortgage Association Bonds	680,497	Less Than Three Years	AA+	N/A
Federal Farm Credit Bank Bonds	3,376,988	Less Than Five Years	AA+	9.10
Federal Agricultural Mortgage Corporation Bonds	509,755	Less Than Four Years	AA+	N/A
Tennessee Valley Authority Power Bonds	242,495	Less Than Five Years	N/A	N/A
Treasury Notes	7,970,750	Less Than Five Years	A-1+/AA+	21.48
Negotiable Certificates of Deposit	2,109,529	Less Than Five Years	N/A	5.68
<b>Total Investments</b>	<u>\$37,108,893</u>			

The School District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets. Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The preceding chart identifies the School District's recurring fair value measurements as of June 30, 2023. The money market accounts are measured at fair value and are valued using quoted market prices (Level 1 inputs). The School District's investments measured at fair value are valued using methodologies that incorporate market inputs such as benchmark yields, reported trades, broker/dealer quotes, issuer spreads, two-sided markets, benchmark securities, bids, offers and reference data including market research publications. Market indicators and industry and economic events are also monitored, which could require the need to acquire further market data (Level 2 inputs).

**Interest Rate Risk** As a means of limiting its exposure to fair value losses caused by rising interest rates, the School District's investment policy requires that operating funds be invested primarily in short-term investments maturing within five years from the date of purchase and that the School District's investment portfolio be structured so that securities mature to meet cash requirements for ongoing operations and/or long-term debt payments. The stated intent of the policy is to avoid the need to sell securities prior to maturity.

## North Royalton City School District

Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2023

**Credit Risk** Ohio law requires that STAR Ohio maintain the highest rating provided by at least one nationally recognized standard rating service. The negotiable certificates of deposit are not rated. The School District has no investment policy that addresses credit risk.

**Concentration of Credit Risk** The School District places no limit on the amount it may invest in any one issuer.

### Note 6 – Fund Deficits

At fiscal year-end, the School District had fund deficits in the following funds:

Fund	Deficit
Elementary and Secondary School Emergency Relief	(\$6,661)
Title VI-B	(53,795)
Title I	(3,297)
Preschool Grant	(126)

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 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 distributions are received by the School District in the second half of the fiscal year. Second half tax distributions are received in the first half of the following fiscal year.

Property taxes include amounts levied against all real and public utility located in the School District. Real property tax revenue received in calendar year 2023 represents collections of calendar year 2022 taxes. Real property taxes received in calendar year 2023 were levied after April 1, 2022, on the assessed value listed as of January 1, 2022, 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 revenues received in calendar year 2023 represent the collections of calendar year 2022 taxes. Public utility real taxes received in calendar year 2023 became a lien December 31, 2021, were levied after April 1, 2022 and are collected in calendar year 2023 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 Cuyahoga County. The County Fiscal Officer periodically advances to the School District its portion of the taxes collected. Second-half real property tax payments collected by the County by June 30, 2023, are available to finance fiscal year 2023 operations. The amount available to be advanced can vary based on the date the tax bills are sent.

## North Royalton City School District

Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2023

Accrued property taxes receivable represents the real property and public utility property taxes which were measurable as of June 30, 2023, and for which there is an enforceable legal claim. Although total property tax collections for the next fiscal year are measurable, only the amount of real property taxes available as an advance at June 30 were levied to finance current fiscal year operations and are reported as revenue at fiscal year-end. The portion of the receivable not levied to finance current fiscal year operations is offset by a credit to deferred inflows of resources – property taxes.

The amount available as an advance at June 30, 2023 was \$3,520,633 in the general fund, \$430,299 in the bond retirement debt service fund, and \$142,236 in the permanent improvement capital projects fund. The amount available as an advance at June 30, 2022 was \$3,243,387 in the general fund, \$396,414 in the bond retirement debt service fund, and \$131,035 in the permanent improvement capital projects fund. The difference was in the timing and collection by the County Fiscal Officer.

Collectible delinquent property taxes have been recorded as a receivable and revenue on a full accrual basis. On a modified accrual basis, the revenue has been reported as deferred inflows of resources – unavailable revenue.

The assessed values upon which the fiscal year 2023 taxes were collected are:

	2022 Second Half Collections		2023 First Half Collections	
	Amount	Percent	Amount	Percent
Real Estate	\$1,328,618,560	97.57 %	\$1,333,584,420	97.44 %
Public Utility Personal	33,022,950	2.43	35,045,920	2.56
Total	<u>\$1,361,641,510</u>	<u>100.00 %</u>	<u>\$1,368,630,340</u>	<u>100.00 %</u>
Tax Rate per \$1,000 of Assessed Valuation		\$66.70		\$64.70

The tax rate decreased due to an increase in property tax values in the School District during fiscal year 2023. The increase in property tax values caused the tax rate to decrease so that the bond and emergency levies would meet their collection amounts.

### Note 8 – Tax Abatements

School District property taxes were reduced under Enterprise Zone agreements entered into by an overlapping government – the City of North Royalton. As a result of the agreements, the School District had \$22,962 in taxes abated for fiscal year 2023.

### Note 9 – Receivables

Receivables at June 30, 2023, consisted of taxes, interest, and 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 for delinquent property taxes are expected to be collected within one year. Property taxes, although ultimately collectible, include some portion of delinquencies that will not be collected within one year.

**North Royalton City School District**

*Notes to the Basic Financial Statements*

*For the Fiscal Year Ended June 30, 2023*

At June 30, 2023, the School District had the following intergovernmental receivables:

	<u>Amount</u>
<b><i>Governmental Activities:</i></b>	
Title VI-B	\$193,964
Elementary and Secondary School Emergency Relief Foundation	129,708
Title I	64,838
Class Size Reduction Grant	11,299
Immigrant Education	4,457
Preschool Grant	3,046
	<u>2,931</u>
Total Intergovernmental Receivable	<u><u>\$410,243</u></u>

**Note 10 – Interfund Transactions**

***Interfund Transfers***

The general fund had a transfer of \$100,000 to the athletics and music special revenue fund. The transfer was made to help provide funding for fiscal year 2023.

***Interfund Balances***

Interfund balances at June 30, 2023, consisted of the following:

	<u>Interfund Balances</u>	
	<u>June 30, 2023</u>	
	<u>Receivables</u>	<u>Payables</u>
<b><i>Governmental Activities:</i></b>		
General	<u>\$207,546</u>	<u>\$0</u>
<b><i>Special Revenue:</i></b>		
Elementary and Secondary School Emergency Relief	0	101,995
Title VI-B	0	88,012
Immigrant Education	0	2,276
Title I	0	8,001
Preschool Grant	0	2,805
Class Size Reduction Grant	0	4,457
<i>Total Special Revenue</i>	<u>0</u>	<u>207,546</u>
Totals	<u><u>\$207,546</u></u>	<u><u>\$207,546</u></u>

The advances from the general fund to the special revenue funds were made to support the activities of those funds due to the timing of grant collections. The balances are anticipated to be repaid within one year.

**North Royalton City School District**

*Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2023*

**Note 11 – Fund Balances**

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

Fund Balances	General	Bond Retirement	Other Governmental Funds	Total
<b><i>Nonspendable:</i></b>				
Prepaid Items	\$48,859	\$0	\$675	\$49,534
Inventory	193,713	0	4,021	197,734
Unclaimed Funds	21,175	0	0	21,175
<i>Total Nonspendable</i>	263,747	0	4,696	268,443
<b><i>Restricted for:</i></b>				
Debt Service	0	8,811,502	0	8,811,502
Food Service Operations	0	0	1,756,731	1,756,731
Local Grants	0	0	14,471	14,471
Student Activities	0	0	162,555	162,555
Athletics and Music	0	0	153,775	153,775
Auxiliary Services	0	0	1,852	1,852
State Grants	0	0	41,300	41,300
Capital Improvements	0	0	2,315,609	2,315,609
<i>Total Restricted</i>	0	8,811,502	4,446,293	13,257,795
<b><i>Committed to:</i></b>				
College Scholarships	0	0	1,200	1,200
<b><i>Assigned to:</i></b>				
Purchases on Order:				
Instruction	30,016	0	0	30,016
Support Services	141,569	0	0	141,569
Public School Support	113,635	0	0	113,635
<i>Total Assigned</i>	285,220	0	0	285,220
<b><i>Unassigned (Deficit)</i></b>	20,060,668	0	(63,879)	19,996,789
<b>Total Fund Balances</b>	\$20,609,635	\$8,811,502	\$4,388,310	\$33,809,447



**North Royalton City School District**  
*Notes to the Basic Financial Statements*  
For the Fiscal Year Ended June 30, 2023

**Note 12 – Capital Assets**

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

	Balance 6/30/22	Additions	Deductions	Balance 6/30/23
<i>Capital Assets not being Depreciated:</i>				
Land	\$1,110,140	\$0	\$0	\$1,110,140
<i>Capital Assets being Depreciated:</i>				
Land Improvements	798,573	95,086	0	893,659
Buildings and Improvements	122,511,077	5,179,619	0	127,690,696
Furniture and Equipment	4,075,970	265,743	0	4,341,713
Vehicles	6,125,736	476,105	(300,600)	6,301,241
<i>Total Capital Assets being Depreciated</i>	133,511,356	6,016,553	(300,600)	139,227,309
Less Accumulated Depreciation:				
Land Improvements	(762,540)	(10,807)	0	(773,347)
Buildings and Improvements	(23,438,208)	(3,210,153)	0	(26,648,361)
Furniture and Equipment	(2,879,659)	(185,334)	0	(3,064,993)
Vehicles	(3,919,103)	(404,782)	300,600	(4,023,285)
<i>Total Accumulated Depreciation</i>	(30,999,510)	(3,811,076) *	300,600	(34,509,986)
<i>Total Assets being Depreciated, Net</i>	102,511,846	2,205,477	0	104,717,323
<i>Governmental Activities Capital Assets, Net</i>	\$103,621,986	\$2,205,477	\$0	\$105,827,463

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

Instruction:	
Regular	\$3,317,487
Special	6,165
Support Services:	
Instructional Staff	6,103
Administration	924
Fiscal	1,195
Operation and Maintenance of Plant	48,678
Pupil Transportation	418,515
Operation of Non-Instructional Services	3,559
Operation of Food Service	1,840
Extracurricular Activities	6,610
Total Depreciation Expense	\$3,811,076

**North Royalton City School District**

*Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2023*

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**Note 13 – Other Employee Benefits**

***Compensated Absences***

The criteria for determining vacation and sick leave benefits are derived from negotiated agreements and State laws. Employees earn ten to thirty five days of vacation per fiscal year, depending upon length of service. Accumulated, unused vacation time is paid to employees at the end of each contract year, depending upon negotiated agreements, or 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. A percentage of unused sick time is paid at retirement. All employees who are eligible to retire receive a severance benefit upon retirement limited to what is specified in the respective employment agreements.

***Life Insurance***

The School District provides life insurance and accidental death and dismemberment insurance to most employees from American United Life Insurance Company through the Ohio School Council.

**Note 14 – Long-Term Obligations**

Original issue amounts and interest rates of the School District’s debt issues are as follows:

<u>Debt Issue</u>	<u>Interest Rate</u>	<u>Original Issue</u>	<u>Year of Maturity</u>
<b>2018 School Improvement Bonds:</b>			
Current Interest Serial Bonds	1.50 to 5.00 %	\$60,830,000	2018 to 2041
Current Interest Term Bonds	5.00	28,070,000	2042 to 2047
<b>2020 Refunding Certificates of Participation:</b>			
Current Interest Term Bonds	2.74	2,615,000	2040

**North Royalton City School District**  
*Notes to the Basic Financial Statements*  
For the Fiscal Year Ended June 30, 2023

Changes in long-term obligations of the School District during fiscal year 2023 were as follows:

	Principal Outstanding 6/30/22	Additions	Deductions	Principal Outstanding 6/30/23	Amounts Due in One Year
2018 General Obligation School Improvement Bonds:					
Current Interest Serial Bonds	\$55,145,000	\$0	\$1,800,000	\$53,345,000	\$1,830,000
Current Interest Term Bonds	28,070,000	0	0	28,070,000	0
Unamortized Premium	8,464,934	0	325,574	8,139,360	0
Total 2018 General Obligation School Improvement Bonds	<u>91,679,934</u>	<u>0</u>	<u>2,125,574</u>	<u>89,554,360</u>	<u>1,830,000</u>
<i>Direct Placement:</i>					
2020 Refunding Certificates of Participation:					
Current Interest Term COPs	2,425,000	0	100,000	2,325,000	105,000
Compensated Absences	5,664,334	708,441	243,382	6,129,393	317,726
Net Pension Liability:					
STRS	25,873,761	18,374,391	0	44,248,152	0
SERS	7,541,353	3,758,855	0	11,300,208	0
Total Net Pension Liability	<u>33,415,114</u>	<u>22,133,246</u>	<u>0</u>	<u>55,548,360</u>	<u>0</u>
Net OPEB Liability:					
SERS	3,987,443	0	985,740	3,001,703	0
<i>Total Governmental Activities Long-Term Liabilities</i>	<u>\$137,171,825</u>	<u>\$22,841,687</u>	<u>\$3,454,696</u>	<u>\$156,558,816</u>	<u>\$2,252,726</u>

On July 25, 2017, the School District issued \$88,900,000 in general obligation bonds, which included serial and term bonds in the amounts of \$60,830,000 and \$28,070,000, respectively. The bonds were issued for the purpose of constructing, renovating, remodeling, rehabilitating, adding to, furnishing, equipping and otherwise improving buildings and facilities, and acquiring, preparing, equipping and otherwise improving real estate for School District purposes. The serial bonds have interest rates ranging from 1.50 to 5.00 percent and a maturity date of December 1, 2041. The term bonds have an interest rate of 5.00 percent and a maturity date of December 1, 2047.

The term bonds maturing on December 1, 2047, are subject to mandatory redemption in part by lot pursuant to the terms of the mandatory redemption requirements of the trust agreement, at a redemption price equal to 100 percent of the principal amount deemed, plus interest accrued to the redemption date, on December 1 of the years shown in, and according to, the following schedule:

Year	Amount
2042	\$4,125,000
2043	4,335,000
2044	4,550,000
2045	4,780,000
2046	5,015,000
2047	5,265,000
Total	<u>\$28,070,000</u>

**North Royalton City School District**

*Notes to the Basic Financial Statements  
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On December 10, 2019, the School District issued \$2,615,000 in certificates of participation (COPs) from direct placement to fully refund the remaining 2011 COPs in order to take advantage of lower interest rates. The COPs were issued with an interest rate of 2.74 percent. The COPs were issued for a 21 year period with a final maturity on December 1, 2040. The COPs will be retired through the permanent improvement capital projects fund. Proceeds of \$2,556,140 were deposited in an irrevocable trust with an escrow agent to provide for all future debt payments on the 2011 COPs. As a result, \$2,513,664 of the 2011 COPs was considered defeased and the liability for the refunded COPs has been removed from the School District’s financial statements. At June 30, 2023, \$2,315,000 of the refunded bonds remain outstanding.

The term portion maturing on December 1, 2040, are subject to mandatory redemption in part by lot pursuant to the terms of the mandatory redemption requirements of the trust agreement, at a redemption price equal to 100 percent of the principal amount deemed, plus interest accrued to the redemption date, on December 1 of the years shown in, and according to, the following schedule:

<u>Year</u>	<u>Amount</u>
2023	\$105,000
2024	100,000
2025	105,000
2026	110,000
2027	115,000
2028	115,000
2029	120,000
2030	125,000
2031	125,000
2032	135,000
2033	130,000
2034	135,000
2035	145,000
2036	145,000
2037	145,000
2038	150,000
2039	155,000
2040	165,000
Total	<u>\$2,325,000</u>

The School District’s overall debt margin was \$50,573,233 with an unvoted debt margin of \$1,368,630 at June 30, 2023. Principal, lease payments for COPs, and interest requirements to retire the general obligation bonds and certificates of participation follows:

Fiscal Year	General Obligation Bonds				Certificates of Participation	
	Serial		Term		From Direct Placement	
	Principal	Interest	Principal	Interest	Principal	Interest
2024	\$1,830,000	\$3,662,050	\$0	\$0	\$105,000	\$62,266
2025	1,905,000	3,587,350	0	0	100,000	59,458
2026	1,980,000	3,499,750	0	0	105,000	56,650
2027	2,080,000	3,398,250	0	0	110,000	53,704
2028	2,185,000	3,291,625	0	0	115,000	50,621
2029-2033	12,680,000	14,675,700	0	0	620,000	203,995
2034-2038	15,700,000	11,633,500	0	0	700,000	113,435
2039-2043	14,985,000	6,842,100	4,125,000	1,300,375	470,000	19,729
2044-2048	0	0	23,945,000	3,109,375	0	0
Total	<u>\$53,345,000</u>	<u>\$50,590,325</u>	<u>\$28,070,000</u>	<u>\$4,409,750</u>	<u>\$2,325,000</u>	<u>\$619,858</u>

## North Royalton City School District

*Notes to the Basic Financial Statements  
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The bonds will be paid from the bond retirement fund and the COPs will be paid from the permanent improvement capital projects fund. Compensated absences will be paid from the general fund and the food service fund. There is no repayment schedule for the net pension liability and the net OPEB liability; however, employer pension and OPEB contributions are made from the general fund and the food service fund. For additional information related to the net pension liability and the net OPEB liability (see Notes 21 and 22).

### Note 15 – Risk Management

#### *Property and Liability*

The School District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During fiscal year 2023, the School District contracted with various insurance companies through the Ohio Schools Council Association insurance program. The following is a summary of the School District's insurance coverage as of June 30, 2023:

<u>Company</u>	<u>Coverage</u>	<u>Amount</u>
Liberty Mutual Insurance	Buildings and Contents - Replacement Costs	\$178,647,610
	General Liability:	
	Per occurrence	1,000,000
	Total per year	2,000,000
	Crime Insurance	250,000
	Inland Marine Coverage	784,899
	Automobile Liability	1,000,000
	Uninsured Motorists	75,000
	Commercial Umbrella:	
	Per occurrence	10,000,000
	Total per year	10,000,000
Great American Insurance Company	Cyber:	
	Per occurrence	1,000,000
	Total per year	1,000,000

There has not been a significant reduction in coverage from the prior fiscal year. Settled claims have not exceeded this commercial coverage in any of the past three years.

All employees of the School District are covered by a blanket bond, while certain individuals in policy making roles are covered by separate, higher limit bond coverage.

**North Royalton City School District**

*Notes to the Basic Financial Statements*

*For the Fiscal Year Ended June 30, 2023*

***Employee Health Benefits***

For fiscal year 2023, the School District was a participant in the Suburban Health Consortium (the “Consortium”) to provide employee health, dental and prescription drug benefits. The Consortium is administered by Medical Mutual. Payments are made to the Consortium for the monthly attachment point, monthly stop-loss premiums, and administrative charges. The fiscal agent of the Consortium is the Orange City School District. The Treasurer of the Orange City School District pays monthly for the actual amount of claims processed, the stop-loss premium and the administrative charges. The entire risk of loss transfers to the Consortium upon payment of the premiums.

The School District’s portion of the monthly insurance premiums is as follows:

	Board Share of Premium			
	Certificated Plan		Classified Plan	
	Family	Single	Family	Single
Medical	\$1,426.98	\$672.94	\$1,549.44	\$698.28
Prescription Drug	400.37	178.96	400.37	178.96
Dental	114.18	48.93	114.18	48.93

***Self Insurance***

The School District provides vision benefits for its employees and their covered dependents through its self insurance fund. Vision Service Plan (VSP) administers the plan and reviews all claims paid by the School District.

The claims liability of \$15,470 reported in the internal service fund at June 30, 2023, is based on an estimate provided by the third party administrators and the requirements of GASB Statement No. 30 “Risk Financing Omnibus”, which requires that a liability for unpaid claims cost, including estimates of cost relating to incurred but not reported claims, be reported. The estimate was not affected by incremental claims adjustment expenses and does not include other allocated or unallocated claim adjustment expenses. Management’s expectation is the claims liabilities will be paid within one year. Changes in the fund’s claims liability amount in 2022 and 2023 were as follows:

Fiscal Year	Beginning Balance	Current Year Claims	Claim Payments	Ending Balance
2022	\$15,070	\$78,315	\$81,465	\$11,920
2023	11,920	90,310	86,760	15,470

***Workers’ Compensation***

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

**North Royalton City School District**

*Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2023*

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**Note 16 – 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 is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the general fund or other applicable funds; however, in the opinion of management, the effect of any such disallowed claims on the overall financial position of the School District at June 30, 2023, if applicable, cannot be determined at this time.

***School Foundation***

School District foundation funding is based on the annualized full-time equivalent (FTE) enrollment of each student. The Ohio Department of Education (ODE) is legislatively required to adjust/reconcile funding as enrollment information is updated by schools throughout the State, which can extend past the fiscal year end. As of the date of this report, additional ODE adjustments for fiscal year 2023 have been finalized. A receivable and payable have been recorded on the financial statements.

***Litigation***

The School District is party to legal proceedings. The School District is of the opinion that ultimate disposition of claims will not have a material effect, if any, on the financial condition of the School District.

**Note 17 – Jointly Governed Organizations**

***Connect***

Connect is a jointly governed computer service bureau owned and operated by thirteen public school districts. Connect was formed when the Lakeshore Northeast Ohio Computer Consortium and the Lake Erie Educational Computer Association merged during fiscal year 2012. The primary function of Connect is to provide to its members the support and leadership which enables organizations to achieve their objectives through innovative and cost effective shared technology solutions. Major areas of service provided by Connect include accounting, payroll, inventory, career guidance services, handicapped student tracking, pupil scheduling, attendance reporting and grade reporting. Connect is wholly owned by its member districts and is governed by a Board of Directors (member Superintendents). Connect's Board exercises total control over the operations of the organization including budgeting, appropriating, contracting and designating management. Each participant's degree of control is limited to its representation on the Board. Connect's current membership includes the Educational Service Center of Northeast Ohio and thirteen school districts in Cuyahoga County. Each year, the Board of Directors elects a Chairman, a Vice Chairman, and a Recording Secretary. The Treasurer of the fiscal agent is a nonvoting, ex-officio member of the Board of Directors. The Educational Service Center of Northeast Ohio serves as the fiscal agent of Connect. Each school district supports Connect based upon a per pupil charge dependent upon the software packages used. In fiscal year 2023, the School District paid \$174,392 to Connect. Financial information can be obtained by contacting the Treasurer of the fiscal agent at 6393 Oak Tree Boulevard, Suite 105, Independence, Ohio 44131.

