



OHIO AUDITOR OF STATE  
**KEITH FABER**





**NILES CITY SCHOOL DISTRICT  
TRUMBULL COUNTY  
JUNE 30, 2021**

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**INDEPENDENT AUDITOR'S REPORT**

Niles City School District  
Trumbull County  
309 North Rhodes Avenue  
Niles, Ohio 44446

To the Board of Education:

***Report on the Financial Statements***

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Niles City School District, Trumbull County, Ohio (the District), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

***Management's Responsibility for the Financial Statements***

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

***Auditor's Responsibility***

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

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

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

***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the District, as of June 30, 2021, and the respective changes in financial position and, where applicable, cash flows thereof and the budgetary comparison for the General Fund thereof for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

***Emphasis of Matter***

The District is experiencing certain financial difficulties. These conditions and management's plan to address these conditions are described in Note 24. As discussed in Note 26 to the financial statements, the financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the District. We did not modify our opinion regarding these matters.

***Other Matters***

***Required Supplementary Information***

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

***Supplementary and Other Information***

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

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

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated March 1, 2022, 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. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.



Keith Faber  
Auditor of State  
Columbus, Ohio

March 1, 2022

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**Niles City School District**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2021*  
*Unaudited*

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As management of the Niles City School District (the School District), we offer readers of the School District's financial statements this narrative and analysis of the financial activities of the School District for the fiscal year ended June 30, 2021. We encourage readers to consider the information presented here in conjunction with financial statements and notes to the basic financial statements to enhance their understanding of the School District's financial performance.

**Financial Highlights**

- Net position increased in fiscal year 2021 due primarily to increases in cash and cash equivalents and the total effect of the net OPEB (asset) liability.
- The capital asset additions for fiscal year 2021 included equipment, two buses and two vans. There were many deletions to equipment and vehicles during fiscal year 2021.
- Outstanding long-term obligations increased during fiscal year 2021 due to an increase in the net pension liability along with an increase in compensated absences.
- The School District actively pursues grants and controls expenses while still maintaining the high academic standards the residents expect of the School District.

**Overview of the Financial Statements**

This discussion and analysis is intended to serve as an introduction to the School District's basic financial statements. The School District's basic financial statements are comprised of three components: (1) government-wide statements, (2) fund financial statements, and (3) notes to the basic financial statements.

***Government-wide Financial Statements*** The government-wide financial statements are designed to provide the reader with a broad overview of the School District's finances, in a manner similar to a private-sector business.

The *statement of net position* presents information on all of the School District's assets and deferred outflows of resources and liabilities and deferred inflows of resources, with the difference being reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the School District is improving or deteriorating.

The *statement of activities* presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

The government-wide financial statement distinguishes functions of the School District that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from those that are primarily supported through user charges (*business-type activities*). The School District has no business-type activities. The governmental activities of the School District include instruction, support services, extracurricular activities, operation of non-instructional services and interest and fiscal charges.

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***Fund Financial Statements*** A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The School District, like the State and local governments, uses fund accounting to ensure and demonstrate compliance with financial-related legal requirements. These fund financial statements focus on the School District's most significant funds. The School District's major governmental funds are the general fund and the bond retirement fund.

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

***Fiduciary Funds*** Fiduciary funds are used to account for resources held for the benefit of parties outside the government. The fiduciary funds are not reflected in the government-wide financial statement because the resources of these funds are not available to support the School District's own programs. These funds use the accrual basis of accounting.

***Notes to the Basic Financial Statements*** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

### **Government-wide Financial Analysis**

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. Table 1 provides a comparison of the School District's net position for 2021 compared to 2020.