**North Royalton City School District**

*Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2023*

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***Cuyahoga Valley Career Center***

The Cuyahoga Valley Career Center is a joint vocational school which is a jointly governed organization among eleven school districts. Each participating school district appoints one board member to the Cuyahoga Valley Career Center's Board of Education. The Board exercises total control over the operations of the Center including budgeting, appropriating, contracting, and designating management. The students of each participating school district may attend classes offered at the vocational facility. Each participant's control over the operation of the Cuyahoga Valley Career Center is limited to representation on the board. In fiscal year 2023, the School District did not contribute to Cuyahoga Valley Career Center. Financial information can be obtained from the Cuyahoga Valley Career School District, 8001 Brecksville Road, Brecksville, Ohio 44141.

***Ohio Schools Council Association***

The Ohio Schools Council (Council) is a jointly governed organization among 249 members. The jointly governed organization was created by school districts for the purpose of saving money through volume purchases. Each district supports the Council by paying an annual participation fee. Each school district member's superintendent serves as a representative of the Assembly. The Assembly elects five of the Council's Board members and the remaining four are representatives of the Greater Cleveland School Superintendents' Association. The Council operates under a nine-member Board of Directors (the Board). The Board is the policy making authority of the Council. The Board exercises total control over the operations of the Association including budgeting, appropriating, contracting, and designating management. Each participant's degree of control is limited to its representation on the Board. The Board meets monthly September to June. The Board appoints an Executive Director who is responsible for receiving and disbursing funds, investing available funds, preparing financial reports for the Board and Assembly and carrying out such other responsibilities as designated by the Board. In fiscal year 2023, the School District paid \$75,192 to the Council. Financial information can be obtained by contacting the Executive Director of the Ohio Schools Council at 6393 Oak Tree Boulevard, Suite 377, Independence, Ohio 44131.

The School District participates in the Council's natural gas purchase program. This program allows the School District to purchase natural gas at reduced rates. Constellation New Energy (formerly Compass Energy) has been selected as the supplier and program manager. There are currently over 170 participants in the program, including the North Royalton City School District. The participants make monthly payments based on estimated usage. Each September, these estimated payments are compared to their actual usage for the year (July to June). Districts that paid more in estimated billings than their actual billings are issued credits on future billings beginning in September until the credits are exhausted and districts that did not pay enough on estimated billings are invoiced for the difference on the September monthly estimated billing.

**Note 18 – Shared Risk Pool**

The Suburban Health Consortium ("the Consortium") is a shared health risk pool created on October 1, 2001, formed by the Boards of Education of several school districts in northeast Ohio, for the purposes of maximizing benefits and/or reducing costs of group health, life, dental and/or other insurance coverage for their employees and the eligible dependents and designated beneficiaries of such employees. The Consortium was formed and operates as a legally separate entity under Ohio Revised Code Section 9.833. The Board of Directors is the governing body of the Consortium. The Board of Education of each Consortium Member appoints its Superintendent or such Superintendent's designee to be its representative on the Board of Directors. The officers of the Board of Directors consist of a Chairman, Vice-Chairman and Recording Secretary, who are elected at the annual meeting of Board of Directors and serve until the next annual meeting. All of the authority of the Consortium is exercised by or under the direction of the Board of



**North Royalton City School District**

*Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2023*

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Directors. The Board of Directors also set all premiums and other amounts to be paid by the Consortium Members and the Board of Directors have the authority to waive premiums and other payments. All members of the Board of Directors serve without compensation.

The Fiscal Agent shall be the Board of Education responsible for administering the financial transactions of the Consortium (Orange City School District). The Fiscal Agent shall carry out the responsibilities of the Consortium Fund, enter into contracts on behalf of the Consortium as authorized by the Directors and carry out such other responsibilities as approved by the Directors and agreed to by the Fiscal Agent. Each District Member enrolled in a benefit program may require contributions from its employees toward the cost of any benefit program being offered by such District Member, and such contributions shall be included in the payments from such District Member to the Fiscal Agent for such benefit program. Contributions are to be submitted by each District Member, to the Fiscal Agent, required under the terms of the Consortium Agreement and any benefit program in which such District Member is enrolled to the Fiscal Agent on a monthly basis, or as otherwise required in accordance with any benefit program in which such District Member is enrolled. All general administrative costs incurred by the Consortium that are not covered by the premium payments shall be shared equally by the Consortium Members as approved by the Directors, and shall be paid by each Consortium Member upon receipt of notice from the Fiscal Agent that such payment is due. It is the express intention of the Consortium Members that the Consortium Agreement and the Consortium shall continue for an indefinite term, but may be terminated as provided in the Consortium Agreement.

Any Consortium Member wishing to withdraw from participation in the Consortium or any benefit program shall notify the Fiscal Agent at least one hundred eighty (180) days prior to the effective date of withdrawal. Upon withdrawal of a Consortium Member, the Consortium shall pay the run out of all claims for such Consortium Member provided such Consortium Member has paid to the Consortium, prior to the effective date of withdrawal a withdrawal fee in the amount equal to two months' premiums at the Consortium Member's current rate. Payment of the withdrawal fee does not extend insurance coverage for two months. Upon automatic withdrawal, for non-payment of premiums required by the Consortium Agreement, the Consortium shall pay the run out of all claims for such Consortium Member provided that the Consortium has received from such Consortium Member all outstanding and unpaid premiums and other amounts and the withdrawal fee equal to two months' premiums at the Consortium Member's current rates. Any Consortium Member which withdraws from the Consortium pursuant to the Consortium Agreement shall have no claim to the Consortium's assets. Financial information for the Consortium can be obtained from the Treasurer of the Orange City School District (the Fiscal Agent) at 32000 Chagrin Boulevard, Pepper Pike, Ohio 44124.

**Note 19 – Set-Aside Calculation**

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 the end of the fiscal year or offset by similarly restricted resources received during the year must be held in cash at fiscal year-end. These amounts must be carried forward to be used for the same purposes in future years.

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

**North Royalton City School District**  
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	<u>Capital Improvements</u>
Set-aside Balance as of June 30, 2022	\$0
Current Year Set-aside Requirement	847,164
Qualifying Disbursements	<u>(1,834,086)</u>
Totals	<u>(\$986,922)</u>
Set-aside Balance Carried Forward to Future Fiscal Years	<u>\$0</u>
Set-aside Balance as of June 30, 2023	<u>\$0</u>

Although the School District had qualifying disbursements during the fiscal year that reduced the capital acquisition set-aside amounts below zero, these amounts will not be used to reduce the set-aside requirements of future years.

**Note 20 – 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:

<b><i>Governmental:</i></b>	
General	\$209,370
Other Governmental Funds	<u>2,777,645</u>
Total Governmental	<u>\$2,987,015</u>

**Note 21 – 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.

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.

## North Royalton City School District

*Notes to the Basic Financial Statements  
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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 include 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 health care 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 22 for the required OPEB disclosures.

### ***State Teachers Retirement System (STRS)***

Plan Description – School District licensed teachers and other faculty members participate in STRS Ohio, a cost-sharing multiple employer public employee 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 East Broad Street, Columbus, Ohio 43215-3771, by calling (888) 227-7877, or by visiting the STRS website at [www.strsoh.org](http://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.

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, an ad-hoc COLA of 3 percent of the base benefit was granted to eligible benefit recipients to begin on the anniversary of their retirement benefit in fiscal year 2023 as long as they retired prior to July 1, 2018. Eligibility changes will be phased in until August 1, 2023, when retirement eligibility for unreduced benefits will be 5 years of service credit and age 65, or 35 years of service credit and at least age 60.

**North Royalton City School District**

*Notes to the Basic Financial Statements  
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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 5 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 9.53 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 4.47 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 that apply for disability benefits. Members in the DC Plan who become disabled are entitled only to their account balance. Eligible survivors of members who die before service retirement may qualify for monthly benefits. If a member of the DC Plan dies before retirement benefits begin, the member's designated beneficiary is entitled to receive the member's account balance.

Funding Policy – Employer and member contribution rates are established by the State Teachers Retirement Board and limited by Chapter 3307 of the Ohio Revised Code. The 2023 employer and employee contribution rate of 14 percent was equal to the statutory maximum rates. For 2023, the full employer contribution was allocated to pension.

The School District's contractually required contribution to STRS was \$3,782,522 for fiscal year 2023. Of this amount, \$772,714 is reported as an intergovernmental payable.

**North Royalton City School District**

*Notes to the Basic Financial Statements  
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***School Employees Retirement System (SERS)***

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

Age and service requirements for retirement are as follows:

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

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

Annual retirement benefits are calculated based on final average salary multiplied by a percentage that varies based on years of service; 2.2 percent for the first 30 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, 2023, the allocation to pension, death benefits, and Medicare B was 14.0 percent. For fiscal year 2023, the Retirement Board did not allocate any employer contribution to the Health Care Fund.

The School District’s contractually required contribution to SERS was \$1,126,348 for fiscal year 2023. Of this amount, \$89,127 is reported as an intergovernmental payable.

**North Royalton City School District**

*Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2023*

***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, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The School District's proportion of the net pension liability was based on the School District's share of contributions to the pension plan relative to the contributions of all participating entities. Following is information related to the proportionate share and pension expense:

	<u>STRS</u>	<u>SERS</u>	<u>Total</u>
Proportion of the Net Pension Liability:			
Current Measurement Date	0.19904589%	0.20892351%	
Prior Measurement Date	<u>0.20236169%</u>	<u>0.20438880%</u>	
Change in Proportionate Share	<u>-0.00331580%</u>	<u>0.00453471%</u>	
Proportionate Share of the Net Pension Liability	\$44,248,152	\$11,300,208	\$55,548,360
Pension Expense	\$4,336,436	\$160,752	\$4,497,188

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

	<u>STRS</u>	<u>SERS</u>	<u>Total</u>
<b>Deferred Outflows of Resources</b>			
Differences between expected and actual experience	\$566,433	\$457,668	\$1,024,101
Changes of assumptions	5,295,174	111,501	5,406,675
Net difference between projected and actual earnings on pension plan investments	1,539,739	0	1,539,739
Changes in proportionate share and difference between School District contributions and proportionate share of contributions	0	170,258	170,258
School District contributions subsequent to the measurement date	<u>3,782,522</u>	<u>1,126,348</u>	<u>4,908,870</u>
Total Deferred Outflows of Resources	<u>\$11,183,868</u>	<u>\$1,865,775</u>	<u>\$13,049,643</u>
<b>Deferred Inflows of Resources</b>			
Differences between expected and actual experience	\$169,263	\$74,183	\$243,446
Changes of assumptions	3,985,744	0	3,985,744
Net difference between projected and actual earnings on pension plan investments	0	394,326	394,326
Changes in proportionate share and difference between School District contributions and proportionate share of contributions	<u>1,772,220</u>	<u>309,302</u>	<u>2,081,522</u>
Total Deferred Inflows of Resources	<u>\$5,927,227</u>	<u>\$777,811</u>	<u>\$6,705,038</u>

\$4,908,870 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, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

**North Royalton City School District**  
*Notes to the Basic Financial Statements*  
For the Fiscal Year Ended June 30, 2023

	STRS	SERS	Total
Fiscal Year Ending June 30:			
2024	(\$570,282)	(\$176,149)	(\$746,431)
2025	(692,133)	45,761	(646,372)
2026	(1,750,947)	(563,302)	(2,314,249)
2027	4,487,481	655,306	5,142,787
Total	\$1,474,119	(\$38,384)	\$1,435,735

***Actuarial Assumptions – STRS***

Key methods and assumptions used in the June 30, 2022, actuarial valuation are presented as follows:

	June 30, 2022
Inflation	2.50 percent
Salary Increases	From 2.5 percent to 12.5 percent based on age
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

For 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 Disabled Annuitant Table projected forward generationally using mortality improvement scale MP-2020.

For 2021, post-retirement mortality rates are based on 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. Pre-retirement mortality rates are based on RP-2014 Employee Mortality Table, 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.

Actuarial assumptions used in the June 30, 2022, 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.

**North Royalton City School District**

*Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2023*

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

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

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

\*\* 10-year annualized geometric nominal returns, which include the real rate of return and inflation of 2.25 percent, and are 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, 2022. The projection of cash flows used to determine the discount rate assumes that member and employer contributions will be made at the statutory contribution rates in accordance with the rates described previously. For this purpose, only employer contributions that are intended to fund benefits of current plan members and their beneficiaries are included. Based on those assumptions, STRS' fiduciary net position was projected to be available to make all projected future benefit payments to current plan members as of June 30, 2022. 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, 2022.

**Sensitivity of the School District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate** The following table presents the School District's proportionate share of the net pension liability calculated using the current period discount rate assumption of 7.00 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	\$66,842,848	\$44,248,152	\$25,140,033



**North Royalton City School District**

*Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2023*

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***Actuarial Assumptions – SERS***

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

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

Actuarial calculations reflect a long-term perspective. For a newly hired employee, actuarial calculations will 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, 2022, are presented as follows:

	<u>June 30, 2022</u>
Inflation	2.4 percent
Future Salary Increases, including inflation COLA or Ad Hoc COLA	3.25 percent to 13.58 percent 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 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 were 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.

**North Royalton City School District**

*Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2023*

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.

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	2.00 %	(0.45) %
US Equity	24.75	5.37
Non-US Equity Developed	13.50	6.22
Non-US Equity Emerging	6.75	8.22
Fixed Income/Global Bonds	19.00	1.20
Private Equity	11.00	10.05
Real Estate/Real Assets	16.00	4.87
Multi-Asset Strategy	4.00	3.39
Private Debt/Private Credit	3.00	5.38
<b>Total</b>	<b><u>100.00 %</u></b>	

**Discount Rate** The total pension liability for 2022 was calculated using the discount rate of 7.00 percent. The projection of cash flows used to determine the discount rate assumed the contributions from employers and from the members would be computed based on contribution requirements as stipulated by State statute. Projected inflows from investment 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.

**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 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.

	<u>1% Decrease (6.00%)</u>	<u>Current Discount Rate (7.00%)</u>	<u>1% Increase (8.00%)</u>
School District's proportionate share of the net pension liability	\$16,633,367	\$11,300,208	\$6,807,095

**North Royalton City School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2023*

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**Note 22 – Defined Benefit OPEB Plans**

See Note 21 for a description of the net OPEB liability (asset).

***State Teachers Retirement System (STRS)***

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

Funding Policy – Ohio Revised Code Chapter 3307 authorizes STRS to offer the Plan and gives the Retirement Board discretionary authority over how much, if any, of the health care costs will be absorbed by STRS. Active employee members do not contribute to the Health Care Plan. All benefit recipients pay a portion of the health care costs in the form of a monthly premium. Under Ohio law, funding for postemployment health care may be deducted from employer contributions, currently 14 percent of covered payroll. For the fiscal year ended June 30, 2023, STRS did not allocate any employer contributions to postemployment health care.

***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 health care benefits to eligible individuals receiving retirement, disability, and survivor benefits, and to their eligible dependents. Members who retire after June 1, 1986, need 10 years of service credit, exclusive of most types of purchased credit, to qualify to participate in SERS' health care coverage. The following types of credit purchased after January 29, 1981, do not count toward health care coverage eligibility: military, federal, out-of-state, municipal, private school, exempted, and early retirement incentive credit. In addition to age and service retirees, disability benefit recipients and beneficiaries who are receiving monthly benefits due to the death of a member or retiree, are eligible for SERS' health care coverage. Most retirees and dependents choosing SERS' health care coverage are over the age of 65 and therefore enrolled in a fully insured Medicare Advantage plan; however, SERS maintains a traditional, self-insured preferred provider organization for its non-Medicare retiree population. For both groups, SERS offers a self-insured prescription drug program. Health care is a benefit that is permitted, not mandated, by statute. 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](http://www.ohsers.org) under Employers/Audit Resources.

Access to health care for retirees and beneficiaries is permitted in accordance with Section 3309 of the Ohio Revised Code. 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.

**North Royalton City School District**

*Notes to the Basic Financial Statements*

*For the Fiscal Year Ended June 30, 2023*

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 2023, 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 2023, this amount was \$25,000. 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 2023, the School District’s surcharge obligation was \$177,988.

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 \$177,988 for fiscal year 2023, which is reported as an intergovernmental payable.

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

The net OPEB liability (asset) was measured as of June 30, 2022, and the total OPEB liability used to calculate the net OPEB liability (asset) was determined by an actuarial valuation as of that date. The School District's proportion of the net OPEB liability (asset) was based on the School District's share of contributions to the respective retirement systems relative to the contributions of all participating entities. Following is information related to the proportionate share and OPEB expense:

	<u>STRS</u>	<u>SERS</u>	<u>Total</u>
Proportion of the Net OPEB Liability/Asset:			
Current Measurement Date	0.19904589%	0.21379488%	
Prior Measurement Date	<u>0.20236169%</u>	<u>0.21068800%</u>	
Change in Proportionate Share	<u>-0.00331580%</u>	<u>0.00310688%</u>	
 Proportionate Share of the:			
Net OPEB Liability	\$0	\$3,001,703	\$3,001,703
Net OPEB (Asset)	(\$5,153,960)	\$0	(\$5,153,960)
OPEB Expense	(\$985,824)	(\$298,641)	(\$1,284,465)

**North Royalton City School District**

*Notes to the Basic Financial Statements*

*For the Fiscal Year Ended June 30, 2023*

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

	<u>STRS</u>	<u>SERS</u>	<u>Total</u>
<b>Deferred Outflows of Resources</b>			
Differences between expected and actual experience	\$74,714	\$25,234	\$99,948
Changes of assumptions	219,542	477,460	697,002
Net difference between projected and actual earnings on OPEB plan investments	89,718	15,601	105,319
Changes in proportionate share and difference between School District contributions and proportionate share of contributions	2,940	91,009	93,949
School District contributions subsequent to the measurement date	0	177,988	177,988
Total Deferred Outflows of Resources	<u>\$386,914</u>	<u>\$787,292</u>	<u>\$1,174,206</u>
<b>Deferred Inflows of Resources</b>			
Differences between expected and actual experience	\$774,025	\$1,920,110	\$2,694,135
Changes of assumptions	3,654,654	1,232,220	4,886,874
Changes in proportionate share and difference between School District contributions and proportionate share of contributions	75,208	481,191	556,399
Total Deferred Inflows of Resources	<u>\$4,503,887</u>	<u>\$3,633,521</u>	<u>\$8,137,408</u>

\$177,988 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 fiscal year ending June 30, 2024. 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>STRS</u>	<u>SERS</u>	<u>Total</u>
Fiscal Year Ending June 30:			
2024	(\$1,239,155)	(\$697,299)	(\$1,936,454)
2025	(1,180,815)	(677,196)	(1,858,011)
2026	(555,942)	(607,272)	(1,163,214)
2027	(230,306)	(429,256)	(659,562)
2028	(301,452)	(271,371)	(572,823)
Thereafter	<u>(609,303)</u>	<u>(341,823)</u>	<u>(951,126)</u>
Total	<u>(\$4,116,973)</u>	<u>(\$3,024,217)</u>	<u>(\$7,141,190)</u>

**North Royalton City School District**  
*Notes to the Basic Financial Statements*  
For the Fiscal Year Ended June 30, 2023

**Actuarial Assumptions – STRS**

Key methods and assumptions used in the June 30, 2022, actuarial valuation and the June 30, 2021, actuarial valuation are presented as follows:

	June 30, 2022	June 30, 2021
Projected Salary Increases	Varies by service from 2.5 percent to 8.5 percent	Varies by age from 2.5 percent to 12.50 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 3.94 percent ultimate	5.00 percent initial 4 percent ultimate
Medicare	-68.78 percent initial 3.94 percent ultimate	-16.18 percent initial 4 percent ultimate
Prescription Drug:		
Pre-Medicare	9.00 percent initial 3.94 percent ultimate	6.50 percent initial 4 percent ultimate
Medicare	-5.47 percent initial 3.94 percent ultimate	29.98 percent initial 4 percent ultimate

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

For 2022, 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.

For 2021, healthy retirees the mortality rates are 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. For disabled retirees, 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.

Actuarial assumptions used in the June 30, 2022, 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 21.

**North Royalton City School District**

*Notes to the Basic Financial Statements*

*For the Fiscal Year Ended June 30, 2023*

**Discount Rate** The discount rate used to measure the total OPEB liability was 7.00 percent as of June 30, 2022. 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, 2022. 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, 2022.

**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, 2022, calculated using the current period discount rate assumption of 7.00 percent, as well as what the net OPEB asset would be if it were calculated using a discount rate that is one percentage point lower (6.00 percent) or one percentage point higher (8.00 percent) than the current assumption. Also shown is the net OPEB asset as if it were calculated using health care cost trend rates that are one percentage point lower or one percentage point higher than the current health care cost trend rates.

	<u>1% Decrease (6.00%)</u>	<u>Current Discount Rate (7.00%)</u>	<u>1% Increase (8.00%)</u>
School District's proportionate share of the net OPEB (asset)	(\$4,764,701)	(\$5,153,960)	(\$5,487,395)

	<u>1% Decrease</u>	<u>Current Trend Rate</u>	<u>1% Increase</u>
School District's proportionate share of the net OPEB (asset)	(\$5,345,911)	(\$5,153,960)	(\$4,911,670)

**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.

## North Royalton City School District

Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2023

Key methods and assumptions used in calculating the total OPEB liability in the latest actuarial valuation date of June 30, 2022, are presented as follows:

	<u>June 30, 2022</u>
Inflation	2.40 percent
Future Salary Increases, including inflation	
Wage Increases	3.25 percent to 13.58 percent
Investment Rate of Return	7.00 percent net of investment expense, including inflation
Fiduciary Net Position is Projected to be Depleted	2044
Municipal Bond Index Rate:	
Measurement Date	3.69 percent
Prior Measurement Date	1.92 percent
Single Equivalent Interest Rate, net of plan investment expense, including price inflation:	
Measurement Date	4.08 percent
Prior Measurement Date	2.27 percent
Health Care Cost Trend Rate:	
Medicare	5.125 to 4.40 percent
Pre-Medicare	6.75 to 4.40 percent
Medical Trend Assumption	7.00 to 4.40 percent

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 were 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 were based on PUB-2010 General Amount Weighted Below Median Employee mortality table.

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 in 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 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 capital market assumptions developed by the investment consultant are intended for use over a 10-year horizon and may not be useful in setting the long-term rate of return for funding pension plans which covers a longer timeframe. The assumption is intended to be a long-term assumption and is not expected to change absent a significant change in the asset allocation, a change in the inflation assumption, or a fundamental change in the market that alters expected returns in future years.



**North Royalton City School District**

*Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2023*

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 21.

**Discount Rate** The discount rate used to measure the total OPEB liability at June 30, 2022, was 4.08 percent. The discount rate used to measure total OPEB liability prior to June 30, 2021, was 2.27 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 become insufficient to make all projected future benefit payments of current System members by SERS actuaries. The Municipal Bond Index Rate is used in the determination of the SEIR for both the June 30, 2022, and the June 30, 2021, 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 is 3.69 percent at June 30, 2022, and 1.92 percent at June 30, 2021.

**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 and what the net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (3.08 percent) and higher (5.08 percent) than the current discount rate (4.08 percent). Also shown is what the net OPEB liability would be based on health care cost trend rates that are one percentage point lower (6.00 percent decreasing to 3.40 percent) and higher (8.00 percent decreasing to 5.40 percent) than the current rate.

	1% Decrease (3.08%)	Current Discount Rate (4.08%)	1% Increase (5.08%)
School District's proportionate share of the net OPEB liability	\$3,728,160	\$3,001,703	\$2,415,254

	1% Decrease (6.00% decreasing to 3.40%)	Current Trend Rate (7.00% decreasing to 4.40%)	1% Increase (8.00% decreasing to 5.40%)
School District's proportionate share of the net OPEB liability	\$2,314,851	\$3,001,703	\$3,898,841

**Note 23 – 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 2023, the School District received COVID-19 funding. The School District will continue to spend available COVID-19 funding consistent with the applicable program guidelines.

**North Royalton City School District**  
*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 \**

	2023	2022	2021
School District's Proportion of the Net Pension Liability	0.19904589%	0.20236169%	0.20970186%
School District's Proportionate Share of the Net Pension Liability	\$44,248,152	\$25,873,761	\$50,740,388
School District's Covered Payroll	\$25,839,136	\$25,746,593	\$25,223,629
School District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	171.24%	100.49%	201.16%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	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 notes to the required supplementary information

2020	2019	2018	2017	2016	2015	2014
0.20933451%	0.21229566%	0.21425302%	0.21953378%	0.22144609%	0.22414038%	0.22414038%
\$46,293,069	\$46,679,049	\$50,896,264	\$73,484,574	\$61,201,223	\$54,518,698	\$64,942,316
\$24,516,729	\$24,740,529	\$23,662,200	\$23,057,507	\$23,010,607	\$22,912,050	\$23,388,662
188.82%	188.67%	215.10%	318.70%	265.97%	237.95%	277.67%
77.40%	77.30%	75.30%	66.80%	72.10%	74.70%	69.30%

**North Royalton City School District**  
*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 \**

	2023	2022	2021
School District's Proportion of the Net Pension Liability	0.20892351%	0.20438880%	0.22656930%
School District's Proportionate Share of the Net Pension Liability	\$11,300,208	\$7,541,353	\$14,985,771
School District's Covered Payroll	\$7,785,071	\$7,163,229	\$7,827,393
School District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	145.15%	105.28%	191.45%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	75.82%	82.86%	68.55%

\* 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	2014
0.22458500%	0.22239429%	0.22537280%	0.24237750%	0.25051680%	0.25571000%	0.25571000%
\$13,437,315	\$12,736,933	\$13,465,527	\$17,739,798	\$14,294,732	\$12,941,338	\$15,206,253
\$7,672,896	\$7,302,281	\$7,406,293	\$7,546,493	\$7,548,877	\$7,861,656	\$7,327,176
175.13%	174.42%	181.81%	235.07%	189.36%	164.61%	207.53%
70.85%	71.36%	69.50%	62.98%	69.16%	71.70%	65.52%

**North Royalton City School District**  
*Required Supplementary Information*  
*Schedule of the School District's Proportionate Share of the Net OPEB Liability (Asset)*  
*State Teachers Retirement System of Ohio*  
*Last Seven Fiscal Years (1) \**

	2023	2022	2021
School District's Proportion of the Net OPEB Liability/Asset	0.19904589%	0.20236169%	0.20970186%
School District's Proportionate Share of the Net OPEB Liability (Asset)	(\$5,153,960)	(\$4,266,633)	(\$3,685,506)
School District's Covered Payroll	\$25,839,136	\$25,746,593	\$25,223,629
School District's Proportionate Share of the Net OPEB Liability (Asset) as a Percentage OPEB of its Covered Payroll	-19.95%	-16.57%	-14.61%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	230.70%	174.70%	182.10%

(1) Although this schedule is intended to reflect information for ten years, information prior to fiscal year 2017 is not available. An additional column will be added each 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
0.20933451%	0.21229566%	0.21425302%	0.21953378%
(\$3,467,081)	(\$3,411,376)	\$8,359,362	\$11,740,724
\$24,516,729	\$24,740,529	\$23,662,200	\$23,057,507
-14.14%	-13.79%	35.33%	50.92%
174.70%	176.00%	47.10%	37.30%

**North Royalton City School District**  
*Required Supplementary Information*  
*Schedule of the School District's Proportionate Share of the Net OPEB Liability*  
*School Employees Retirement System of Ohio*  
*Last Seven Fiscal Years (1) \**

	2023	2022	2021
School District's Proportion of the Net OPEB Liability	0.21379488%	0.21068800%	0.23088223%
School District's Proportionate Share of the Net OPEB Liability	\$3,001,703	\$3,987,443	\$5,017,826
School District's Covered Payroll	\$7,785,071	\$7,163,229	\$7,827,393
School District's Proportionate Share of the Net OPEB Liability as a Percentage OPEB of its Covered Payroll	38.56%	55.67%	64.11%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	30.34%	24.08%	18.17%

(1) Although this schedule is intended to reflect information for ten years, information prior to fiscal year 2017 is not available. An additional column will be added each 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
0.23049394%	0.22526172%	0.22845940%	0.24533190%
\$5,796,439	\$6,249,368	\$6,131,250	\$6,992,867
\$7,672,896	\$7,302,281	\$7,406,293	\$7,546,493
75.54%	85.58%	82.78%	92.66%
15.57%	13.57%	12.46%	11.49%

**North Royalton City School District**  
*Required Supplementary Information*  
*Schedule of the School District's Contributions*  
*State Teachers Retirement System of Ohio*  
*Last Ten Fiscal Years*

	2023	2022	2021
<b>Net Pension Liability</b>			
Contractually Required Contribution	\$3,782,522	\$3,617,479	\$3,604,523
Contributions in Relation to the Contractually Required Contribution	<u>(3,782,522)</u>	<u>(3,617,479)</u>	<u>(3,604,523)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
School District Covered Payroll (1)	\$27,018,014	\$25,839,136	\$25,746,593
Pension Contributions as a Percentage of Covered Payroll	<u>14.00%</u>	<u>14.00%</u>	<u>14.00%</u>
<b>Net OPEB Liability (Asset)</b>			
Contractually Required Contribution	\$0	\$0	\$0
Contributions in Relation to the Contractually Required Contribution	<u>0</u>	<u>0</u>	<u>0</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
OPEB Contributions as a Percentage of Covered Payroll	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>
Total Contributions as a Percentage of Covered Payroll	<u>14.00%</u>	<u>14.00%</u>	<u>14.00%</u>

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

See accompanying notes to the required supplementary information

2020	2019	2018	2017	2016	2015	2014
\$3,531,308	\$3,432,342	\$3,463,674	\$3,312,708	\$3,228,051	\$3,221,485	\$2,978,567
<u>(3,531,308)</u>	<u>(3,432,342)</u>	<u>(3,463,674)</u>	<u>(3,312,708)</u>	<u>(3,228,051)</u>	<u>(3,221,485)</u>	<u>(2,978,567)</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$25,223,629	\$24,516,729	\$24,740,529	\$23,662,200	\$23,057,507	\$23,010,607	\$22,912,050
<u>14.00%</u>	<u>14.00%</u>	<u>14.00%</u>	<u>14.00%</u>	<u>14.00%</u>	<u>14.00%</u>	<u>13.00%</u>
\$0	\$0	\$0	\$0	\$0	\$0	\$229,120
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(229,120)</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>1.00%</u>
<u>14.00%</u>	<u>14.00%</u>	<u>14.00%</u>	<u>14.00%</u>	<u>14.00%</u>	<u>14.00%</u>	<u>14.00%</u>

**North Royalton City School District**  
*Required Supplementary Information*  
*Schedule of the School District's Contributions*  
*School Employees Retirement System of Ohio*  
*Last Ten Fiscal Years*

	2023	2022	2021
<b>Net Pension Liability</b>			
Contractually Required Contribution	\$1,126,348	\$1,089,910	\$1,002,852
Contributions in Relation to the Contractually Required Contribution	<u>(1,126,348)</u>	<u>(1,089,910)</u>	<u>(1,002,852)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
School District Covered Payroll (1)	\$8,045,343	\$7,785,071	\$7,163,229
Pension Contributions as a Percentage of Covered Payroll	<u>14.00%</u>	<u>14.00%</u>	<u>14.00%</u>
<b>Net OPEB Liability</b>			
Contractually Required Contribution (2)	\$177,988	\$140,483	\$135,054
Contributions in Relation to the Contractually Required Contribution	<u>(177,988)</u>	<u>(140,483)</u>	<u>(135,054)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
OPEB Contributions as a Percentage of Covered Payroll	<u>2.21%</u>	<u>1.80%</u>	<u>1.89%</u>
Total Contributions as a Percentage of Covered Payroll (2)	<u>16.21%</u>	<u>15.80%</u>	<u>15.89%</u>

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

(2) Includes Surcharge

See accompanying notes to the required supplementary information

2020	2019	2018	2017	2016	2015	2014
\$1,095,835	\$1,035,841	\$985,808	\$1,036,881	\$1,056,509	\$994,942	\$1,089,626
(1,095,835)	(1,035,841)	(985,808)	(1,036,881)	(1,056,509)	(994,942)	(1,089,626)
\$0	\$0	\$0	\$0	\$0	\$0	\$0
\$7,827,393	\$7,672,896	\$7,302,281	\$7,406,293	\$7,546,493	\$7,548,877	\$7,861,656
14.00%	13.50%	13.50%	14.00%	14.00%	13.18%	13.86%
\$127,809	\$180,637	\$156,620	\$123,397	\$122,890	\$192,836	\$139,104
(127,809)	(180,637)	(156,620)	(123,397)	(122,890)	(192,836)	(139,104)
\$0	\$0	\$0	\$0	\$0	\$0	\$0
1.63%	2.35%	2.14%	1.67%	1.63%	2.55%	1.77%
15.63%	15.85%	15.64%	15.67%	15.63%	15.73%	15.63%

**North Royalton City School District**  
*Notes to the Required Supplementary Information*  
*For the Fiscal Year Ended June 30, 2023*

**Net Pension Liability**

**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 year 2017 and prior are presented as follows:

	Fiscal Year 2022	Fiscal Years 2021-2018	Fiscal Year 2017 and Prior
Inflation	2.50 percent	2.50 percent	2.75 percent
Projected Salary Increases	From 2.5 percent to 12.5 percent based on age	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	7.00 percent, net of investment expenses, including inflation	7.45 percent, net of investment expenses, including inflation	7.75 percent, net of investment expenses, including inflation
Payroll Increases	3 percent	3 percent	3.5 percent
Cost of Living Adjustments (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 August 1, 2013, or later, 2 percent COLA commences on fifth anniversary of retirement date.

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 Disabled 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 year 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 age 90 and above. Females younger than age 80 are set back four years, one year set back from age 80 through 89, and no set back from age 90 and above.

**Changes in Benefit Terms – STRS**

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.

**North Royalton City School District**  
*Notes to the Required Supplementary Information*  
*For the Fiscal Year Ended June 30, 2023*

**Changes in 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.

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 as follows:

	Fiscal Year 2022	Fiscal Years 2021-2017	Fiscal Year 2016 and Prior
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 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 were 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 report for 2017 through 2021 use mortality rates that are based on the RP-2014 Blue Collar Mortality Table with fully generational projection and a five-year age set-back for both males and females. 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.

***Net OPEB Liability (Asset)***

**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.

**North Royalton City School District**  
*Notes to the Required Supplementary Information*  
*For the Fiscal Year Ended June 30, 2023*

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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 (2.5 percent to 12.50 percent) to service based (2.5 percent to 8.5 percent).

**Changes in Benefit Terms – STRS**

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 were scheduled to 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 were scheduled to 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.

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 calendar year 2022. The Part B monthly reimbursement elimination date was postponed indefinitely.

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



**North Royalton City School District**  
*Notes to the Required Supplementary Information*  
*For the Fiscal Year Ended June 30, 2023*

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**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 as follows:

	2022	2021 and Prior
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 as follows:

Municipal Bond Index Rate:

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 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

# Combining and Individual Fund Statements and Schedules

## Combining Statements – Nonmajor Governmental Funds

### *Nonmajor Special Revenue Funds*

The Special Revenue Funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. Following is a description of the School District's nonmajor special revenue funds:

***Food Service Fund*** – To account for and report restricted grants and charges for services related to the food service operations of the School District.

***Scholarship Fund*** – To account for and report committed assets held by the School District for individuals and/or private organizations which benefit the student body or the local community. This fund did not have any budgetary activity in fiscal year 2023; therefore, budgetary information is not provided.

***Local Grants Fund*** – To account for and report restricted funds received to promote community involvement and volunteer activities between the school and community.

***Student Activities Fund*** – To account for and report restricted funds that belong to the student bodies of the various schools, related to sales and other revenue generating activities to support extracurricular activities.

***Athletics and Music Fund*** – To account for and report gate receipts and other restricted revenues from athletic events and all costs (except supplemental coaching contracts) of the School District's Athletic Program and transportation of the band to and from athletic events.

***Auxiliary Services Fund*** – To account for and report services to non-public schools within the School District which are provided for in State law. Restricted funds are primarily for educational supplies, materials, and testing.

***Network Connectivity Fund*** – To account for and report restricted grant monies appropriated for Ohio Educational Computer Network Connections.

***Miscellaneous State Grants Fund*** – To account for and report restricted grant monies from the State appropriated for miscellaneous purposes.

***Elementary and Secondary School Emergency Relief Fund*** – To account for and report restricted Federal revenues for funding areas impacted by the disruption and closure of schools from COVID-19.

***Title VI-B Fund*** – To account for and report restricted Federal revenues that assist states in identification of handicapped children and provide full educational opportunities to handicapped children at the preschool, elementary and secondary levels. It also accounts for Federal monies used to implement a variety of programs intended to provide instruction for early childhood education.

***Immigrant Education Fund*** – To account for and report restricted Federal revenues received for programs to assist in the public education of immigrants.

***Title I Fund*** – This fund accounts for and report restricted Federal monies used to assist the School District in meeting the special needs of educationally deprived children.

(continued)

## Combining Statements – Nonmajor Governmental Funds (continued)

### *Nonmajor Special Revenue Funds (continued)*

***Drug Free Schools Fund*** – This fund accounts for and report restricted Federal monies used to assist the School District in preventing violence in schools and to strengthen programs preventing the illegal use of alcohol, tobacco, and drugs.

***Preschool Grant Fund*** – To account for and report restricted Federal monies which provide for the cost of developing a public school preschool for handicapped and non-handicapped children.

***Class Size Reduction Grant Fund*** – To account for and report restricted grant monies to hire additional classroom teachers so the number of students per teacher will be reduced.

***Miscellaneous Federal Grants Fund*** – To account for and report restricted Federal grant monies appropriated for miscellaneous purposes.

***Adult Education Fund*** – To account for and report revenues and expenditures involved in upgrading and retraining out-of-school youths and adults for the purpose of improving their skills and knowledge in their occupation or planned occupation as well as providing educational services including preschool. This fund is included with the general fund for GAAP reporting as it does not have a restricted or committed revenue source.

***Public School Support Fund*** – To account for and report school site sales revenue and expenditure for field trips, assemblies and other activity costs. This fund is included with the general fund for GAAP reporting as it does not have a restricted or committed revenue source.

### *Nonmajor Capital Projects Funds*

The Capital Projects Fund is used to account for financial resources that are restricted, committed or assigned to expenditures for capital outlays including the acquisition or construction of major capital facilities and other capital assets, other than those financed by proprietary fund or for assets that will be held in trust. Following is a description of the nonmajor capital project fund:

***Permanent Improvement Fund*** – To account for and report property tax levy proceeds and all restricted transactions related to the acquiring, construction, or improving of such permanent improvements as are authorized by Chapter 5705, Revised Code.

***Building Fund*** – To account for and report restricted bond proceeds used for the building, restoration, and improvement of the School District property.

**North Royalton City School District**  
*Combining Balance Sheet*  
*Nonmajor Governmental Funds*  
*June 30, 2023*

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
<b>Assets</b>			
Equity in Pooled Cash and Cash Equivalents	\$3,955,176	\$2,199,093	\$6,154,269
Property Taxes Receivable	0	1,770,513	1,770,513
Accrued Interest Receivable	6,216	0	6,216
Intergovernmental Receivable	345,405	0	345,405
Prepaid Items	675	0	675
Inventory Held for Resale	13,600	0	13,600
Materials and Supplies Inventory	4,021	0	4,021
<i>Total Assets</i>	<u>\$4,325,093</u>	<u>\$3,969,606</u>	<u>\$8,294,699</u>
<b>Liabilities</b>			
Accounts Payable	\$116,942	\$25,720	\$142,662
Accrued Wages and Benefits	161,795	0	161,795
Contracts Payable	56,272	0	56,272
Interfund Payable	207,546	0	207,546
Intergovernmental Payable	40,018	0	40,018
Unearned Revenue	1,605,940	0	1,605,940
<i>Total Liabilities</i>	<u>2,188,513</u>	<u>25,720</u>	<u>2,214,233</u>
<b>Deferred Inflows of Resources</b>			
Property Taxes	0	1,569,990	1,569,990
Unavailable Revenue	63,879	58,287	122,166
<i>Total Deferred Inflows of Resources</i>	<u>63,879</u>	<u>1,628,277</u>	<u>1,692,156</u>
<b>Fund Balances</b>			
Nonspendable	4,696	0	4,696
Restricted	2,130,684	2,315,609	4,446,293
Committed	1,200	0	1,200
Unassigned (Deficit)	(63,879)	0	(63,879)
<i>Total Fund Balances</i>	<u>2,072,701</u>	<u>2,315,609</u>	<u>4,388,310</u>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i>	<u>\$4,325,093</u>	<u>\$3,969,606</u>	<u>\$8,294,699</u>

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

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
<b>Revenues</b>			
Property Taxes	\$0	\$1,765,654	\$1,765,654
Intergovernmental	4,845,242	168,183	5,013,425
Investment Earnings/Interest	69,071	59,066	128,137
Extracurricular Activities	608,433	0	608,433
Contributions and Donations	562,702	0	562,702
Charges for Services	995,164	0	995,164
Rentals	49,401	0	49,401
<i>Total Revenues</i>	<u>7,130,013</u>	<u>1,992,903</u>	<u>9,122,916</u>
<b>Expenditures</b>			
Current:			
Instruction:			
Regular	450,298	185,374	635,672
Special	1,125,514	0	1,125,514
Support Services:			
Pupil	83,487	0	83,487
Instructional Staff	197,384	0	197,384
Administration	0	14,338	14,338
Fiscal	0	28,094	28,094
Operation and Maintenance of Plant	483,588	412,144	895,732
Pupil Transportation	145,515	321,818	467,333
Operation of Non-Instructional Services	1,152,174	0	1,152,174
Operation of Food Services	1,440,285	0	1,440,285
Extracurricular Activities	860,148	0	860,148
Capital Outlay	1,093,965	521,721	1,615,686
Debt Service:			
Principal Retirement	0	100,000	100,000
Interest	0	65,075	65,075
<i>Total Expenditures</i>	<u>7,032,358</u>	<u>1,648,564</u>	<u>8,680,922</u>
<i>Excess of Revenues Over Expenditures</i>	97,655	344,339	441,994
<b>Other Financing Sources</b>			
Transfers In	100,000	0	100,000
<i>Net Change in Fund Balances</i>	197,655	344,339	541,994
<i>Fund Balances Beginning of Year</i>	<u>1,875,046</u>	<u>1,971,270</u>	<u>3,846,316</u>
<i>Fund Balances End of Year</i>	<u><u>\$2,072,701</u></u>	<u><u>\$2,315,609</u></u>	<u><u>\$4,388,310</u></u>

**North Royalton City School District**  
*Combining Balance Sheet*  
*Nonmajor Special Revenue Funds*  
*June 30, 2023*

	Food Service	Scholarship	Local Grants	Student Activities	Athletics and Music	Auxiliary Services
<b>Assets</b>						
Equity in Pooled Cash and Cash Equivalents	\$1,804,622	\$1,200	\$1,526,683	\$163,261	\$247,607	\$20,503
Accrued Interest Receivable	5,761	0	0	5	0	450
Intergovernmental Receivable	0	0	0	0	0	0
Prepaid Items	675	0	0	0	0	0
Inventory Held for Resale	13,600	0	0	0	0	0
Materials and Supplies Inventory	4,021	0	0	0	0	0
<i>Total Assets</i>	<u>\$1,828,679</u>	<u>\$1,200</u>	<u>\$1,526,683</u>	<u>\$163,266</u>	<u>\$247,607</u>	<u>\$20,953</u>
<b>Liabilities</b>						
Accounts Payable	\$0	\$0	\$0	\$711	\$93,832	\$19,101
Accrued Wages and Benefits	30,063	0	0	0	0	0
Contracts Payable	0	0	56,272	0	0	0
Interfund Payable	0	0	0	0	0	0
Intergovernmental Payable	37,189	0	0	0	0	0
Unearned Revenue	0	0	1,455,940	0	0	0
<i>Total Liabilities</i>	<u>67,252</u>	<u>0</u>	<u>1,512,212</u>	<u>711</u>	<u>93,832</u>	<u>19,101</u>
<b>Deferred Inflows of Resources</b>						
Unavailable Revenue	0	0	0	0	0	0
<b>Fund Balances</b>						
Nonspendable	4,696	0	0	0	0	0
Restricted	1,756,731	0	14,471	162,555	153,775	1,852
Committed	0	1,200	0	0	0	0
Unassigned (Deficit)	0	0	0	0	0	0
<i>Total Fund Balances (Deficit)</i>	<u>1,761,427</u>	<u>1,200</u>	<u>14,471</u>	<u>162,555</u>	<u>153,775</u>	<u>1,852</u>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i>	<u>\$1,828,679</u>	<u>\$1,200</u>	<u>\$1,526,683</u>	<u>\$163,266</u>	<u>\$247,607</u>	<u>\$20,953</u>