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Unaudited

**Table 1**  
Net Position  
Governmental Activities

	2021	2020	Change
<b>Assets</b>			
Current and Other Assets	\$20,400,716	\$17,450,895	\$2,949,821
Capital Assets, Net	48,543,332	50,632,791	(2,089,459)
Net OPEB Asset	1,608,187	1,596,724	11,463
<b>Total Assets</b>	<b>70,552,235</b>	<b>69,680,410</b>	<b>871,825</b>
<b>Deferred Outflows of Resources</b>			
Deferred Charge in Refunding	731,320	778,757	(47,437)
Pension	4,554,556	5,033,860	(479,304)
OPEB	628,991	463,311	165,680
<i>Total Deferred Outflows of Resources</i>	<i>5,914,867</i>	<i>6,275,928</i>	<i>(361,061)</i>
<b>Liabilities</b>			
Current Liabilities	4,051,808	4,057,673	5,865
Long-Term Liabilities			
Due Within One Year	1,387,490	1,080,489	(307,001)
Due in More Than One Year:			
Net Pension Liability	27,715,398	26,630,043	(1,085,355)
Net OPEB Liability	1,911,991	2,288,356	376,365
Other Amounts	16,996,496	17,896,799	900,303
<i>Total Liabilities</i>	<i>52,063,183</i>	<i>51,953,360</i>	<i>(109,823)</i>
<b>Deferred Inflows of Resources</b>			
Property Taxes	8,388,862	8,187,839	(201,023)
Pension	1,607,952	2,031,163	423,211
OPEB	3,175,944	2,852,645	(323,299)
<i>Total Deferred Inflows of Resources</i>	<i>13,172,758</i>	<i>13,071,647</i>	<i>(101,111)</i>
<b>Net Position</b>			
Net Investment in Capital Assets	32,738,568	34,173,238	(1,434,670)
Restricted for:			
Capital Projects	4,184	4,184	0
Debt Service	2,384,757	2,228,277	156,480
Unclaimed Monies	22,007	22,007	0
Other Purposes	1,413,135	1,349,258	63,877
Unrestricted (Deficit)	(25,331,490)	(26,845,633)	1,514,143
<b>Total Net Position</b>	<b>\$11,231,161</b>	<b>\$10,931,331</b>	<b>\$299,830</b>

**Niles City School District**  
*Management's Discussion and Analysis*  
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The net pension liability (NPL) is the largest single liability reported by the School District at June 30, 2021. GASB notes that pension and OPEB obligations, whether funded or unfunded, are part of the “employment exchange” – that is, the employee is trading his or her labor in exchange for wages, benefits, and the promise of a future pension and other postemployment benefits. GASB noted that the unfunded portion of this promise is a present obligation of the government, part of a bargained-for benefit to the employee, and should accordingly be reported by the government as a liability since they received the benefit of the exchange. However, the School District is not responsible for certain key factors affecting the balance of these liabilities. In Ohio, the employee shares the obligation of funding pension benefits with the employer. Both employer and employee contribution rates are capped by State statute. A change in these caps requires action of both Houses of the General Assembly and approval of the Governor. Benefit provisions are also determined by State statute. The Ohio Revised Code permits, but does not require the retirement systems to provide healthcare to eligible benefit recipients. The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits.

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

As noted earlier, net position may serve over time as a useful indicator of a government’s financial position. For the School District, total assets and deferred outflows of resources exceed total liabilities and deferred inflows of resources by \$11,231,161 in fiscal year 2021 and \$10,931,331 in fiscal year 2020.

A large portion of the School District’s net position reflects “Net Investment in Capital Assets” (i.e. land, buildings and improvements, land improvements, furniture, fixtures, equipment and vehicles) less any related debt to acquire those assets that are still outstanding. The School District uses these capital assets to provide services to its students; consequently, these assets are not available for future spending. Although the School District’s investment in its capital assets is reported net of related debt, it should be noted that resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Current assets increased primarily due to an increase in cash and cash equivalents due to a reduction of expenses as management enacts cost cutting measures. The decrease in capital assets was due to a large amount of equipment and vehicle deletions, as well as depreciation outpacing current year additions for the School District. Current liabilities decreased due primarily to decreases in accrued wages and benefits payable due to the timing of pay periods and a reduction in intergovernmental payables due to a decrease in amounts payable to the Trumbull County Educational Service Center. Long-term liabilities increased because of an increase in the net pension liability attributed to the School District, as well as an increase in compensated absences for fiscal year 2021. Net position increased due primarily to increases in cash and cash equivalents and the total effect of the net OPEB (asset) liability.

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Table 2 shows the changes in net position for fiscal year 2021 compared to 2020.