Miscellaneous State Grants	Elementary and Secondary School Emergency Relief	Title VI-B	Immigrant Education	Title I	Preschool Grant	Class Size Reduction Grant	Miscellaneous Federal Grants	Total Nonmajor Special Revenue Funds
\$41,300	\$0	\$0	\$0	\$0	\$0	\$0	\$150,000	\$3,955,176
0	0	0	0	0	0	0	0	6,216
0	129,708	193,964	3,046	11,299	2,931	4,457	0	345,405
0	0	0	0	0	0	0	0	675
0	0	0	0	0	0	0	0	13,600
0	0	0	0	0	0	0	0	4,021
<u>\$41,300</u>	<u>\$129,708</u>	<u>\$193,964</u>	<u>\$3,046</u>	<u>\$11,299</u>	<u>\$2,931</u>	<u>\$4,457</u>	<u>\$150,000</u>	<u>\$4,325,093</u>
\$0	\$0	\$0	\$0	\$3,298	\$0	\$0	\$0	\$116,942
0	26,535	104,438	759	0	0	0	0	161,795
0	0	0	0	0	0	0	0	56,272
0	101,995	88,012	2,276	8,001	2,805	4,457	0	207,546
0	1,178	1,514	11	0	126	0	0	40,018
0	0	0	0	0	0	0	150,000	1,605,940
0	129,708	193,964	3,046	11,299	2,931	4,457	150,000	2,188,513
0	6,661	53,795	0	3,297	126	0	0	63,879
0	0	0	0	0	0	0	0	4,696
41,300	0	0	0	0	0	0	0	2,130,684
0	0	0	0	0	0	0	0	1,200
0	(6,661)	(53,795)	0	(3,297)	(126)	0	0	(63,879)
41,300	(6,661)	(53,795)	0	(3,297)	(126)	0	0	2,072,701
<u>\$41,300</u>	<u>\$129,708</u>	<u>\$193,964</u>	<u>\$3,046</u>	<u>\$11,299</u>	<u>\$2,931</u>	<u>\$4,457</u>	<u>\$150,000</u>	<u>\$4,325,093</u>

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

	Food Service	Scholarship	Local Grants	Student Activities	Athletics and Music	Auxiliary Services	Network Connectivity
<b>Revenues</b>							
Intergovernmental	\$781,246	\$0	\$20,000	\$0	\$0	\$912,819	\$5,400
Investment Earnings/Interest	63,241	0	0	54	0	5,776	0
Extracurricular Activities	0	0	0	289,212	319,221	0	0
Contributions and Donations	0	0	372,670	53,633	136,399	0	0
Charges for Services	994,924	0	0	240	0	0	0
Rentals	0	0	46,485	0	2,615	0	0
<i>Total Revenues</i>	<u>1,839,411</u>	<u>0</u>	<u>439,155</u>	<u>343,139</u>	<u>458,235</u>	<u>918,595</u>	<u>5,400</u>
<b>Expenditures</b>							
Current:							
Instruction:							
Regular	0	0	0	0	0	0	5,400
Special	0	0	0	0	0	0	0
Support Services:							
Pupil	0	0	82,555	0	0	0	0
Instructional Staff	0	0	0	0	0	0	0
Operation and Maintenance of Plant	23,653	0	446,984	0	5,074	0	0
Pupil Transportation	0	0	0	0	0	0	0
Operation of Non-Instructional Services	0	0	0	0	0	958,294	0
Operation of Food Services	1,440,285	0	0	0	0	0	0
Extracurricular Activities	0	0	0	315,030	545,118	0	0
Capital Outlay	0	0	56,272	0	0	0	0
<i>Total Expenditures</i>	<u>1,463,938</u>	<u>0</u>	<u>585,811</u>	<u>315,030</u>	<u>550,192</u>	<u>958,294</u>	<u>5,400</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	375,473	0	(146,656)	28,109	(91,957)	(39,699)	0
<b>Other Financing Sources</b>							
Transfers In	0	0	0	0	100,000	0	0
<i>Net Change in Fund Balances</i>	375,473	0	(146,656)	28,109	8,043	(39,699)	0
<i>Fund Balances (Deficit) Beginning of Year</i>	1,385,954	1,200	161,127	134,446	145,732	41,551	0
<i>Fund Balances (Deficit) End of Year</i>	<u>\$1,761,427</u>	<u>\$1,200</u>	<u>\$14,471</u>	<u>\$162,555</u>	<u>\$153,775</u>	<u>\$1,852</u>	<u>\$0</u>



Miscellaneous State Grants	Elementary and Secondary School Emergency Relief	Title VI-B	Immigrant Education	Title I	Drug Free Schools	Preschool Grant	Class Size Reduction Grant	Miscellaneous Federal Grants	Total Nonmajor Special Revenue Funds
\$176,300	\$1,266,043	\$979,750	\$27,399	\$383,869	\$27,963	\$23,170	\$91,283	\$150,000	\$4,845,242
0	0	0	0	0	0	0	0	0	69,071
0	0	0	0	0	0	0	0	0	608,433
0	0	0	0	0	0	0	0	0	562,702
0	0	0	0	0	0	0	0	0	995,164
301	0	0	0	0	0	0	0	0	49,401
<u>176,601</u>	<u>1,266,043</u>	<u>979,750</u>	<u>27,399</u>	<u>383,869</u>	<u>27,963</u>	<u>23,170</u>	<u>91,283</u>	<u>150,000</u>	<u>7,130,013</u>
0	369,930	4,125	0	0	0	0	70,843	0	450,298
0	0	702,162	23,357	354,356	22,343	23,296	0	0	1,125,514
932	0	0	0	0	0	0	0	0	83,487
0	2,999	190,387	3,998	0	0	0	0	0	197,384
7,877	0	0	0	0	0	0	0	0	483,588
135,000	10,515	0	0	0	0	0	0	0	145,515
0	1,567	134,773	0	31,587	5,620	0	20,333	0	1,152,174
0	0	0	0	0	0	0	0	0	1,440,285
0	0	0	0	0	0	0	0	0	860,148
0	887,693	0	0	0	0	0	0	150,000	1,093,965
<u>143,809</u>	<u>1,272,704</u>	<u>1,031,447</u>	<u>27,355</u>	<u>385,943</u>	<u>27,963</u>	<u>23,296</u>	<u>91,176</u>	<u>150,000</u>	<u>7,032,358</u>
32,792	(6,661)	(51,697)	44	(2,074)	0	(126)	107	0	97,655
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>100,000</u>
32,792	(6,661)	(51,697)	44	(2,074)	0	(126)	107	0	197,655
8,508	0	(2,098)	(44)	(1,223)	0	0	(107)	0	1,875,046
<u>\$41,300</u>	<u>(\$6,661)</u>	<u>(\$53,795)</u>	<u>\$0</u>	<u>(\$3,297)</u>	<u>\$0</u>	<u>(\$126)</u>	<u>\$0</u>	<u>\$0</u>	<u>\$2,072,701</u>

**North Royalton City School District**

*Combining Balance Sheet  
Nonmajor Capital Projects Funds  
June 30, 2023*

	<u>Permanent Improvement</u>	<u>Building</u>	<u>Total Nonmajor Capital Projects Funds</u>
<b>Assets</b>			
Equity in Pooled Cash and Cash Equivalents	\$2,199,093	\$0	\$2,199,093
Property Taxes Receivable	<u>1,770,513</u>	<u>0</u>	<u>1,770,513</u>
<i>Total Assets</i>	<u>\$3,969,606</u>	<u>\$0</u>	<u>\$3,969,606</u>
<b>Liabilities</b>			
Accounts Payable	<u>\$25,720</u>	<u>\$0</u>	<u>\$25,720</u>
<b>Deferred Inflows of Resources</b>			
Property Taxes	1,569,990	0	1,569,990
Unavailable Revenue	<u>58,287</u>	<u>0</u>	<u>58,287</u>
<i>Total Deferred Inflows of Resources</i>	<u>1,628,277</u>	<u>0</u>	<u>1,628,277</u>
<b>Fund Balances</b>			
Restricted	<u>2,315,609</u>	<u>0</u>	<u>2,315,609</u>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i>	<u>\$3,969,606</u>	<u>\$0</u>	<u>\$3,969,606</u>

**North Royalton City School District**  
*Combining Statement of Revenues, Expenditures and Changes in Fund Balances*  
*Nonmajor Capital Projects Funds*  
*For the Fiscal Year Ended June 30, 2023*

	Permanent Improvement	Building	Total Nonmajor Capital Projects Funds
<b>Revenues</b>			
Property Taxes	\$1,765,654	\$0	\$1,765,654
Intergovernmental	168,183	0	168,183
Investment Earnings/Interest	0	59,066	59,066
<i>Total Revenues</i>	<u>1,933,837</u>	<u>59,066</u>	<u>1,992,903</u>
<b>Expenditures</b>			
Current:			
Instruction:			
Regular	185,374	0	185,374
Administration	14,338	0	14,338
Fiscal	28,087	7	28,094
Operation and Maintenance of Plant	412,144	0	412,144
Pupil Transportation	321,818	0	321,818
Capital Outlay	181,610	340,111	521,721
Debt Service:			
Principal Retirement	100,000	0	100,000
Interest	65,075	0	65,075
<i>Total Expenditures</i>	<u>1,308,446</u>	<u>340,118</u>	<u>1,648,564</u>
<i>Net Change in Fund Balances</i>	625,391	(281,052)	344,339
<i>Fund Balances Beginning of Year</i>	<u>1,690,218</u>	<u>281,052</u>	<u>1,971,270</u>
<i>Fund Balances End of Year</i>	<u><u>\$2,315,609</u></u>	<u><u>\$0</u></u>	<u><u>\$2,315,609</u></u>

**Individual Fund Schedules of Revenues, Expenditures/Expenses  
and Changes in Fund Balance/Fund Equity – Budget (Non-GAAP Basis) and Actual**

**North Royalton City School District**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*General Fund*  
*For the Fiscal Year Ended June 30, 2023*

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>Revenues</b>				
Property Taxes	\$42,363,858	\$43,129,297	\$43,129,297	\$0
Intergovernmental	11,534,200	11,670,283	11,762,550	92,267
Interest	145,170	947,105	1,019,598	72,493
Tuition and Fees	869,530	811,024	811,024	0
Extracurricular Activities	142,560	128,090	129,215	1,125
Contributions and Donations	0	1,072	1,072	0
Rentals	32,000	29,895	29,895	0
Miscellaneous	195,048	124,618	124,618	0
<i>Total Revenues</i>	<u>55,282,366</u>	<u>56,841,384</u>	<u>57,007,269</u>	<u>165,885</u>
<b>Expenditures</b>				
Current:				
Instruction:				
Regular:				
Salaries and Wages	19,228,443	19,021,328	19,021,328	0
Fringe Benefits	7,496,731	6,885,444	6,885,444	0
Purchased Services	804,476	860,546	860,546	0
Materials and Supplies	596,281	591,245	591,245	0
Capital Outlay	33,596	92,602	92,602	0
Other	2,200	650	650	0
Total Regular	<u>28,161,727</u>	<u>27,451,815</u>	<u>27,451,815</u>	<u>0</u>
Special:				
Salaries and Wages	2,845,792	3,103,367	3,103,367	0
Fringe Benefits	1,021,289	1,141,599	1,141,599	0
Purchased Services	1,145,305	1,151,629	1,151,629	0
Materials and Supplies	12,613	14,889	14,889	0
Capital Outlay	21,128	6,871	6,871	0
Total Special	<u>5,046,127</u>	<u>5,418,355</u>	<u>5,418,355</u>	<u>0</u>
Vocational:				
Fringe Benefits	49,876	50,617	50,617	0
Capital Outlay	0	103	103	0
Total Vocational	<u>49,876</u>	<u>50,720</u>	<u>50,720</u>	<u>0</u>
Adult/Continuing:				
Purchased Services	34	0	0	0
Total Instruction	<u>\$33,257,764</u>	<u>\$32,920,890</u>	<u>\$32,920,890</u>	<u>\$0</u>

(continued)

**North Royalton City School District**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*General Fund (continued)*  
*For the Fiscal Year Ended June 30, 2023*

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Support Services:				
Pupil:				
Salaries and Wages	\$2,369,261	\$2,536,102	\$2,536,102	\$0
Fringe Benefits	741,287	809,220	809,220	0
Purchased Services	840,399	946,657	946,657	0
Materials and Supplies	43,779	42,219	42,219	0
Capital Outlay	1,091	28,825	28,825	0
Other	214	295	295	0
<b>Total Pupil</b>	<b>3,996,031</b>	<b>4,363,318</b>	<b>4,363,318</b>	<b>0</b>
Instructional Staff:				
Salaries and Wages	1,459,141	1,485,323	1,485,323	0
Fringe Benefits	774,966	781,961	781,961	0
Purchased Services	471,266	431,392	431,392	0
Materials and Supplies	18,310	41,535	41,535	0
Capital Outlay	17,303	50,451	50,451	0
Other	653	1,188	1,188	0
<b>Total Instructional Staff</b>	<b>2,741,639</b>	<b>2,791,850</b>	<b>2,791,850</b>	<b>0</b>
Board of Education:				
Salaries and Wages	16,985	17,875	17,875	0
Fringe Benefits	3,437	3,336	3,336	0
Purchased Services	10,223	8,694	8,694	0
Materials and Supplies	254	104	104	0
Other	9,169	9,163	9,163	0
<b>Total Board of Education</b>	<b>40,068</b>	<b>39,172</b>	<b>39,172</b>	<b>0</b>
Administration:				
Salaries and Wages	2,210,337	2,293,172	2,293,172	0
Fringe Benefits	1,174,475	1,251,147	1,251,147	0
Purchased Services	186,188	161,241	161,241	0
Materials and Supplies	23,354	25,198	25,198	0
Capital Outlay	24,662	13,581	13,581	0
Other	13,071	17,857	17,857	0
<b>Total Administration</b>	<b>3,632,087</b>	<b>3,762,196</b>	<b>3,762,196</b>	<b>0</b>
Fiscal:				
Salaries and Wages	433,156	450,498	450,498	0
Fringe Benefits	201,410	191,606	191,606	0
Purchased Services	23,167	26,674	26,674	0
Materials and Supplies	1,374	2,275	2,275	0
Other	669,652	745,359	745,359	0
<b>Total Fiscal</b>	<b>\$1,328,759</b>	<b>\$1,416,412</b>	<b>\$1,416,412</b>	<b>\$0</b>

(continued)

**North Royalton City School District**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*General Fund (continued)*  
*For the Fiscal Year Ended June 30, 2023*

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>Business:</b>				
Salaries and Wages	\$238,081	\$119,351	\$119,351	\$0
Fringe Benefits	117,688	79,636	79,636	0
Purchased Services	6,310	4,175	4,175	0
Materials and Supplies	833	62	62	0
Capital Outlay	3,858	0	0	0
Other	1,349	1,116	1,116	0
<b>Total Business</b>	<b>368,119</b>	<b>204,340</b>	<b>204,340</b>	<b>0</b>
<b>Operation and Maintenance of Plant:</b>				
Salaries and Wages	1,759,999	1,812,781	1,812,781	0
Fringe Benefits	816,521	768,466	768,466	0
Purchased Services	910,943	1,108,158	1,108,158	0
Materials and Supplies	276,722	387,808	387,808	0
Capital Outlay	39,212	670	670	0
<b>Total Operation and Maintenance of Plant</b>	<b>3,803,397</b>	<b>4,077,883</b>	<b>4,077,883</b>	<b>0</b>
<b>Pupil Transportation:</b>				
Salaries and Wages	1,884,160	1,979,512	1,979,512	0
Fringe Benefits	748,179	698,114	698,114	0
Purchased Services	627,763	662,222	662,222	0
Materials and Supplies	541,442	628,378	628,378	0
Capital Outlay	60,418	1,733	1,733	0
<b>Total Pupil Transportation</b>	<b>3,861,962</b>	<b>3,969,959</b>	<b>3,969,959</b>	<b>0</b>
<b>Central:</b>				
Salaries and Wages	188,648	185,001	185,001	0
Fringe Benefits	52,930	54,472	54,472	0
Purchased Services	7,512	10,640	10,640	0
Materials and Supplies	0	121	121	0
Other	23,332	25,791	25,791	0
<b>Total Central</b>	<b>272,422</b>	<b>276,025</b>	<b>276,025</b>	<b>0</b>
<b>Total Support Services</b>	<b>20,044,484</b>	<b>20,901,155</b>	<b>20,901,155</b>	<b>0</b>
<b>Operation of Non-Instructional Services:</b>				
<b>Community Services:</b>				
Purchased Services	24,604	38,537	38,537	0
Materials and Supplies	175	0	0	0
<b>Total Operation of Non-Instructional Services</b>	<b>\$24,779</b>	<b>\$38,537</b>	<b>\$38,537</b>	<b>\$0</b>

(continued)

**North Royalton City School District**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*General Fund (continued)*  
*For the Fiscal Year Ended June 30, 2023*

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Extracurricular Activities:				
Academic Oriented Activities:				
Salaries and Wages	\$225,520	\$237,328	\$237,328	\$0
Fringe Benefits	79,048	99,877	99,877	0
Total Academic Oriented Activities	304,568	337,205	337,205	0
Sport Oriented Activities:				
Salaries and Wages	598,931	653,331	653,331	0
Fringe Benefits	85,237	94,067	94,067	0
Purchased Services	16,653	8,135	8,135	0
Other	385	2,995	2,995	0
Total Sport Oriented Activities	701,206	758,528	758,528	0
Total Extracurricular Activities	1,005,774	1,095,733	1,095,733	0
<i>Total Expenditures</i>	54,332,801	54,956,315	54,956,315	0
<i>Excess of Revenues Over Expenditures</i>	949,565	1,885,069	2,050,954	165,885
<b>Other Financing Sources (Uses)</b>				
Sale of Capital Assets	39,350	0	0	0
Transfers Out	(100,000)	(100,000)	(100,000)	0
<i>Total Other Financing Sources (Uses)</i>	(60,650)	(100,000)	(100,000)	0
<i>Net Change in Fund Balance</i>	888,915	1,785,069	1,950,954	165,885
<i>Fund Balance Beginning of Year</i>	20,996,649	20,996,649	20,996,649	0
Prior Year Encumbrances Appropriated	178,639	178,639	178,639	0
<i>Fund Balance End of Year</i>	\$22,064,203	\$22,960,357	\$23,126,242	\$165,885



**North Royalton City School District**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Bond Retirement Fund*  
*For the Fiscal Year Ended June 30, 2023*

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>Revenues</b>				
Property Taxes	\$5,693,281	\$5,846,167	\$5,846,167	\$0
Intergovernmental	102,230	89,711	89,711	0
Miscellaneous	0	24	25	1
<i>Total Revenues</i>	<u>5,795,511</u>	<u>5,935,902</u>	<u>5,935,903</u>	<u>1</u>
<b>Expenditures</b>				
Current:				
Support Services:				
Fiscal:				
Other	78,000	95,288	95,288	0
Debt Service:				
Principal Retirement	1,800,000	1,800,000	1,800,000	0
Interest	3,714,400	3,714,400	3,714,400	0
Total Debt Service	<u>5,514,400</u>	<u>5,514,400</u>	<u>5,514,400</u>	<u>0</u>
<i>Total Expenditures</i>	<u>5,592,400</u>	<u>5,609,688</u>	<u>5,609,688</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	203,111	326,214	326,215	1
<i>Fund Balance Beginning of Year</i>	<u>8,054,988</u>	<u>8,054,988</u>	<u>8,054,988</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$8,258,099</u></u>	<u><u>\$8,381,202</u></u>	<u><u>\$8,381,203</u></u>	<u><u>\$1</u></u>

**North Royalton City School District**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Food Service Fund*  
*For the Fiscal Year Ended June 30, 2023*

	Final Budget	Actual	Variance with Final Budget
<b>Revenues</b>			
Intergovernmental	\$670,670	\$670,670	\$0
Interest	97,234	95,530	(1,704)
Charges for Services	994,925	994,924	(1)
<i>Total Revenues</i>	<u>1,762,829</u>	<u>1,761,124</u>	<u>(1,705)</u>
<b>Expenditures</b>			
Current:			
Support Services:			
Operation and Maintenance of Plant:			
Purchased Services	43,623	43,622	1
Operation of Food Services:			
Salaries and Wages	461,943	461,943	0
Fringe Benefits	208,098	208,098	0
Purchased Services	16,361	16,361	0
Materials and Supplies	639,966	639,966	0
Capital Outlay	7,137	7,137	0
Total Operation of Food Services	<u>1,333,505</u>	<u>1,333,505</u>	<u>0</u>
<i>Total Expenditures</i>	<u>1,377,128</u>	<u>1,377,127</u>	<u>1</u>
<i>Net Change in Fund Balance</i>	385,701	383,997	(1,704)
<i>Fund Balance Beginning of Year</i>	<u>1,439,731</u>	<u>1,439,731</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$1,825,432</u>	<u>\$1,823,728</u>	<u>(\$1,704)</u>

**North Royalton City School District**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Local Grants Fund*  
*For the Fiscal Year Ended June 30, 2023*

	Final Budget	Actual	Variance with Final Budget
<b>Revenues</b>			
Intergovernmental	\$20,000	\$20,000	\$0
Contributions and Donations	372,670	372,670	0
Rentals	781,898	781,898	0
<i>Total Revenues</i>	<u>1,174,568</u>	<u>1,174,568</u>	<u>0</u>
<b>Expenditures</b>			
Current:			
Support Services:			
Pupil:			
Purchased Services	1,895	1,895	0
Capital Outlay	80,660	80,660	0
Total Pupil	<u>82,555</u>	<u>82,555</u>	<u>0</u>
Operation and Maintenance of Plant:			
Purchased Services	419,401	419,401	0
Materials and Supplies	3,938	3,938	0
Capital Outlay	24,578	24,578	0
Total Operation and Maintenance of Plant	<u>447,917</u>	<u>447,917</u>	<u>0</u>
Total Support Services	<u>530,472</u>	<u>530,472</u>	<u>0</u>
Capital Outlay:			
Site Improvement Services:			
Capital Outlay	1,434,799	1,434,799	0
Architecture and Engineering Services:			
Purchased Services	56,272	56,272	0
Total Capital Outlay	<u>1,491,071</u>	<u>1,491,071</u>	<u>0</u>
<i>Total Expenditures</i>	<u>2,021,543</u>	<u>2,021,543</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	(846,975)	(846,975)	0
<i>Fund Balance Beginning of Year</i>	854,071	854,071	0
Prior Year Encumbrances Appropriated	<u>28,516</u>	<u>28,516</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$35,612</u></u>	<u><u>\$35,612</u></u>	<u><u>\$0</u></u>

**North Royalton City School District**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Student Activities Fund*  
*For the Fiscal Year Ended June 30, 2023*

	Final Budget	Actual	Variance with Final Budget
<b>Revenues</b>			
Interest	\$90	\$90	\$0
Extracurricular Activities	289,212	289,212	0
Contributions and Donations	53,633	53,633	0
Charges for Services	240	240	0
<i>Total Revenues</i>	<u>343,175</u>	<u>343,175</u>	<u>0</u>
<b>Expenditures</b>			
Current:			
Extracurricular Activities:			
Academic Oriented Activities:			
Other	80,186	80,186	0
Sport Oriented Activities:			
Capital Outlay	494	494	0
Other	81,374	81,374	0
Total Sport Oriented Activities	81,868	81,868	0
School and Public Service Co-Curricular Activities:			
Other	156,939	156,939	0
<i>Total Expenditures</i>	<u>318,993</u>	<u>318,993</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	24,182	24,182	0
<i>Fund Balance Beginning of Year</i>	130,247	130,247	0
Prior Year Encumbrances Appropriated	7,291	7,291	0
<i>Fund Balance End of Year</i>	<u>\$161,720</u>	<u>\$161,720</u>	<u>\$0</u>

**North Royalton City School District**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Athletics and Music Fund*  
*For the Fiscal Year Ended June 30, 2023*

	Final Budget	Actual	Variance with Final Budget
<b>Revenues</b>			
Extracurricular Activities	\$319,221	\$319,221	\$0
Contributions and Donations	136,399	136,399	0
Rentals	2,615	2,615	0
<i>Total Revenues</i>	<u>458,235</u>	<u>458,235</u>	<u>0</u>
<b>Expenditures</b>			
Current:			
Support Services:			
Operation and Maintenance of Plant:			
Purchased Services	5,074	5,074	0
Extracurricular Activities:			
Sport Oriented Activities:			
Purchased Services	51,218	51,218	0
Materials and Supplies	6,966	6,966	0
Capital Outlay	17,126	17,126	0
Other	468,506	468,506	0
Total Extracurricular Activities	543,816	543,816	0
<i>Total Expenditures</i>	<u>548,890</u>	<u>548,890</u>	<u>0</u>
<i>Excess of Revenues Under Expenditures</i>	(90,655)	(90,655)	0
<b>Other Financing Sources</b>			
Transfers In	100,000	100,000	0
<i>Net Change in Fund Balance</i>	9,345	9,345	0
<i>Fund Balance Beginning of Year</i>	110,335	110,335	0
Prior Year Encumbrances Appropriated	42,921	42,921	0
<i>Fund Balance End of Year</i>	<u>\$162,601</u>	<u>\$162,601</u>	<u>\$0</u>

**North Royalton City School District**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Auxiliary Services Fund*  
*For the Fiscal Year Ended June 30, 2023*

	Final Budget	Actual	Variance with Final Budget
<b>Revenues</b>			
Intergovernmental	\$912,819	\$912,819	\$0
Interest	7,469	7,469	0
<i>Total Revenues</i>	<u>920,288</u>	<u>920,288</u>	<u>0</u>
<b>Expenditures</b>			
Current:			
Operation of Non-Instructional Services:			
Community Services:			
Purchased Services	798,506	798,506	0
Materials and Supplies	119,593	119,593	0
Capital Outlay	15,601	15,601	0
Other	36,808	36,808	0
<i>Total Expenditures</i>	<u>970,508</u>	<u>970,508</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	(50,220)	(50,220)	0
<i>Fund Balance Beginning of Year</i>	9,080	9,080	0
Prior Year Encumbrances Appropriated	41,641	41,641	0
<i>Fund Balance End of Year</i>	<u>\$501</u>	<u>\$501</u>	<u>\$0</u>

**North Royalton City School District**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Network Connectivity Fund*  
*For the Fiscal Year Ended June 30, 2023*

	Final Budget	Actual	Variance with Final Budget
<b>Revenues</b>			
Intergovernmental	\$5,400	\$5,400	\$0
<b>Expenditures</b>			
Current:			
Instruction:			
Regular:			
Purchased Services	5,400	5,400	0
<i>Net Change in Fund Balance</i>	0	0	0
<i>Fund Balance Beginning of Year</i>	0	0	0
<i>Fund Balance End of Year</i>	\$0	\$0	\$0

**North Royalton City School District**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Miscellaneous State Grants Fund*  
*For the Fiscal Year Ended June 30, 2023*

	Final Budget	Actual	Variance with Final Budget
<b>Revenues</b>			
Intergovernmental	\$176,300	\$176,300	\$0
Rentals	301	301	0
<i>Total Revenues</i>	<u>176,601</u>	<u>176,601</u>	<u>0</u>
<b>Expenditures</b>			
Current:			
Support Services:			
Pupil:			
Purchased Services	932	932	0
Operation and Maintenance of Plant:			
Purchased Services	5,430	5,430	0
Capital Outlay	41,209	41,209	0
Total Operation and Maintenance of Plant	<u>46,639</u>	<u>46,639</u>	<u>0</u>
Pupil Transportation:			
Capital Outlay	135,000	135,000	0
<i>Total Expenditures</i>	<u>182,571</u>	<u>182,571</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	(5,970)	(5,970)	0
<i>Fund Balance Beginning of Year</i>	7,563	7,563	0
Prior Year Encumbrances Appropriated	<u>19,707</u>	<u>19,707</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$21,300</u></u>	<u><u>\$21,300</u></u>	<u><u>\$0</u></u>



**North Royalton City School District**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Elementary and Secondary School Emergency Relief Fund*  
*For the Fiscal Year Ended June 30, 2023*

	Final Budget	Actual	Variance with Final Budget
<b>Revenues</b>			
Intergovernmental	\$2,733,727	\$1,629,056	(\$1,104,671)
<b>Expenditures</b>			
Current:			
Instruction:			
Regular:			
Salaries and Wages	358,084	358,084	0
Materials and Supplies	462,857	462,857	0
Total Instruction	820,941	820,941	0
Support Services:			
Instructional Staff:			
Purchased Services	5,746	5,746	0
Pupil Transportation:			
Purchased Services	10,515	10,515	0
Total Support Services	16,261	16,261	0
Operation of Non-Instructional Services:			
Community Services:			
Materials and Supplies	1,567	1,567	0
Capital Outlay:			
Building Improvement Services::			
Capital Outlay	1,315,793	1,315,793	0
<i>Total Expenditures</i>	2,154,562	2,154,562	0
<i>Net Change in Fund Balance</i>	579,165	(525,506)	(1,104,671)
<i>Fund Deficit Beginning of Year</i>	(1,298,152)	(1,298,152)	0
Prior Year Encumbrances Appropriated	1,183,963	1,183,963	0
<i>Fund Balance (Deficit) End of Year</i>	\$464,976	(\$639,695)	(\$1,104,671)

**North Royalton City School District**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Title VI-B Fund*  
*For the Fiscal Year Ended June 30, 2023*

	Final Budget	Actual	Variance with Final Budget
<b>Revenues</b>			
Intergovernmental	\$1,326,811	\$1,129,236	(\$197,575)
<b>Expenditures</b>			
Current:			
Instruction:			
Regular:			
Purchased Services	4,125	4,125	0
Special:			
Salaries and Wages	693,440	693,440	0
Purchased Services	44,916	44,916	0
Total Special	738,356	738,356	0
Total Instruction	742,481	742,481	0
Support Services:			
Instructional Staff:			
Salaries and Wages	91,709	91,709	0
Fringe Benefits	13,404	13,404	0
Purchased Services	87,106	87,106	0
Materials and Supplies	2,857	2,857	0
Total Support Services	195,076	195,076	0
Operation of Non-Instructional Services:			
Community Services:			
Purchased Services	90,303	90,303	0
Materials and Supplies	44,470	44,470	0
Total Operation of Non-Instructional Services	134,773	134,773	0
<i>Total Expenditures</i>	1,072,330	1,072,330	0
<i>Net Change in Fund Balance</i>	254,481	56,906	(197,575)
<i>Fund Deficit Beginning of Year</i>	(144,918)	(144,918)	0
<i>Fund Balance (Deficit) End of Year</i>	\$109,563	(\$88,012)	(\$197,575)

**North Royalton City School District**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Immigrant Education Fund*  
*For the Fiscal Year Ended June 30, 2023*

	Final Budget	Actual	Variance with Final Budget
<b>Revenues</b>			
Intergovernmental	\$31,088	\$25,772	(\$5,316)
<b>Expenditures</b>			
Current:			
Instruction:			
Special:			
Salaries and Wages	21,326	21,326	0
Purchased Services	1,998	1,998	0
Total Instruction	23,324	23,324	0
Support Services:			
Instructional Staff:			
Purchased Services	3,999	3,998	1
<i>Total Expenditures</i>	27,323	27,322	1
<i>Net Change in Fund Balance</i>	3,765	(1,550)	(5,315)
<i>Fund Deficit Beginning of Year</i>	(726)	(726)	0
<i>Fund Balance (Deficit) End of Year</i>	\$3,039	(\$2,276)	(\$5,315)

**North Royalton City School District**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Title I Fund*  
*For the Fiscal Year Ended June 30, 2023*

	Final Budget	Actual	Variance with Final Budget
<b>Revenues</b>			
Intergovernmental	\$393,658	\$380,332	(\$13,326)
<b>Expenditures</b>			
Current:			
Instruction:			
Special:			
Salaries and Wages	355,359	355,359	0
Purchased Services	221	221	0
Total Instruction	355,580	355,580	0
Operation of Non-Instructional Services:			
Community Services:			
Purchased Services	31,634	31,634	0
<i>Total Expenditures</i>	387,214	387,214	0
<i>Net Change in Fund Balance</i>	6,444	(6,882)	(13,326)
<i>Fund Deficit Beginning of Year</i>	(9,874)	(9,874)	0
Prior Year Encumbrances Appropriated	5,410	5,410	0
<i>Fund Balance (Deficit) End of Year</i>	\$1,980	(\$11,346)	(\$13,326)

**North Royalton City School District**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Drug Free Schools Fund*  
*For the Fiscal Year Ended June 30, 2023*

	Final Budget	Actual	Variance with Final Budget
<b>Revenues</b>			
Intergovernmental	\$32,303	\$32,257	(\$46)
<b>Expenditures</b>			
Current:			
Instruction:			
Special:			
Purchased Services	22,343	22,343	0
Operation of Non-Instructional Services:			
Community Services:			
Purchased Services	5,620	5,620	0
<i>Total Expenditures</i>	<u>27,963</u>	<u>27,963</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	4,340	4,294	0
<i>Fund Deficit Beginning of Year</i>	<u>(4,294)</u>	<u>(4,294)</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$46</u>	<u>\$0</u>	<u>(\$46)</u>

**North Royalton City School District**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Preschool Grant Fund*  
*For the Fiscal Year Ended June 30, 2023*

	Final Budget	Actual	Variance with Final Budget
<b>Revenues</b>			
Intergovernmental	\$25,055	\$21,785	(\$3,270)
<b>Expenditures</b>			
Current:			
Instruction:			
Special:			
Salaries and Wages	22,690	22,690	0
Fringe Benefits	644	644	0
<i>Total Expenditures</i>	23,334	23,334	0
<i>Net Change in Fund Balance</i>	1,721	(1,549)	(3,270)
<i>Fund Deficit Beginning of Year</i>	(1,256)	(1,256)	0
<i>Fund Balance (Deficit) End of Year</i>	\$465	(\$2,805)	(\$3,270)

**North Royalton City School District**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Class Size Reduction Grant Fund*  
*For the Fiscal Year Ended June 30, 2023*

	Final Budget	Actual	Variance with Final Budget
<b>Revenues</b>			
Intergovernmental	\$100,106	\$92,378	(\$7,728)
<b>Expenditures</b>			
Current:			
Instruction:			
Regular:			
Salaries and Wages	70,843	70,843	0
Operation of Non-Instructional Services:			
Community Services:			
Purchased Services	24,446	24,446	0
<i>Total Expenditures</i>	95,289	95,289	0
<i>Net Change in Fund Balance</i>	4,817	(2,911)	(7,728)
<i>Fund Deficit Beginning of Year</i>	(9,501)	(9,501)	0
Prior Year Encumbrances Appropriated	5,837	5,837	0
<i>Fund Balance (Deficit) End of Year</i>	\$1,153	(\$6,575)	(\$7,728)

**North Royalton City School District**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Miscellaneous Federal Grants Fund*  
*For the Fiscal Year Ended June 30, 2023*

	Final Budget	Actual	Variance with Final Budget
<b>Revenues</b>			
Intergovernmental	\$300,000	\$300,000	\$0
<b>Expenditures</b>			
Capital Outlay:			
Site Improvement Services:			
Materials and Supplies	150,000	150,000	0
<i>Net Change in Fund Balance</i>	150,000	150,000	0
<i>Fund Balance Beginning of Year</i>	0	0	0
<i>Fund Balance End of Year</i>	\$150,000	\$150,000	\$0



**North Royalton City School District**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Adult Education Fund*  
*For the Fiscal Year Ended June 30, 2023*

	Final Budget	Actual	Variance with Final Budget
<b>Revenues</b>			
Tuition and Fees	\$7,900	\$7,900	\$0
Miscellaneous	6,106	6,106	0
<i>Total Revenues</i>	<u>14,006</u>	<u>14,006</u>	<u>0</u>
<b>Expenditures</b>			
Current:			
Instruction:			
Student Intervention Services:			
Salaries and Wages	13,954	13,954	0
Fringe Benefits	2,747	2,747	0
<i>Total Expenditures</i>	<u>16,701</u>	<u>16,701</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	(2,695)	(2,695)	0
<i>Fund Balance Beginning of Year</i>	<u>9,659</u>	<u>9,659</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$6,964</u></u>	<u><u>\$6,964</u></u>	<u><u>\$0</u></u>

**North Royalton City School District**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Public School Support Fund*  
*For the Fiscal Year Ended June 30, 2023*

	Final Budget	Actual	Variance with Final Budget
<b>Revenues</b>			
Extracurricular Activities	\$173,803	\$173,803	\$0
Contributions and Donations	36,047	36,047	0
Miscellaneous	80,822	80,822	0
<i>Total Revenues</i>	<u>290,672</u>	<u>290,672</u>	<u>0</u>
<b>Expenditures</b>			
Current:			
Instruction:			
Regular:			
Materials and Supplies	12,889	12,889	0
Capital Outlay	31,758	31,758	0
Other	262,350	262,350	0
<i>Total Expenditures</i>	<u>306,997</u>	<u>306,997</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	(16,325)	(16,325)	0
<i>Fund Balance Beginning of Year</i>	101,764	101,764	0
Prior Year Encumbrances Appropriated	12,419	12,419	0
<i>Fund Balance End of Year</i>	<u>\$97,858</u>	<u>\$97,858</u>	<u>\$0</u>

**North Royalton City School District**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Permanent Improvement Fund*  
*For the Fiscal Year Ended June 30, 2023*

	Final Budget	Actual	Variance with Final Budget
<b>Revenues</b>			
Property Taxes	\$1,754,453	\$1,754,453	\$0
Intergovernmental	168,183	168,183	0
<i>Total Revenues</i>	<u>1,922,636</u>	<u>1,922,636</u>	<u>0</u>
<b>Expenditures</b>			
Current:			
Instruction:			
Regular:			
Capital Outlay	250,301	250,301	0
Support Services:			
Administration:			
Purchased Services	14,338	14,338	0
Fiscal:			
Other	28,087	28,087	0
Operation and Maintenance of Plant:			
Purchased Services	563,429	563,428	1
Materials and Supplies	207,827	207,827	0
Total Operation and Maintenance of Plant	<u>771,256</u>	<u>771,255</u>	<u>1</u>
Pupil Transportation:			
Capital Outlay	321,818	321,818	0
Total Support Services	<u>1,135,499</u>	<u>1,135,498</u>	<u>1</u>
Capital Outlay:			
Site Improvement Services:			
Capital Outlay	113,623	113,623	0
Architecture and Engineering Services:			
Purchased Services	81,010	81,010	0
Building Improvement Services:			
Purchased Services	124,818	124,818	0
Capital Outlay	1,327	1,327	0
Total Building Improvement Services	<u>126,145</u>	<u>126,145</u>	<u>0</u>
Total Capital Outlay	<u>\$320,778</u>	<u>\$320,778</u>	<u>\$0</u>

(continued)

**North Royalton City School District**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Permanent Improvement Fund (continued)*  
*For the Fiscal Year Ended June 30, 2023*

	Final Budget	Actual	Variance with Final Budget
Debt Service:			
Principal Retirement	\$100,000	\$100,000	\$0
Interest	65,075	65,075	0
Total Debt Service	165,075	165,075	0
<i>Total Expenditures</i>	1,871,653	1,871,652	1
<i>Net Change in Fund Balance</i>	50,983	50,984	1
<i>Fund Balance Beginning of Year</i>	608,140	608,140	0
Prior Year Encumbrances Appropriated	979,496	979,496	0
<i>Fund Balance End of Year</i>	\$1,638,619	\$1,638,620	\$1

**North Royalton City School District**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Building Fund*  
*For the Fiscal Year Ended June 30, 2023*

	Final Budget	Actual	Variance with Final Budget
<b>Revenues</b>			
Interest	\$1,257	\$1,257	\$0
<b>Expenditures</b>			
Current:			
Support Services:			
Fiscal:			
Other	7	7	0
Capital Outlay:			
Site Improvement Services			
Purchased Services	56,805	56,805	0
Architecture and Engineering Services			
Purchased Services	40,796	40,796	0
Building Acquisition and Construction Services			
Purchased Services	43,841	43,841	0
Materials and Supplies	6,556	6,556	0
Capital Outlay	133,759	133,759	0
Total Building Acquisition and Construction Service:	184,156	184,156	0
Building Improvement Services			
Purchased Services	58,155	58,155	0
Capital Outlay	199	199	0
Total Building Improvement Service:	58,354	58,354	0
Total Capital Outlay	340,111	340,111	0
<i>Total Expenditures</i>	340,118	340,118	0
<i>Net Change in Fund Balance</i>	(338,861)	(338,861)	0
<i>Fund Balance Beginning of Year</i>	64,849	64,849	0
Prior Year Encumbrances Appropriated	274,012	274,012	0
<i>Fund Balance End of Year</i>	\$0	\$0	\$0

**North Royalton City School District**  
*Schedule of Revenues, Expenses and Changes*  
*In Fund Equity - Budget (Non-GAAP Basis) and Actual*  
*Self Insurance Fund*  
*For the Fiscal Year Ended June 30, 2023*

	Final Budget	Actual	Variance with Final Budget
<b>Revenues</b>			
Charges for Services	\$114,283	\$114,283	\$0
<b>Expenses</b>			
Purchased Services	71,909	71,909	0
Claims	86,760	86,760	0
<i>Total Expenses</i>	158,669	158,669	0
<i>Net Change in Fund Equity</i>	(44,386)	(44,386)	0
<i>Fund Equity Beginning of Year</i>	234,918	234,918	0
<i>Fund Equity End of Year</i>	\$190,532	\$190,532	\$0

STATISTICAL  
SECTION





## Statistical Section

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

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<b>Contents</b>	<b>Pages(s)</b>
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<b><i>Financial Trends</i></b> .....	<b><i>S2 – S9</i></b>
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These schedules contain trend information to help the reader understand how the School District's financial performance and well-being have changed over time.

<b><i>Revenue Capacity</i></b> .....	<b><i>S10 – S18</i></b>
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These schedules contain information to help the reader assess the School District's most significant local revenue, the property tax.

<b><i>Debt Capacity</i></b> .....	<b><i>S19 – S23</i></b>
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These schedules present information to help the reader assess the affordability of the School District's current levels of outstanding debt and the School District's ability to issue additional debt in the future.

<b><i>Demographic and Economic Information</i></b> .....	<b><i>S24 – S26</i></b>
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These schedules offer demographic and economic indicators to help the reader understand the environment within which the School District's financial activities take place.

<b><i>Operating Information</i></b> .....	<b><i>S27 – S36</i></b>
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These schedules contain service and infrastructure data to help the reader understand how the information in the School District's financial report relates to the services the School District provides and the activities it performs.

**Sources:** Unless otherwise noted, the information in these schedules is derived from the Annual Comprehensive Financial Reports for the relevant year.

**North Royalton City School District**  
*Net Position by Component*  
*Last Ten Fiscal Years*  
*(Accrual Basis of Accounting)*

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Net Investment in Capital Assets	\$22,123,871	\$17,880,417	\$15,592,516	\$17,188,168
Restricted for:				
Debt Service	542,422	0	0	0
Capital Projects	2,373,896	2,056,421	7,887,036	6,799,736
Other Purposes	3,126,717	2,030,745	614,262	700,011
Unrestricted (Deficit)	<u>(39,000,031)</u>	<u>(41,722,581)</u>	<u>(51,374,065)</u>	<u>(51,350,543)</u>
Total Net Position	<u><u>(\$10,833,125)</u></u>	<u><u>(\$19,754,998)</u></u>	<u><u>(\$27,280,251)</u></u>	<u><u>(\$26,662,628)</u></u>

- (1) The School District reported the impact of GASB Statement No. 68 beginning in fiscal year 2014.
- (2) The School District reported the impact of GASB Statement No. 75 beginning in fiscal year 2017.
- (3) The School District reported the impact of GASB Statement No. 84 beginning in fiscal year 2018.