**Table 2**  
 Changes in Net Position  
 Governmental Activities

	2021	2020	Change
<b>Program Revenues</b>			
Charges for Services and Sales	\$1,104,863	\$1,740,284	(\$635,421)
Operating Grants and Contributions	7,380,852	6,444,626	936,226
<i>Total Program Revenues</i>	<u>8,485,715</u>	<u>8,184,910</u>	<u>300,805</u>
<b>General Revenues</b>			
Property Taxes	8,757,556	8,276,563	480,993
Grants and Entitlements	17,151,969	17,121,579	30,390
Unrestricted Contributions	1,421	16,366	(14,945)
Investment Earnings	8,472	59,107	(50,635)
Miscellaneous	1,020,487	365,555	654,932
<i>Total General Revenues</i>	<u>26,939,905</u>	<u>25,839,170</u>	<u>1,100,735</u>
<i>Total Revenues</i>	<u>35,425,620</u>	<u>34,024,080</u>	<u>1,401,540</u>
<b>Program Expenses</b>			
Instruction:			
Regular	18,735,428	18,499,978	(235,450)
Special	3,305,178	3,792,222	487,044
Vocational	120,557	96,259	(24,298)
Student Intervention Services	31,802	9,036	(22,766)
Support Services			
Pupils	1,900,514	1,456,153	(444,361)
Instructional Staff	604,917	386,617	(218,300)
Board of Education	87,263	131,678	44,415
Administration	2,630,675	3,131,238	500,563
Fiscal	573,999	556,875	(17,124)
Business	181,815	86,558	(95,257)
Operation and Maintenance of Plant	2,453,847	2,349,949	(103,898)
Pupil Transportation	850,585	937,343	86,758
Central	1,272,246	333,582	(938,664)
Operation of Food Services	1,068,939	1,296,815	227,876
Operation of Non-Instructional Services	210,368	180,329	(30,039)
Extracurricular Activities	476,028	457,978	(18,050)
Interest and Fiscal Charges	621,629	702,915	81,286
<i>Total Program Expenses</i>	<u>35,125,790</u>	<u>34,405,525</u>	<u>(720,265)</u>
<i>Change in Net Position</i>	299,830	(381,445)	681,275
Net Position Beginning of Year	<u>10,931,331</u>	<u>11,312,776</u>	<u>(381,445)</u>
Net Position End of Year	<u>\$11,231,161</u>	<u>\$10,931,331</u>	<u>\$299,830</u>

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*Unaudited*

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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 \$35.00 annually in taxes. If three years later the home were reappraised and increased to \$200,000 (and this inflationary increase in value is comparable to other property owners) the effective tax rate would become .5 mills and the owner would still pay \$35.00 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.

Revenue is divided into two major components: program revenues and general revenues. Program revenues are defined as fees, restricted grants and charges for services that are program specific. General revenues include taxes and unrestricted grants such as State Foundation support.

Program revenues increased for governmental activities in fiscal year 2021. Charges for sales and services decreased primarily due to a decrease in tuition and fees and extracurricular activities revenue. Operating grants and contributions increased due to additional restricted grant monies received in fiscal year 2021 as the School District seeks out additional funding options. General revenues increased due primarily to an increase in property tax revenue from increased collections compared to the prior year. The decrease in investment earnings for fiscal year 2021 was due to changing interest rates as a result of the COVID-19 pandemic.

Instruction composes the most significant portion of governmental program expenses. The increase in program expenses resulted from large increases in the majority of support services offset by the overall decrease in instruction expenses. The School District's OPEB expense related to STRS increased from a negative expense of \$507,257 in fiscal year 2020 to a negative expense of \$112,930 for fiscal year 2021.

The *statement of activities* shows the cost of program services and charges for services and grants offsetting those services. Table 3 shows, for governmental activities, the total cost of services and the net cost of services for 2021 compared to 2020. That is, it identifies the cost of these services supported by tax revenue and unrestricted State entitlements.