2019	2018 (3)	2017 (2)	2016	2015	2014 (1)
\$16,856,586	\$13,935,005	\$13,734,097	\$12,484,935	\$11,191,033	\$10,606,317
34,410	967,188	3,201,292	3,690,758	3,918,623	3,783,910
4,125,494	1,757,960	1,200,437	1,061,137	1,189,218	1,187,413
683,691	580,618	532,623	411,212	373,005	625,876
(41,911,857)	(54,129,739)	(80,657,522)	(56,008,183)	(59,908,693)	(65,513,642)
<u>(\$20,211,676)</u>	<u>(\$36,888,968)</u>	<u>(\$61,989,073)</u>	<u>(\$38,360,141)</u>	<u>(\$43,236,814)</u>	<u>(\$49,310,126)</u>

**North Royalton City School District**  
*Changes in Net Position of Governmental Activities*  
*Last Ten Fiscal Years*  
*(Accrual Basis of Accounting)*

	2023	2022	2021	2020
<b>Expenses</b>				
Regular Instruction	\$29,333,645	\$27,561,900	\$32,036,002	\$29,616,586
Special Instruction	6,611,569	5,633,996	7,213,008	7,174,942
Vocational Instruction	59,094	213,687	47,960	48,583
Adult/Continuing	0	34	0	0
Student Intervention Services	16,701	13,912	7,608	9,386
Pupil Support	4,493,446	3,576,056	3,792,196	3,711,659
Instructional Staff Support	2,406,075	2,657,904	2,782,428	3,037,562
Board of Education	37,995	35,907	36,307	41,866
Administration	3,559,023	3,255,460	3,453,438	3,591,907
Fiscal	1,529,603	1,318,868	1,366,854	1,386,440
Business	139,081	325,464	397,908	381,657
Operation and Maintenance of Plant	2,943,238	6,449,248	4,378,824	3,930,175
Pupil Transportation	4,043,846	3,720,829	3,418,185	4,255,246
Central	270,461	238,781	266,995	262,772
Operation of Non-Instructional Services	1,188,291	1,139,480	1,160,763	1,015,064
Operation of Food Services	1,343,244	1,489,740	935,109	1,056,558
Extracurricular Activities	1,587,124	1,859,765	1,354,772	1,460,280
Interest	3,453,071	3,485,222	3,530,446	3,604,691
<i>Total Expenses</i>	<u>63,015,507</u>	<u>62,976,253</u>	<u>66,178,803</u>	<u>64,585,374</u>
<b>Program Revenues</b>				
Charges for Services and Sales:				
Regular Instruction	556,538	602,009	283,882	488,469
Special Instruction	80,318	80,611	83,913	89,196
Vocational Instruction	830	3,431	349	634
Student Intervention Services	6,528	6,074	10,936	100
Pupil Support	70,331	63,452	25,267	46,574
Instructional Staff Support	36,826	43,487	18,947	36,798
Board of Education	588	646	260	548
Administration	51,774	58,392	24,240	45,387
Fiscal	20,459	21,383	8,998	15,995
Business	2,197	5,959	2,804	4,874
Operation and Maintenance of Plant	96,387	115,777	96,822	108,797
Pupil Transportation	55,493	60,675	22,218	44,988
Central	3,945	4,351	1,878	3,311
Operation of Non-Instructional Services	459	493	211	298
Operation of Food Services	994,924	135,101	41,081	639,360
Extracurricular Activities	786,060	666,851	296,415	576,366
Operating Grants, Contributions and Contributions	5,858,344	7,024,541	4,888,623	3,663,924
Capital Grants and Contributions	0	0	5,000	10,000
<i>Total Program Revenues</i>	<u>8,622,001</u>	<u>8,893,233</u>	<u>5,811,844</u>	<u>5,775,619</u>
Net Expense	<u>(54,393,506)</u>	<u>(54,083,020)</u>	<u>(60,366,959)</u>	<u>(58,809,755)</u>
<b>General Revenues</b>				
Property Taxes Levied for:				
General Purposes	42,811,724	42,838,371	40,362,043	33,160,037
Debt Service	5,780,388	5,728,410	5,433,713	4,119,917
Capital Outlay	1,738,790	1,724,860	1,663,862	1,302,812
Grants and Entitlements not				
Restricted to Specific Programs	11,716,727	11,439,692	11,258,975	10,972,734
Unrestricted Contributions	1,072	0	4,025	2,500
Investment Earnings/Interest	1,055,107	(406,624)	128,247	2,330,429
Gain on Sale of Capital Assets	0	0	0	0
Gain on Disposal of Capital Assets	0	0	0	0
Miscellaneous	211,571	283,564	898,471	470,374
<i>Total General Revenues</i>	<u>63,315,379</u>	<u>61,608,273</u>	<u>59,749,336</u>	<u>52,358,803</u>
<i>Change in Net Position</i>	<u>\$8,921,873</u>	<u>\$7,525,253</u>	<u>(\$617,623)</u>	<u>(\$6,450,952)</u>

(1) Expenses are first impacted by the implementation of GASB Statement No. 68 beginning in fiscal year 2015.

(2) Expenses are first impacted by the implementation of GASB Statement No. 75 beginning in fiscal year 2018.

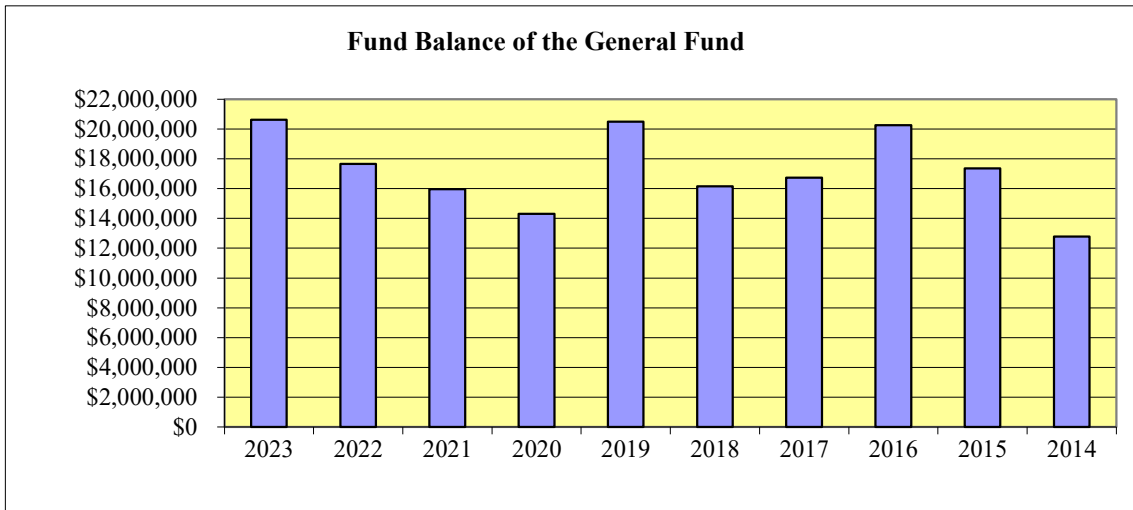
(3) Revenues and expenses are first impacted by the implementation of GASB Statement No. 84 beginning in fiscal year 2019.

2019 (3)	2018 (2)	2017	2016	2015 (1)	2014
\$23,082,870	\$9,755,518	\$28,831,613	\$26,985,023	\$26,912,810	\$26,652,053
5,301,069	3,382,960	5,934,743	4,407,306	4,355,817	4,653,937
47,937	49,795	41,317	37,843	36,343	30,544
0	0	0	0	0	0
11,958	6,146	15,226	20,907	23,091	45,732
3,153,347	1,647,982	3,576,887	3,256,056	3,057,304	3,098,915
2,559,704	1,895,200	2,625,927	2,535,429	2,544,147	2,443,880
41,262	37,086	40,693	41,913	40,636	38,560
2,856,334	1,997,142	3,416,118	2,801,195	3,054,105	3,154,290
1,300,536	1,275,276	1,281,149	1,192,822	1,203,684	1,291,997
298,930	185,435	342,845	312,910	318,551	366,020
3,455,609	3,292,862	3,834,145	3,479,009	3,750,164	3,695,103
2,860,533	4,661,082	3,637,259	3,807,147	3,490,995	4,009,801
225,996	119,071	269,742	254,125	252,706	201,333
1,033,742	1,116,513	1,161,383	965,031	1,021,672	944,531
1,091,905	1,080,529	1,216,332	1,195,333	1,144,599	1,285,407
1,362,941	667,264	1,321,659	1,262,856	1,292,022	1,214,962
3,661,635	3,580,611	248,064	307,139	284,657	564,948
<u>52,346,308</u>	<u>34,750,472</u>	<u>57,795,102</u>	<u>52,862,044</u>	<u>52,783,303</u>	<u>53,692,013</u>
636,640	586,565	631,988	425,475	408,673	372,506
84,725	96,037	97,568	46,062	44,966	54,571
1,917	3,059	881	539	530	367
7,379	3,936	9,050	8,246	12,360	9,501
62,940	69,286	75,609	47,767	45,610	44,924
46,769	49,646	54,595	36,193	37,024	34,597
719	799	868	596	592	568
55,172	65,195	70,739	41,301	50,182	43,843
20,411	25,170	27,342	17,362	18,186	18,303
5,836	6,605	7,032	4,502	4,742	5,324
116,531	104,074	101,809	67,197	54,464	51,467
58,529	83,559	124,146	71,360	80,879	50,593
4,422	4,612	5,599	3,649	3,551	2,766
232	195	798	286	1,138	1,122
796,997	728,094	756,710	782,419	712,874	741,654
691,385	433,385	521,434	486,218	543,172	616,651
3,419,118	3,492,591	3,537,144	3,421,958	3,433,827	3,803,100
300	2,550	6,530	73,288	72,290	77,351
<u>6,010,022</u>	<u>5,755,358</u>	<u>6,029,842</u>	<u>5,534,418</u>	<u>5,525,060</u>	<u>5,929,208</u>
<u>(46,336,286)</u>	<u>(28,995,114)</u>	<u>(51,765,260)</u>	<u>(47,327,626)</u>	<u>(47,258,243)</u>	<u>(47,762,805)</u>
40,853,477	36,027,462	32,253,885	37,531,228	39,017,348	37,029,906
5,036,793	3,675,355	1,467,558	1,722,896	1,764,951	1,685,638
1,623,166	1,304,825	815,653	942,496	1,001,292	938,428
11,965,289	11,504,698	11,613,878	11,484,587	11,043,079	10,646,928
509	5,264	10,078	3,639	2,700	3,304
3,064,409	1,294,984	188,609	172,427	88,315	103,857
0	2,580	0	11,400	175,000	8,322
0	17,579	0	0	0	0
469,935	262,472	232,352	335,626	238,870	278,948
<u>63,013,578</u>	<u>54,095,219</u>	<u>46,582,013</u>	<u>52,204,299</u>	<u>53,331,555</u>	<u>50,695,331</u>
<u>\$16,677,292</u>	<u>\$25,100,105</u>	<u>(\$5,183,247)</u>	<u>\$4,876,673</u>	<u>\$6,073,312</u>	<u>\$2,932,526</u>

**North Royalton City School District**  
*Fund Balances, Governmental Funds*  
*Last Ten Fiscal Years*  
*(Modified Accrual Basis of Accounting)*

	2023	2022	2021	2020
<b>General Fund</b>				
Nonspendable	\$263,747	\$229,331	\$216,151	\$170,605
Assigned	285,220	247,843	445,860	2,483,910
Unassigned	20,060,668	17,182,776	15,294,289	11,648,575
<b>Total General Fund</b>	<b>20,609,635</b>	<b>17,659,950</b>	<b>15,956,300</b>	<b>14,303,090</b>
<b>All Other Governmental Funds</b>				
Nonspendable	4,696	7,112	3,951	3,553
Restricted	13,257,795	12,292,878	18,467,722	52,385,313
Committed	1,200	1,200	1,200	1,200
Unassigned (Deficit)	(63,879)	(3,472)	(465,774)	(155,797)
<b>Total All Other Governmental Funds</b>	<b>13,199,812</b>	<b>12,297,718</b>	<b>18,007,099</b>	<b>52,234,269</b>
<b>Total Governmental Funds</b>	<b>\$33,809,447</b>	<b>\$29,957,668</b>	<b>\$33,963,399</b>	<b>\$66,537,359</b>

(1) The School District reported the impact of GASB Statement No. 84 beginning in fiscal year 2018.



2019	2018 (1)	2017	2016	2015	2014
\$194,234	\$158,280	\$73,916	\$76,927	\$77,054	\$81,437
681,023	1,437,773	689,495	1,133,848	311,778	870,004
19,609,371	14,555,009	15,966,053	19,038,191	16,963,381	11,834,935
20,484,628	16,151,062	16,729,464	20,248,966	17,352,213	12,786,376
3,629	3,389	3,074	3,229	2,547	2,732
92,779,663	100,864,695	4,950,060	5,174,934	5,528,463	5,609,076
1,200	1,200	1,200	1,200	1,200	1,200
(177,523)	(215,625)	(2,687)	(123,260)	(4,042)	(76,759)
92,606,969	100,653,659	4,951,647	5,056,103	5,528,168	5,536,249
\$113,091,597	\$116,804,721	\$21,681,111	\$25,305,069	\$22,880,381	\$18,322,625

**North Royalton City School District**  
*Changes in Fund Balances*  
*Last Ten Fiscal Years*  
*(Modified Accrual Basis of Accounting)*

	2023	2022	2021	2020
<b>Revenues</b>				
Property Taxes	\$51,052,249	\$49,337,944	\$47,202,972	\$38,673,927
Intergovernmental	16,852,674	18,740,336	15,771,433	14,584,261
Investment Earnings/Interest	1,118,348	(409,536)	128,841	2,337,374
Tuition and Fees	823,241	883,623	443,156	724,874
Extracurricular Activities	911,451	762,210	282,331	595,750
Contributions and Donations	599,821	187,130	100,737	95,354
Charges for Services	995,164	135,556	71,081	669,615
Rentals	79,296	112,171	81,032	92,937
Miscellaneous	211,571	283,564	898,471	573,081
<i>Total Revenues</i>	<u>72,643,815</u>	<u>70,032,998</u>	<u>64,980,054</u>	<u>58,347,173</u>
<b>Expenditures</b>				
Current:				
Instruction:				
Regular	27,889,520	27,770,222	28,018,230	27,231,116
Special	6,580,730	6,106,069	6,843,154	6,930,734
Vocational	58,946	121,325	47,982	48,621
Adult/Continuing	0	34	0	0
Student Intervention Services	16,701	13,912	7,608	9,386
Support Services:				
Pupil	4,465,013	3,957,546	3,636,010	3,603,014
Instructional Staff	2,815,143	2,834,589	2,706,658	2,981,364
Board of Education	41,721	40,097	35,714	42,077
Administration	3,748,087	3,567,155	3,358,240	3,424,168
Fiscal	1,539,413	1,431,005	1,338,071	1,342,549
Business	182,793	366,274	371,533	365,439
Operation and Maintenance of Plant	4,937,809	4,027,286	3,425,191	3,767,538
Pupil Transportation	4,356,462	3,735,669	3,848,152	3,898,043
Central	273,250	266,170	254,991	251,754
Operation of Non-Instructional Services	1,184,732	1,135,921	1,101,708	1,012,612
Operation of Food Services	1,440,285	1,622,712	942,621	1,048,344
Extracurricular Activities	1,966,270	1,600,328	1,311,533	1,432,218
Capital Outlay	1,615,686	9,761,205	34,710,738	41,821,872
Debt Service:				
Principal Retirement	1,900,000	1,870,000	1,800,000	1,755,000
Interest	3,779,475	3,811,210	3,859,897	3,935,562
Issuance Costs	0	0	0	58,860
<i>Total Expenditures</i>	<u>68,792,036</u>	<u>74,038,729</u>	<u>97,618,031</u>	<u>104,960,271</u>
<i>Excess of Revenue Over (Under) Expenditures</i>	<u>3,851,779</u>	<u>(4,005,731)</u>	<u>(32,637,977)</u>	<u>(46,613,098)</u>
<b>Other Financing Sources (Uses):</b>				
Sale of Capital Assets	0	0	69,374	0
Insurance Recoveries	0	0	0	0
General Obligation Bonds Issued	0	0	0	0
Refunding Certificate of Participation Issued	0	0	0	2,615,000
Premium on General Obligation Bonds Issued	0	0	0	0
Transfers In	100,000	102,970	55,000	56,930
Payment to Refunded Bond Escrow Agent	0	0	0	(2,556,140)
Transfers Out	(100,000)	(102,970)	(55,000)	(56,930)
<i>Total Other Financing Sources (Uses)</i>	<u>0</u>	<u>0</u>	<u>69,374</u>	<u>58,860</u>
<i>Net Change in Fund Balances</i>	<u>\$3,851,779</u>	<u>(\$4,005,731)</u>	<u>(\$32,568,603)</u>	<u>(\$46,554,238)</u>
<i>Debt Service as a Percentage of Noncapital Expenditures</i>	9.05%	8.31%	8.98%	9.04%

(1) Revenues and expenditures are first impacted by the implementation of GASB Statement No. 84 beginning in fiscal year 2019.



2019 (1)	2018	2017	2016	2015	2014
\$47,409,313	\$40,942,405	\$34,570,277	\$39,877,443	\$42,166,327	\$39,969,046
15,366,008	14,690,430	15,179,830	14,771,525	14,452,010	14,260,159
3,072,606	1,299,916	191,765	173,709	89,085	104,428
779,530	991,962	995,675	682,055	706,202	714,953
814,619	432,054	507,408	464,464	457,561	492,952
61,330	69,918	62,607	128,267	179,525	171,504
827,157	728,094	816,710	782,419	712,874	742,054
106,248	106,544	160,758	110,234	142,306	111,096
367,228	262,472	232,352	335,626	238,870	278,948
68,804,039	59,523,795	52,717,382	57,325,742	59,144,760	56,845,140
27,007,053	26,588,717	26,428,354	26,311,599	26,493,485	26,101,347
6,202,546	6,147,492	5,707,085	4,533,472	4,433,602	4,592,162
47,984	49,834	41,339	37,890	35,997	39,895
0	0	0	0	0	0
11,958	6,146	15,226	20,907	22,858	45,732
3,658,608	3,419,479	3,391,703	3,283,007	3,107,734	3,019,297
2,775,873	2,552,174	2,539,109	2,553,044	2,522,964	2,415,954
42,489	41,466	40,693	41,913	40,226	38,560
3,230,930	3,238,354	3,135,576	2,861,573	3,100,923	3,040,446
1,331,603	1,365,519	1,231,813	1,201,265	1,194,216	1,303,512
410,767	324,943	327,050	318,723	330,600	359,745
3,635,364	3,680,558	3,529,074	3,507,713	3,671,432	3,572,784
3,961,407	3,965,669	3,728,741	3,715,188	3,557,356	3,857,486
256,520	234,602	261,428	254,781	216,843	225,832
1,050,033	1,116,513	1,161,401	966,969	1,013,720	894,381
1,121,724	1,179,692	1,177,508	1,210,629	1,146,550	1,286,438
1,582,297	1,223,531	1,271,286	1,269,098	1,283,287	1,197,235
9,461,462	1,934,647	150,685	457,989	542,590	208,234
2,725,000	2,140,000	2,085,000	2,025,000	1,730,000	1,490,000
4,017,625	3,293,309	282,778	341,694	319,153	582,343
0	584,930	0	0	53,375	0
72,531,243	63,087,575	56,505,849	54,912,454	54,816,911	54,271,383
(3,727,204)	(3,563,780)	(3,788,467)	2,413,288	4,327,849	2,573,757
0	2,580	0	11,400	175,000	8,322
14,080	17,579	0	0	0	0
0	88,900,000	0	0	8,375,000	0
0	0	0	0	0	0
0	9,767,231	0	0	258,482	0
71,848	97,431	30,000	60,000	116,480	118,000
0	0	0	0	(8,578,575)	0
(71,848)	(97,431)	(30,000)	(60,000)	(116,480)	(118,000)
14,080	98,687,390	0	11,400	229,907	8,322
(\$3,713,124)	\$95,123,610	(\$3,788,467)	\$2,424,688	\$4,557,756	\$2,582,079
10.93%	8.72%	4.23%	4.36%	3.76%	3.85%

**North Royalton City School District**  
*Assessed and Estimated Actual Value of Taxable Property*  
*Last Ten Years*

Real Property				
Collection Year	Assessed Value			Estimated Actual Value
	Residential/ Agricultural	Commercial/ Industrial	Total	
2023	\$1,153,014,970	\$180,569,450	\$1,333,584,420	\$3,810,241,200
2022	1,144,412,160	184,206,400	1,328,618,560	3,796,053,029
2021	1,008,393,110	168,608,620	1,177,001,730	3,362,862,086
2020	1,004,644,410	170,376,430	1,175,020,840	3,357,202,400
2019	998,071,280	170,905,740	1,168,977,020	3,339,934,343
2018	905,176,150	147,442,070	1,052,618,220	3,007,480,629
2017	900,907,390	144,093,270	1,045,000,660	2,985,716,171
2016	896,397,400	139,499,910	1,035,897,310	2,959,706,600
2015	877,428,500	143,485,140	1,020,913,640	2,916,896,114
2014	871,126,480	142,923,040	1,014,049,520	2,897,284,343

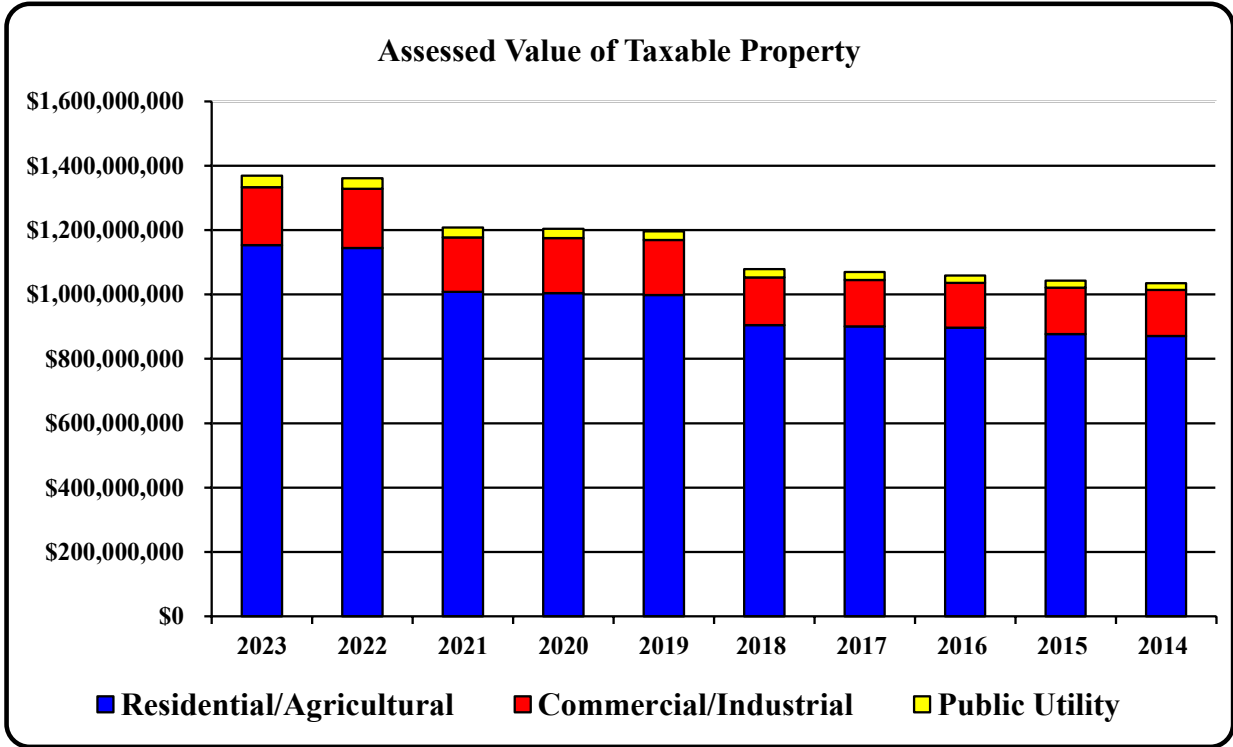
Real property is reappraised every six years with a State mandated update of the current market value in the third year following each reappraisal.

The assessed value of real property (including public utility real property) is 35 percent of estimated true value. The assessed value of public utility personal property ranges from 25 percent of true value for railroad property to 88 percent for electric transmission and distribution property.

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

**Source:** Office of the County Fiscal Officer, Cuyahoga County, Ohio

Tangible Personal Property		Total		Total Tax Rate	Weighted Average Tax Rate
Public Utility					
Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value		
\$35,045,920	\$39,824,909	\$1,368,630,340	\$3,850,066,109	\$64.700000	\$40.150054
33,022,950	37,526,080	1,361,641,510	3,833,579,109	66.700000	42.116520
31,089,320	35,328,773	1,208,091,050	3,398,190,860	66.700000	42.243651
29,075,240	33,040,045	1,204,096,080	3,390,242,445	67.000000	42.476750
27,295,140	31,017,205	1,196,272,160	3,370,951,548	68.500000	43.925719
26,107,970	29,668,148	1,078,726,190	3,037,148,777	68.500000	45.033736
24,467,500	27,803,977	1,069,468,160	3,013,520,148	65.700000	42.211751
22,972,440	26,105,045	1,058,869,750	2,985,811,645	65.700000	42.195713
22,479,140	25,544,477	1,043,392,780	2,942,440,591	65.700000	42.355541
21,388,440	24,305,045	1,035,437,960	2,921,589,388	65.700000	42.304627



**North Royalton City School District**  
*Property Tax Rates - Direct and Overlapping Governments*  
(per \$1,000 of assessed value)  
*Last Ten Years*

	2023	2022	2021	2020
<b>Unvoted Millage</b>				
Operating	\$5.000000	\$5.000000	\$5.000000	\$5.000000
<b>Voted Millage by Levy</b>				
Permanent Improvement	\$1.000000	\$1.000000	\$1.000000	\$1.000000
1976 Operating - continuing				
Effective Millage Rates				
Residential/Agricultural	13.232707	13.232310	13.176861	13.176608
Commercial/Industrial	12.982679	12.979646	13.225415	13.060871
Tangible/Public Utility Personal	36.100000	36.100000	36.100000	36.100000
1977 Operating - continuing				
Effective Millage Rates				
Residential/Agricultural	1.016605	1.016727	1.033390	1.033462
Commercial/Industrial	1.101745	1.102712	1.133802	1.119697
Tangible/Public Utility Personal	2.500000	2.500000	2.500000	2.500000
1988 Operating - continuing				
Effective Millage Rates				
Residential/Agricultural	0.750697	0.750979	0.789769	0.789939
Commercial/Industrial	0.915597	0.917656	0.953983	0.942115
Tangible/Public Utility Personal	1.500000	1.500000	1.500000	1.500000
1994 Bond (\$24,000,000)	0.000000	0.000000	0.000000	0.000000
2007 Emergency (\$4,395,000)	0.000000	0.000000	0.000000	0.000000
2009 Emergency (\$6,700,000)	0.000000	0.000000	0.000000	0.000000
2010 Emergency (\$6,695,000)	0.000000	0.000000	0.000000	0.000000
2017 Bond (\$88,900,000)	4.300000	4.400000	4.400000	4.400000
2017 Permanent Improvement				
Effective Millage Rates				
Residential/Agricultural	0.402343	0.402718	0.454212	0.454423
Commercial/Industrial	0.421104	0.422635	0.444196	0.438670
Tangible/Public Utility Personal	0.500000	0.500000	0.500000	0.500000
2018 Emergency (\$17,790,000)	13.800000	15.700000	15.700000	16.000000
<b>Total Effective Voted Millage by Type of Property</b>				
Residential/Agricultural	\$34.502352	\$36.502734	\$36.554232	\$36.854432
Commercial/Industrial	34.521125	36.522649	36.857396	36.961353
Tangible/Public Utility Personal	59.700000	61.700000	61.700000	62.000000
<b>Total Effective Millage by Type of Property</b>				
Residential/Agricultural	\$39.502352	\$41.502734	\$41.554232	\$41.854432
Commercial/Industrial	39.521125	41.522649	41.857396	41.961353
Tangible/Public Utility Personal	64.700000	66.700000	66.700000	67.000000
<b>Total Weighted Average Tax Rate</b>	\$40.150054	\$42.116520	\$42.243651	\$42.476750

2019	2018	2017	2016	2015	2014
<u>\$5.000000</u>	<u>\$5.000000</u>	<u>\$5.000000</u>	<u>\$5.000000</u>	<u>\$5.000000</u>	<u>\$5.000000</u>
\$1.000000	\$1.000000	\$1.000000	\$1.000000	\$1.000000	\$1.000000
13.176175	14.076834	14.071130	14.074704	14.281300	14.278813
12.954918	13.852689	13.948462	14.010662	13.785300	13.615800
36.100000	36.100000	36.100000	36.100000	36.100000	36.100000
1.033587	1.110157	1.109710	1.109990	1.126300	1.126087
1.110615	1.211530	1.219907	1.225347	1.205600	1.190812
2.500000	2.500000	2.500000	2.500000	2.500000	2.500000
0.790239	0.856120	0.855775	0.855991	0.868600	0.868405
0.934473	1.043682	1.050898	1.055584	1.038600	1.025835
1.500000	1.500000	1.500000	1.500000	1.500000	1.500000
1.800000	1.800000	1.800000	1.800000	1.800000	1.800000
0.000000	4.300000	4.400000	4.400000	4.400000	4.400000
0.000000	6.600000	6.700000	6.700000	6.700000	6.700000
0.000000	6.600000	6.700000	6.700000	6.700000	6.700000
2.600000	2.600000	0.000000	0.000000	0.000000	0.000000
0.454796	0.500000	0.000000	0.000000	0.000000	0.000000
0.435112	0.496566	0.000000	0.000000	0.000000	0.000000
0.500000	0.500000	0.000000	0.000000	0.000000	0.000000
17.500000	0.000000	0.000000	0.000000	0.000000	0.000000
\$38.354797	\$39.443111	\$36.636615	\$36.640685	\$36.876200	\$36.873305
38.335118	39.504467	36.819267	36.891593	36.629500	36.432447
<u>63.500000</u>	<u>63.500000</u>	<u>60.700000</u>	<u>60.700000</u>	<u>60.700000</u>	<u>60.700000</u>
\$43.354797	\$44.443111	\$41.636615	\$41.640685	\$41.876200	\$41.873305
43.335118	44.504467	41.819267	41.891593	41.629500	41.432447
<u>68.500000</u>	<u>68.500000</u>	<u>65.700000</u>	<u>65.700000</u>	<u>65.700000</u>	<u>65.700000</u>
<u>\$43.925719</u>	<u>\$45.033736</u>	<u>\$42.211751</u>	<u>\$42.195713</u>	<u>\$42.355541</u>	<u>\$42.304627</u>

(continued)

**North Royalton City School District**  
*Property Tax Rates - Direct and Overlapping Governments (continued)*  
(per \$1,000 of assessed value)  
*Last Ten Years*

	2023	2022	2021	2020
<b>Overlapping Rates by Taxing District</b>				
City of North Royalton				
Effective Millage Rates				
Residential/Agricultural	\$6.304473	\$5.962863	\$6.425633	\$6.427938
Commercial/Industrial	6.892545	6.661696	6.865908	6.803637
Tangible/Public Utility Personal	8.200000	8.200000	8.200000	8.200000
City of Broadview Heights				
Effective Millage Rates				
Residential/Agricultural	9.669940	9.672102	9.859300	9.858712
Commercial/Industrial	10.116052	10.119168	10.215645	10.269764
Tangible/Public Utility Personal	12.520000	12.520000	12.520000	12.520000
Cuyahoga County				
Effective Millage Rates				
Residential/Agricultural	12.251926	12.255221	14.006317	12.801150
Commercial/Industrial	13.633084	13.670579	14.303665	13.230331
Tangible/Public Utility Personal	14.850000	14.850000	14.850000	14.050000
Cuyahoga County Public Library				
Effective Millage Rates				
Residential/Agricultural	2.831057	2.831990	3.263570	2.259417
Commercial/Industrial	3.233423	3.234668	3.390252	2.379825
Tangible/Public Utility Personal	3.500000	3.500000	3.500000	2.500000
Cuyahoga Valley Career Center				
Effective Millage Rates				
Residential/Agricultural	2.000000	2.000000	2.000000	2.000000
Commercial/Industrial	2.000000	2.000000	2.000000	2.000000
Tangible/Public Utility Personal	2.000000	2.000000	2.000000	2.000000
Cleveland Metro Parks				
Effective Millage Rates				
Residential/Agricultural	2.740396	2.150196	2.484851	2.479656
Commercial/Industrial	2.740428	2.456294	2.580795	2.574669
Tangible/Public Utility Personal	2.750000	2.750000	2.750000	2.750000
Cuyahoga Community College				
Effective Millage Rates				
Residential/Agricultural	3.951521	3.952576	4.512099	4.503539
Commercial/Industrial	4.432366	4.444468	4.648810	4.639787
Tangible/Public Utility Personal	4.900000	4.900000	4.900000	4.900000
Cuyahoga County Port Authority				
Effective Millage Rates				
Residential/Agricultural	0.088803	0.088830	0.103225	0.102981
Commercial/Industrial	0.104421	0.104743	0.110169	0.109904
Tangible/Public Utility Personal	0.130000	0.130000	0.130000	0.130000

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

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

Real property tax rates for voted continuing and operating levies are reduced so that inflationary increases in value do not generate additional revenue.

**Source:** Ohio Department of Taxation

**Rate:** Emergency and Debt Service levies are designed to raise a fixed amount of revenue each year. A rate is set each year so that when it is applied to the total assessed value, the fixed amount is generated.

N/A - Information not available

2019	2018	2017	2016	2015	2014
\$6.428721	\$6.837788	\$6.020467	\$6.019556	\$6.051800	\$6.049129
6.768702	7.346033	6.847350	6.857472	6.813000	6.748199
8.200000	8.200000	8.200000	8.200000	8.200000	8.200000
9.860572	9.296033	9.295401	9.295845	7.908300	7.326583
10.249413	9.716059	9.704730	9.757407	8.308200	7.791766
12.520000	11.820000	11.820000	11.820000	10.400000	10.400000
12.797318	13.914095	13.880201	13.869781	14.050000	14.050000
13.077038	14.006049	14.012362	14.050000	14.019500	13.949465
14.050000	14.050000	14.050000	14.050000	14.050000	14.050000
2.259610	2.475507	2.470717	2.469462	2.500000	2.500000
2.369117	2.498725	2.496887	2.500000	2.500000	2.500000
2.500000	2.500000	2.500000	2.500000	2.500000	2.500000
2.000000	2.000000	2.000000	2.000000	2.000000	2.000000
2.000000	2.000000	2.000000	2.000000	2.000000	2.000000
2.000000	2.000000	2.000000	2.000000	2.000000	2.000000
2.482653	2.718302	2.711249	2.711903	2.750000	2.750000
2.541737	2.740335	2.741624	2.750000	2.736800	2.704560
2.750000	2.750000	2.750000	2.750000	2.750000	2.750000
4.102322	4.456854	3.946094	3.942787	4.000000	3.100000
4.191122	4.486046	3.988050	4.000000	3.990600	3.069066
4.500000	4.500000	4.000000	4.000000	4.000000	3.100000
0.102946	0.113078	0.112770	0.112676	0.114300	0.113900
0.108473	0.117141	0.117200	0.117551	0.112700	0.110629
0.130000	0.130000	0.130000	0.130000	0.130000	0.130000

**North Royalton City School District**  
*Property Tax Levies and Collections (1)*  
*Last Ten Years*

Collection Year	Current Tax Levy	Current Tax Collections	Percent of Current Tax Collections to Current Tax Levy	Delinquent Tax Collections (2)(3)	Total Tax Collections	Percent of Total Tax Collections to Current Tax Levy
2023	\$55,680,072	\$54,464,862	97.82%	\$1,372,446	\$55,837,308	100.28%
2022	57,920,451	56,054,361	96.78	1,054,796	57,109,157	98.60
2021	51,275,915	50,194,628	97.89	940,196	51,134,824	99.72
2020	51,107,505	49,963,256	97.76	791,339	50,754,595	99.31
2019	52,428,366	51,500,435	98.23	877,437	52,377,872	99.90
2018	48,647,803	47,773,043	98.20	854,830	48,627,873	99.96
2017	45,173,479	44,282,165	98.03	812,202	45,094,367	99.82
2016	44,784,797	43,937,400	98.11	747,917	44,685,317	99.78
2015	44,318,981	42,961,440	96.94	1,030,408	43,991,848	99.26
2014	43,938,040	42,329,613	96.34	893,328	43,222,941	98.37

**Source:** Office of the Fiscal Officer, Cuyahoga County, Ohio

(1) Includes Homestead/Rollback taxes assessed locally, but distributed through the State and reported as Intergovernmental Revenue.

(2) The County's current system does not track delinquent tax collections by tax year in total. This presentation will be updated as new information becomes available.

(3) These amounts cannot be calculated based on other information in this statistical table because of retroactive additions and deletions which are brought on in one lump sum. Penalties and interest are included, since by Ohio Law they become part of the tax obligation.



**North Royalton City School District**

*Principal Taxpayers*

*Real Estate Tax*

*2023 and 2014*

Name of Taxpayer	2023	
	Assessed Value	Percent of Real Property Assessed Value
MYM Apartments	\$17,192,180	1.29 %
Royalton Place	12,626,740	0.95
Spruce Lake, LTD	10,122,950	0.76
Hampton Club, LTD	9,279,660	0.70
I&J Associates, LTD	5,029,720	0.38
Pine Forest Apartments	4,429,110	0.33
Deer Creek Apartments, LTD	4,427,790	0.33
Oak Brook Garden Apartments	4,384,070	0.32
Omni SLF North Royalton	4,132,520	0.31
Shadow Creek Enterprises LTD	3,598,110	0.27
<b>Total</b>	<b>\$75,222,850</b>	<b>5.64 %</b>
<b>Total Real Estate Assessed Valuation</b>	<b>\$1,333,584,420</b>	

Name of Taxpayer	2014	
	Assessed Value	Percent of Real Property Assessed Value
Spruce Lake, LTD	\$7,409,400	0.73 %
Hampton Club, LTD	7,305,110	0.72
JVM Royal Oaks Apartments	6,466,710	0.64
JVM Dover Farms Apartments	5,486,260	0.54
I&J Associates, LTD	3,506,940	0.35
Deer Creek Apartments, LTD	3,143,150	0.31
Oak Brook Garden Apartments	2,836,790	0.28
Pine Forest Apartments	2,815,860	0.28
MCI Telecommunications	2,788,280	0.27
North Royalton Ohio Property, LLC	2,679,910	0.26
<b>Total</b>	<b>\$44,438,410</b>	<b>4.38 %</b>
<b>Total Real Estate Assessed Valuation</b>	<b>\$1,014,049,520</b>	

**Source:** Office of the Fiscal Officer, Cuyahoga County, Ohio

**North Royalton City School District**

*Principal Taxpayers*

*Public Utilities Tax*

*2023 and 2014*

Name of Taxpayer	2023	
	Assessed Value	Percent of Public Utility Assessed Value
Cleveland Electric Illuminating Company	\$20,528,690	58.58 %
American Transmission System	7,932,180	22.63
Columbia Gas of Ohio, Incorporated	4,605,860	13.14
Ohio Edison Company	1,229,160	3.51
East Ohio Gas Company	742,280	2.12
Knox Energy Cooperative Association, Incorporated	7,750	0.02
<b>Total</b>	<b>\$35,045,920</b>	<b>100.00 %</b>
<b>Total Public Utility Valuation</b>	<b>\$35,045,920</b>	

Name of Taxpayer	2014	
	Assessed Value	Percent of Public Utility Assessed Value
Cleveland Electric Illuminating Company	\$14,781,750	69.12 %
Columbia Gas of Ohio, Incorporated	2,584,240	12.08
American Transmission System	133,410	0.62
<b>Total</b>	<b>\$17,499,400</b>	<b>81.82 %</b>
<b>Total Public Utility Valuation</b>	<b>\$21,388,440</b>	

**Source:** Office of the Fiscal Officer, Cuyahoga County, Ohio

**North Royalton City School District**  
*Computation of Direct and Overlapping  
 Governmental Activities Debt  
 June 30, 2023*

	<u>Governmental Activities Debt Outstanding</u>	<u>Percentage Applicable to School District (1)</u>	<u>Amount of Direct and Overlapping Debt</u>
<b>Direct:</b>			
North Royalton City School District:			
General Obligation Bonds	\$89,554,360	100.00%	\$89,554,360
Certificates of Participation	<u>2,325,000</u>	100.00	<u>2,325,000</u>
<b>Total Direct</b>	<u>91,879,360</u>		<u>91,879,360</u>
<b>Overlapping:</b>			
City of North Royalton:			
General Obligation Bonds	14,203,000	98.79	14,031,144
Special Assessment Bonds	400,000	98.79	395,160
OPWC Loans	1,169,866	98.79	1,155,711
Police and Fire Pension	76,356	98.79	75,432
Financed Purchases	587,064	98.79	579,961
City of Broadview Heights:			
General Obligation Bonds	16,545,285	34.97	5,785,886
Special Assessment Bonds	938,879	34.97	328,326
OPWC Loans	3,723,433	34.97	1,302,085
Financed Purchases	225,750	34.97	78,945
Leases	114,017	34.97	39,872
Cuyahoga County:			
General Obligation Bonds	251,010,600	3.51	8,810,472
Revenue Bonds	661,438,822	3.51	23,216,503
Certificates of Participation	183,827,155	3.51	6,452,333
OWDA Loans	987,394	3.51	34,658
OPWC Loans	284,649	3.51	9,991
Financed Purchases	231,083,108	3.51	8,111,017
Leases	10,115,961	3.51	355,070
Regional Transit Authority:			
Revenue Bonds	<u>44,215,097</u>	3.51	<u>1,551,950</u>
<b>Total Overlapping</b>	<u>1,420,946,436</u>		<u>72,314,516</u>
<b>Total</b>	<u><u>\$1,512,825,796</u></u>		<u><u>\$164,193,876</u></u>

**Source:** Office of the Fiscal Officer, Cuyahoga County, Ohio

(1) Percentages were determined by dividing the assessed valuation of the political subdivision located within the boundaries of the School District by the total assessed valuation of the subdivision. The valuations used were for the 2022 collection year.

**North Royalton City School District**  
*Ratio of General Obligation Bonded Debt  
to Estimated Actual Value, Personal Income and Population  
Last Ten Fiscal Years*

Fiscal Year	General Bonded Debt			Other General Debt		Total Debt
	Gross Bonded Debt (1)	Ratio of Bonded Debt to Estimated Actual Value (2)	Bonded Debt per Capita (3)	Certificates of Participation		
2023	\$89,554,360	2.33 %	\$2,859	\$2,325,000	\$91,879,360	
2022	91,679,934	2.39	2,927	2,425,000	94,104,934	
2021	93,780,508	2.76	2,994	2,520,000	96,300,508	
2020	95,811,082	2.83	3,147	2,615,000	98,426,082	
2019	97,816,657	2.90	3,213	2,587,172	100,403,829	
2018	100,849,636	3.32	3,313	2,655,680	103,505,316	
2017	4,322,025	0.14	142	2,719,188	7,041,213	
2016	6,401,646	0.21	210	2,787,696	9,189,342	
2015	8,426,266	0.29	277	2,851,203	11,277,469	
2014	10,555,354	0.36	347	2,909,711	13,465,065	

(1) Although the general obligation bond retirement fund is restricted for debt service, it is not specifically restricted to the payment of principal; therefore, these resources are not shown as a deduction from general obligation bonded debt.