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

	2021		2020	
	Total Cost of Service	Net Cost of Service	Total Cost of Service	Net Cost of Service
Instruction:				
Regular	\$18,735,428	\$16,379,724	\$18,499,978	\$15,949,481
Special	3,305,178	1,144,170	3,792,222	1,387,530
Vocational	120,557	45,705	96,259	20,729
Student Intervention Services	31,802	859	9,036	8,507
Support Services:				
Pupils	1,900,514	1,020,128	1,456,153	1,017,256
Instructional Staff	604,917	207,523	386,617	139,450
Board of Education	87,263	87,263	131,678	131,678
Administration	2,630,675	2,227,720	3,131,238	2,460,435
Fiscal	573,999	570,840	556,875	555,397
Business	181,815	17,271	86,558	86,558
Operation and Maintenance of Plant	2,453,847	2,167,624	2,349,949	2,118,361
Pupil Transportation	850,585	664,512	937,343	936,661
Central	1,272,246	953,397	333,582	333,582
Operation of Food Services	1,068,939	61,133	1,296,815	80,458
Operation of Non-Instructional Services	210,368	69,450	180,329	43,201
Extracurricular Activities	476,028	401,127	457,978	248,416
Interest and Fiscal Charges	621,629	621,629	702,915	702,915
<b>Total</b>	<b>\$35,125,790</b>	<b>\$26,640,075</b>	<b>\$34,405,525</b>	<b>\$26,220,615</b>

The dependence upon general revenues for governmental activities is apparent from Table 3. The majority of instructional activities are supported through property taxes and other general revenues.

**Financial Analysis of the Government's Funds**

Information about the School District's major funds begins with the balance sheet. These funds are accounted for using the modified accrual basis of accounting. The general fund had an increase in fund balance as steady revenues outpaced decreasing expenditures as the School District continues to implement cost cutting measures. The bond retirement fund had an increase in fund balance due to property tax collection revenues exceeding current year debt obligation payments.

**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.

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During the course of fiscal year 2021, the School District amended its general fund budget numerous times. The School District uses site-based budgeting and the budgeting systems are designed to tightly control total site budgets but provide flexibility for site management.

For the general fund, the final budget basis revenue estimate was lower than the original budget estimate. The change was attributed to adjustments in all revenues as current funding levels became more identifiable.

The final budget appropriations were higher than the original budget appropriations of the general fund. The change was attributed to increases in estimates for instructional and support services expenditures as the School District's current year requirements became more apparent.

### **Capital Assets and Debt**

#### ***Capital Assets***

During fiscal year 2021, the School District's capital asset additions included equipment, two buses and two vans. The School District had many deletions for equipment and vehicles as well. For more information about the School District's capital assets, see Note 12 to the basic financial statements.

#### ***Debt***

On June 11, 2009, the School District issued \$18,244,893 in general obligation bonds which included serial, term and capital appreciation (deep discount) bonds in the amount of \$9,904,893, \$8,220,000 and \$120,000, respectively. The general obligation bonds were issued for the purpose of providing funding for the construction of a new high school building and a new elementary school building.

On July 13, 2010, the School District issued \$3,535,000 in general obligation bonds to advance refund the callable portion of the 2001 school improvement bonds. The general obligation bonds included serial and capital appreciation (deep discount) bonds in the amount of \$3,445,000 and \$90,000, respectively.

On June 20, 2017, the School District issued \$14,700,000 in general obligation bonds to advance refund the callable portion of the 2009 school facilities improvement bonds. The general obligation bonds included serial and term bonds in the amount of \$9,830,000 and \$4,870,000, respectively.

In fiscal year 2019, the School District entered into a capital lease obligation for the purchase of technology hardware and software. The lease includes interest at a rate of 5.78 percent and will mature on January 1, 2023.

The School District's overall debt margin was \$7,830,388 with an unvoted debt margin of \$234,263 at June 30, 2021. For more information about the School District's long-term obligations, see Note 15 to the basic financial statements.

### **Current Related Financial Activities**

On February 26, 2019, the Auditor of State declared the School District to be in a state of fiscal emergency as defined by Ohio Revised Code Section 3316.03(B)(3). Many factors have contributed to the School District's financial condition including significant reductions in State revenues, phase-out of the tangible personal property tax and increasing health care costs.



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The School District strives to maintain the highest standards of services to our students, parents and community. As with all school districts in the State of Ohio, State funding issues are constantly monitored to determine the impact on the School District. As the preceding information shows, the School District is heavily reliant on property taxes and State aid to provide the funds necessary to maintain its educational programs.

The School District remains dedicated to fiscal responsibility. The Board of Education and Administration continue to carefully plan in order to provide the resources and education required to meet student needs over the next several years.

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

This financial report is designed to provide our citizen's, taxpayers, investors and creditors with a general overview of the School District's finances and to show the School District's accountability for the money it receives. If you have any questions about this report or need additional financial information contact the Treasurer's office, Niles City School District, 309 N. Rhodes Avenue, Niles, Ohio 44446.