(2) The Estimated Actual Value can be found on S10-S11

(3) The population can be found on S24

(4) The personal income can be found on S24

**Source:** Office of the Treasurer, North Royalton City School District,  
Cuyahoga County Fiscal Officer and the U.S Census Bureau

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<u>Ratio of General Debt to Personal Income (4)</u>	<u>General Debt per Capita (3)</u>
7.11 %	\$2,933
7.28	3,004
7.45	3,075
10.13	3,233
10.34	3,298
10.66	3,400
0.73	231
0.95	302
1.16	370
1.39	442

**North Royalton City School District**  
*Computation of Legal Debt Margin*  
*Last Ten Fiscal Years*

	2023	2022	2021	2020
Residential/Agricultural Real Property	\$1,153,014,970	\$1,144,412,160	\$1,008,393,110	\$1,004,644,410
Commercial/Industrial Real Property	180,569,450	184,206,400	168,608,620	170,376,430
Public Utility Tangible	35,045,920	33,022,950	31,089,320	29,075,240
Assessed Valuation	<u>\$1,368,630,340</u>	<u>\$1,361,641,510</u>	<u>\$1,208,091,050</u>	<u>\$1,204,096,080</u>
Debt Limit - 9% of Assessed Value (1)	\$123,176,731	\$122,547,736	\$108,728,195	\$108,368,647
Amount of Debt Outstanding				
Certificates of Participation	2,325,000	2,425,000	2,520,000	2,615,000
General Obligation Bonds	81,415,000	83,215,000	84,990,000	86,695,000
Less Amount Available in Debt Service	<u>(8,811,502)</u>	<u>(8,451,402)</u>	<u>(8,338,263)</u>	<u>(8,452,998)</u>
Total	74,928,498	77,188,598	79,171,737	80,857,002
Exemptions:				
Certificates of Participation	<u>(2,325,000)</u>	<u>(2,425,000)</u>	<u>(2,520,000)</u>	<u>(2,615,000)</u>
Amount of Debt Subject to Limit	<u>72,603,498</u>	<u>74,763,598</u>	<u>76,651,737</u>	<u>78,242,002</u>
Overall Debt Margin	<u>\$50,573,233</u>	<u>\$47,784,138</u>	<u>\$32,076,458</u>	<u>\$30,126,645</u>
Legal Debt Margin as a Percentage of Debt Limit	41.06%	38.99%	29.50%	27.80%
Unvoted Legal Debt Limit - .10% of Assessed Value (1)	\$1,368,630	\$1,361,642	\$1,208,091	\$1,204,096
Amount of Debt Subject to Limit	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Unvoted Debt Margin	<u>\$1,368,630</u>	<u>\$1,361,642</u>	<u>\$1,208,091</u>	<u>\$1,204,096</u>
Unvoted Legal Debt Margin as a Percentage of the Unvoted Debt Limitation	100.00%	100.00%	100.00%	100.00%

**Source:** Cuyahoga County Fiscal Officer and School District Financial Records

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

2019	2018	2017	2016	2015	2014
\$998,071,280	\$905,176,150	\$900,907,390	\$896,397,400	\$877,428,500	\$871,126,480
170,905,740	147,442,070	144,093,270	139,499,910	143,485,140	142,923,040
27,295,140	26,107,970	24,467,500	22,972,440	22,479,140	21,388,440
<u>\$1,196,272,160</u>	<u>\$1,078,726,190</u>	<u>\$1,069,468,160</u>	<u>\$1,058,869,750</u>	<u>\$1,043,392,780</u>	<u>\$1,035,437,960</u>
\$107,664,494	\$97,085,357	\$96,252,134	\$95,298,278	\$93,905,350	\$93,189,416
2,620,000	2,690,000	2,755,000	2,825,000	2,890,000	2,950,000
88,375,000	91,030,000	4,205,000	6,220,000	8,180,000	9,870,000
(9,666,012)	(10,977,047)	(3,172,156)	(3,665,280)	(3,920,663)	(3,775,408)
81,328,988	82,742,953	3,787,844	5,379,720	7,149,337	9,044,592
(2,620,000)	(2,690,000)	(2,755,000)	(2,825,000)	(2,890,000)	(2,950,000)
78,708,988	80,052,953	1,032,844	2,554,720	4,259,337	6,094,592
<u>\$28,955,506</u>	<u>\$17,032,404</u>	<u>\$95,219,290</u>	<u>\$92,743,558</u>	<u>\$89,646,013</u>	<u>\$87,094,824</u>
26.89%	17.54%	98.93%	97.32%	95.46%	93.46%
\$1,196,272	\$1,078,726	\$1,069,468	\$1,058,870	\$1,043,393	\$1,035,438
0	0	0	0	0	0
<u>\$1,196,272</u>	<u>\$1,078,726</u>	<u>\$1,069,468</u>	<u>\$1,058,870</u>	<u>\$1,043,393</u>	<u>\$1,035,438</u>
100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

**North Royalton City School District**  
*Demographic and Economic Statistics*  
*Last Ten Years*

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Year	Estimated Population	Total Personal Income	Personal Income Per Capita	Median Household Income	Median Age
2023	31,322	\$1,291,969,856	\$41,248	\$70,665	43.60
2022	31,322	1,291,969,856	41,248	70,665	43.60
2021	31,322	1,291,969,856	41,248	70,665	43.60
2020	30,444	971,194,044	31,901	61,954	38.60
2019	30,444	971,194,044	31,901	61,954	38.60
2018	30,444	971,194,044	31,901	61,954	38.60
2017	30,444	971,194,044	31,901	61,954	38.60
2016	30,444	971,194,044	31,901	61,954	38.60
2015	30,444	971,194,044	31,901	61,954	38.60
2014	30,444	971,194,044	31,901	61,954	38.60

**Source:** U.S. Census Bureau  
2021-2023, 2020 Census  
2014-2020, 2010 Census

(1) Information includes only the City of North Royalton.



Median Value of Residential Property	Cuyahoga County Unemployment Rate	Total Assessed Property Value
\$208,600	4.7 %	\$1,368,630,340
208,600	6.3	1,361,641,510
208,600	7.1	1,208,091,050
199,200	15.2	1,204,096,080
199,200	4.1	1,196,272,160
199,200	4.9	1,078,726,190
199,200	5.4	1,069,468,160
199,200	5.6	1,058,869,750
199,200	6.7	1,043,392,780
199,200	7.9	1,035,437,960

**North Royalton City School District**

*Principal Employers*

*June 30, 2023 and June 30, 2021 (1)*

<b>2023</b>		
Employer	Nature of Business or Activity	Percentage of Income Tax Withholding
North Royalton City School District	Public Education	3.25 %
City of North Royalton	Municipal Government	1.37
KeyBank National Association	Banking	0.82
The Cleveland Clinic Foundation	Healthcare	0.82
I & MJ Gross Company, Incorporated	Owner Developer	0.77
Progressive Casualty Insurance Company	Insurance	0.72
PNC Bank	Banking	0.70
May Tool and Die Company	Manufacturer	0.69
Group Management Services, Incorporated	Business Management	0.61
Diplomat Healthcare, LLC	Rehabilitation Center	0.50
<b>Total</b>		<b>10.25 %</b>
Total Employment within the School District		N/A

<b>2021</b>		
Employer	Nature of Business or Activity	Percentage of Income Tax Withholding
North Royalton City School District	Public Education	6.90 %
City of North Royalton	Municipal Government	3.30
May Tool and Die	Manufacturer	2.10
I & MJ Gross Company	Owner Developer	1.50
Group Management Services	Business Management	1.20
NCC Solutions, Incorporated	Developmental Learning Center	1.20
Diplomat Healthcare, LLC	Rehabilitation Center	1.00
Laszeray Technology, Incorporated	Advanced Manufacturing	1.00
Transport Services	Transportation Related Services	0.99
KeyBank National Association	Banking	0.89
<b>Total</b>		<b>20.08 %</b>
Total Employment within the School District		N/A

**Source:** City of North Royalton, Ohio

(1) Information prior to 2021 is not available.

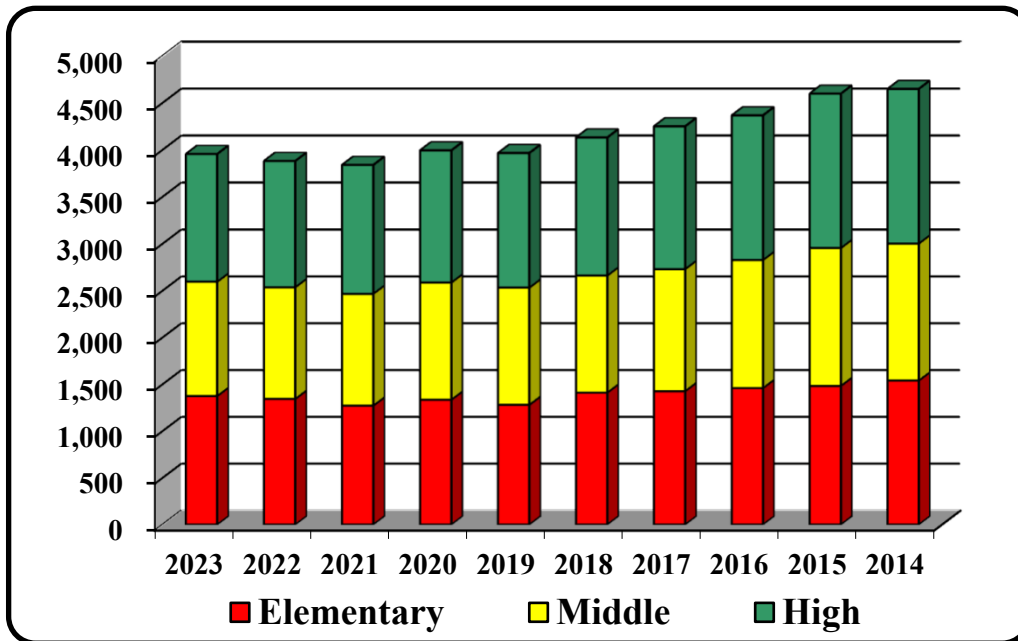
N/A - Information not available

## North Royalton City School District

### *Enrollment Statistics*

### *Last Ten Fiscal Years*

Fiscal Year	Elementary School (1)	Middle School	High School	Total
2023	1,374	1,221	1,360	3,955
2022	1,343	1,193	1,344	3,880
2021	1,271	1,195	1,372	3,838
2020	1,334	1,252	1,407	3,993
2019	1,280	1,252	1,433	3,965
2018	1,410	1,250	1,470	4,130
2017	1,426	1,303	1,520	4,249
2016	1,459	1,367	1,540	4,366
2015	1,482	1,472	1,643	4,597
2014	1,539	1,462	1,646	4,647



**Source:** North Royalton City School Records

(1) Enrollment includes Kindergarten students

**North Royalton City School District**  
*Building Statistics by Function/Program*  
*Last Ten Fiscal Years*

	2023	2022 (1)	2021	2020
<b>Albion Elementary School</b>				
Constructed in 1955				
Total Building Square Footage	N/A	N/A	45,405	45,405
Enrollment Grades K - 4	N/A	N/A	474	490
Student Capacity	N/A	N/A	476	476
Regular Instruction Classrooms	N/A	N/A	20	20
Regular Instruction Teachers	N/A	N/A	25	26
Special Instruction Classrooms	N/A	N/A	2	2
Special Instruction Teachers	N/A	N/A	4	4
<b>Royal View Elementary School</b>				
Constructed in 1965				
Total Building Square Footage	48,460	48,460	48,460	48,460
Enrollment Grades K - 4	N/A	N/A	400	426
Student Capacity	525	525	525	525
Regular Instruction Classrooms	N/A	N/A	17	17
Regular Instruction Teachers	N/A	N/A	22	21
Special Instruction Classrooms	N/A	N/A	2	2
Special Instruction Teachers	N/A	N/A	10	10
<b>Valley Vista Elementary School</b>				
Constructed in 1959				
Total Building Square Footage	N/A	N/A	42,536	42,536
Enrollment Grades K - 4	N/A	N/A	397	418
Student Capacity	N/A	N/A	426	426
Regular Instruction Classrooms	N/A	N/A	17	17
Regular Instruction Teachers	N/A	N/A	22	22
Special Instruction Classrooms	N/A	N/A	2	2
Special Instruction Teachers	N/A	N/A	2	2
<b>North Royalton Elementary School</b>				
Constructed in 2021				
Total Building Square Footage	148,655	148,655	N/A	N/A
Enrollment Grades K - 4	1,374	1,343	N/A	N/A
Student Capacity	1,300	1,300	N/A	N/A
Regular Instruction Classrooms	64	64	N/A	N/A
Regular Instruction Teachers	71	71	N/A	N/A
Special Instruction Classrooms	30	30	N/A	N/A
Special Instruction Teachers	18	16	N/A	N/A
<b>North Royalton Middle School</b>				
Constructed in 1996				
Total Building Square Footage	242,400	242,400	242,400	242,400
Enrollment Grades 5 - 8	1,221	1,193	1,195	1,252
Student Capacity	1,300	1,300	1,300	1,300
Regular Instruction Classrooms	64	64	64	64
Regular Instruction Teachers	67	69	71	70
Special Instruction Classrooms	11	11	11	11
Special Instruction Teachers	13	11	12	11
<b>High School</b>				
Constructed in 1950				
Total Building Square Footage	256,569	256,569	260,900	260,900
Enrollment Grades 9 - 12	1,360	1,344	1,372	1,407
Student Capacity	1,456	1,456	1,480	1,480
Regular Instruction Classrooms	66	66	66	66
Regular Instruction Teachers	64	63	66	66
Special Instruction Classrooms	10	10	10	10
Special Instruction Teachers	10	11	11	11

Source: North Royalton City School District Records

1) The School District combined all elementary students into one new building. Albion and Valley Vista have since been demolished. Royal View's future use is still being considered.

(2) In fiscal years 2015 and prior, Kindergarten students were housed at the Early Childhood Center, which was rented from Broadview Heights.

2019	2018	2017	2016	2015 (2)	2014
45,405	45,405	45,405	45,405	45,405	45,405
477	484	496	479	408	391
476	476	476	476	476	476
20	20	20	20	18	18
22	22	20	20	18	18
2	2	2	2	3	3
4	4	3	3	3	3
48,460	48,460	48,460	48,460	48,460	48,460
405	500	494	529	397	392
525	525	525	525	525	525
17	17	17	17	25	25
20	20	17	17	25	25
2	2	2	2	3	3
10	10	4	4	3	3
42,536	42,536	42,536	42,536	42,536	42,536
398	426	436	451	401	406
426	426	426	426	426	426
17	17	17	17	18	18
23	23	17	17	18	18
2	2	2	2	2	2
2	2	2	2	2	2
N/A	N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A	N/A
242,400	242,400	242,400	242,400	242,400	242,400
1,252	1,250	1,303	1,367	1,472	1,462
1,300	1,300	1,300	1,300	1,300	1,300
64	64	54	54	64	64
76	76	54	54	64	64
11	11	4	4	10	10
11	11	8	8	10	10
260,900	260,900	260,900	260,900	260,900	260,900
1,433	1,470	1,520	1,540	1,643	1,646
1,480	1,480	1,480	1,480	1,480	1,480
66	66	66	66	64	64
72	72	72	72	64	64
10	10	9	9	9	9
10	10	10	10	9	9

**North Royalton City School District**  
*Per Pupil Cost*  
*Last Ten Fiscal Years*

Fiscal Year	Student Enrollment		General Governmental	
	Average Enrollment	Percentage of Change	Total Expenditures (1)	Per Pupil Cost
2023	3,955	1.93 %	\$63,112,561	\$15,958
2022	3,880	1.09	68,357,519	17,618
2021	3,838	(3.88)	91,958,134	23,960
2020	3,993	0.71	99,210,849	24,846
2019	3,965	(4.00)	65,788,618	16,592
2018	4,130	(2.80)	57,069,336	13,818
2017	4,249	(2.68)	54,138,071	12,741
2016	4,366	(5.03)	52,545,760	12,035
2015	4,597	(1.08)	52,714,383	11,467
2014	4,647	0.32	52,199,040	11,233

**Source:** School District Records  
Ohio Department of Education

(1) Debt Service totals have been excluded.

Governmental Activities		Food Service Operations	
Total Expenses (1)	Per Pupil Cost	Number of Students Receiving Free or Reduced Lunch	Percentage of Free or Reduced Lunches to Total Enrollment
\$59,562,436	\$15,060	639	16.16 %
59,491,031	15,333	3,880	100.00
62,648,357	16,323	3,838	100.00
60,980,683	15,272	603	15.10
48,684,673	12,279	572	14.43
31,169,861	7,547	614	14.87
57,547,038	13,544	663	15.60
52,554,905	12,037	738	16.90
52,498,646	11,420	775	16.86
53,127,065	11,433	729	15.69

**North Royalton City School District**  
*School District Employees by Function/Program*  
*Last Ten Fiscal Years*

Function/Program	2023	2022	2021	2020
<b>Regular Instruction</b>				
Elementary Classroom Teachers	71	71	69	70
Middle School Classroom Teachers	67	69	71	70
High School Classroom Teachers	64	63	66	66
<b>Special Instruction</b>				
Small Group Instructors	6	6	5	5
Elementary Classroom Teachers	18	16	16	16
Gifted Education Teachers	2	2	3	3
Middle School Classroom Teachers	13	11	12	11
High School Classroom Teachers	10	11	11	11
<b>Pupil Support Services</b>				
Guidance Counselors	11	11	11	10
Media Specialists	1	1	2	2
Psychologists	6	6	6	6
Speech and Language Pathologists	5	5	5	5
<b>Administrators</b>				
Elementary	4	4	4	3
Middle School	4	4	4	4
High School	5	4	4	4
Districtwide	7	7	7	8
Total Certificated Staff	294	291	296	294
<b>Support Staff</b>				
Elementary Schools	46	51	51	55
Middle School	41	43	42	44
High School	40	42	43	46
Districtwide	79	80	85	83
Total Support Staff	206	216	221	228
Total Staffing	500	507	517	522

**Method:** Using 1.0 for each full-time employee at fiscal year end.

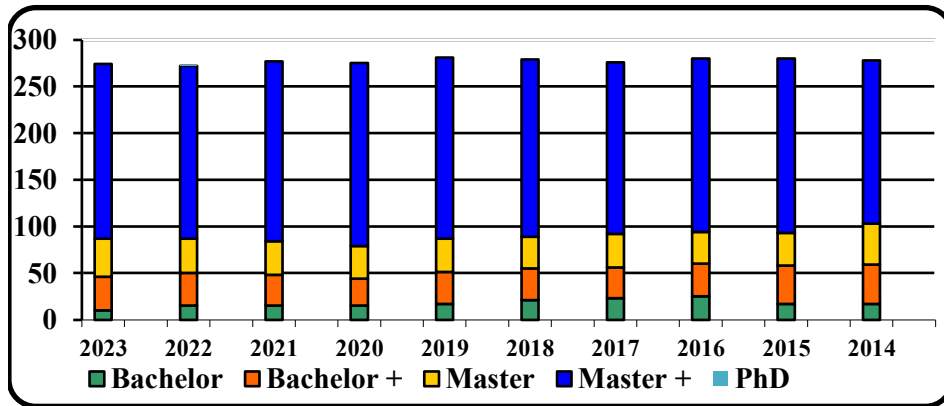
**Source:** North Royalton City School District Records



2019	2018	2017	2016	2015	2014
71	70	71	71	75	75
72	76	76	74	73	74
69	72	73	73	76	75
5	6	6	7	8	8
16	16	15	14	14	14
3	3	3	3	3	3
11	11	11	11	11	11
10	10	10	10	9	9
11	11	11	11	11	11
2	2	2	2	2	2
6	5	5	5	5	5
5	5	5	5	5	5
3	3	3	3	4	4
4	4	4	4	4	3
4	4	4	4	4	4
7	7	7	7	6	7
<u>299</u>	<u>305</u>	<u>306</u>	<u>304</u>	<u>310</u>	<u>310</u>
57	56	57	57	65	66
44	47	50	50	50	49
48	49	53	53	51	50
81	80	82	82	82	83
<u>230</u>	<u>232</u>	<u>242</u>	<u>242</u>	<u>248</u>	<u>248</u>
<u>529</u>	<u>537</u>	<u>548</u>	<u>546</u>	<u>558</u>	<u>558</u>

**North Royalton City School District**  
*Full-Time Equivalent Teachers by Education*  
*Last Ten Fiscal Years*

Degree	2023	2022	2021	2020
Bachelor	10	15	15	15
Bachelor +6	9	10	8	7
Bachelor +12	7	8	8	4
Bachelor +18	6	2	2	4
Bachelor +24	1	3	3	3
Bachelor +30	13	12	12	11
Master	41	37	36	35
Master +6	16	13	15	17
Master +12	44	46	53	58
Master +18	45	50	49	46
Master +24	30	29	27	29
Master +30	17	15	16	12
Master +36	6	5	5	8
Master +42	9	7	7	8
Master +48	20	20	21	18
<b>Total</b>	<b>274</b>	<b>272</b>	<b>277</b>	<b>275</b>

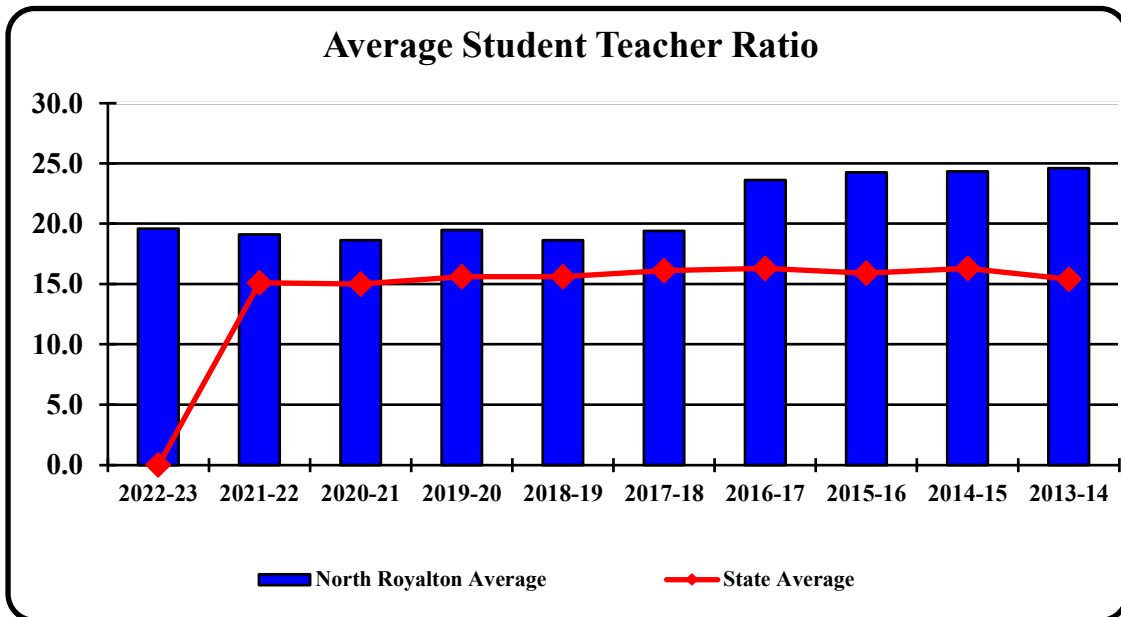


Source: School District Records

2019	2018	2017	2016	2015	2014
17	21	23	25	17	17
7	5	7	4	6	6
6	7	4	8	6	8
3	2	1	1	2	4
4	4	5	4	5	4
14	16	16	18	22	20
36	34	36	34	35	44
30	38	34	34	41	53
53	49	55	62	63	44
47	42	40	36	33	30
22	19	15	12	11	9
9	9	8	9	8	12
7	6	8	8	9	6
7	7	5	7	6	5
19	20	19	18	16	16
<u>281</u>	<u>279</u>	<u>276</u>	<u>280</u>	<u>280</u>	<u>278</u>

**North Royalton City School District**  
*Average Number of Students per Teacher*  
*Last Ten Fiscal Years*

Fiscal Year	North Royalton Average	State Average
2023	19.6	N/A
2022	19.1	15.1
2021	18.6	15.0
2020	19.5	15.6
2019	18.6	15.6
2018	19.4	16.1
2017	23.6	16.3
2016	24.3	15.9
2015	24.3	16.3
2014	24.6	15.4



**Note:** Fiscal Year 2023 is not presented in the table as the State Average is not available.

**Source:** School District Records

**N/A:** Not Available

# OHIO AUDITOR OF STATE KEITH FABER



**NORTH ROYALTON CITY SCHOOL DISTRICT**

**CUYAHOGA 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 1/30/2024**

88 East Broad 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](http://www.ohioauditor.gov)