**Niles City School District**  
*Statement of Net Position*  
*June 30, 2021*

	Governmental Activities
<b>Assets</b>	
Equity in Pooled Cash and Cash Equivalents	\$8,408,131
Accounts Receivable	32,447
Accrued Interest Receivable	372
Intergovernmental Receivable	1,640,378
Materials and Supplies Inventory	3,566
Inventory Held for Resale	5,238
Property Taxes Receivable	10,310,584
Non-depreciable Capital Assets	655,575
Depreciable Capital Assets, Net	47,887,757
Net OPEB Asset (See Note 14)	1,608,187
	<u>70,552,235</u>
<i>Total Assets</i>	
<b>Deferred Outflows of Resources</b>	
Deferred Charge on Refunding	731,320
Pension	4,554,556
OPEB	628,991
	<u>5,914,867</u>
<i>Total Deferred Outflows of Resources</i>	
<b>Liabilities</b>	
Accounts Payable	186,344
Contracts Payable	10,550
Accrued Wages and Benefits Payable	2,582,347
Intergovernmental Payable	635,524
Matured Compensated Absences Payable	204,520
Accrued Interest Payable	50,534
Claims Payable	381,989
Long-Term Liabilities:	
Due Within One Year	1,387,490
Due In More Than One Year:	
Net Pension Liability (See Note 13)	27,715,398
Net OPEB Liability (See Note 14)	1,911,991
Other Amounts	16,996,496
	<u>52,063,183</u>
<i>Total Liabilities</i>	
<b>Deferred Inflows of Resources</b>	
Property Taxes	8,388,862
Pension	1,607,952
OPEB	3,175,944
	<u>13,172,758</u>
<i>Total Deferred Inflows of Resources</i>	
<b>Net Position</b>	
Net Investment in Capital Assets	32,738,568
Restricted for:	
Capital Outlay	4,184
Debt Service	2,384,757
Unclaimed Monies	22,007
Other Purposes	1,413,135
Unrestricted (Deficit)	(25,331,490)
	<u>\$11,231,161</u>
<i>Total Net Position</i>	

See accompanying notes to the basic financial statements

**Niles City School District**  
*Statement of Activities*  
For the Fiscal Year Ended June 30, 2021

	Program Revenues			Net (Expense) Revenue and Changes in Net Position
	Expenses	Charges for Services and Sales	Operating Grants and Contributions	Governmental Activities
<b>Governmental Activities</b>				
Instruction:				
Regular	\$18,735,428	\$628,151	\$1,727,553	(\$16,379,724)
Special	3,305,178	136,552	2,024,456	(1,144,170)
Vocational	120,557	5,053	69,799	(45,705)
Student Intervention	31,802	41	30,902	(859)
Support Services:				
Pupil	1,900,514	0	880,386	(1,020,128)
Instructional Staff	604,917	0	397,394	(207,523)
Board of Education	87,263	0	0	(87,263)
Administration	2,630,675	1,251	401,704	(2,227,720)
Fiscal	573,999	0	3,159	(570,840)
Business	181,815	0	164,544	(17,271)
Operation and Maintenance of Plant	2,453,847	156,887	129,336	(2,167,624)
Pupil Transportation	850,585	0	186,073	(664,512)
Central	1,272,246	0	318,849	(953,397)
Operation of Non-Instructional Services:				
Food Service Operations	1,068,939	107,460	900,346	(61,133)
Other Non-Instructional Services	210,368	0	140,918	(69,450)
Extracurricular Activities	476,028	69,468	5,433	(401,127)
Interest and Fiscal Charges	621,629	0	0	(621,629)
<i>Totals</i>	<u>\$35,125,790</u>	<u>\$1,104,863</u>	<u>\$7,380,852</u>	<u>(26,640,075)</u>
<b>General Revenues</b>				
Property Taxes Levied for:				
General Purposes				7,087,458
Debt Service				1,477,680
Other Purposes				192,418
Grants and Entitlements not Restricted to Specific Programs				17,151,969
Unrestricted Contributions				1,421
Investment Earnings				8,472
Miscellaneous				1,020,487
<i>Total General Revenues</i>				<u>26,939,905</u>
Change in Net Position				299,830
<i>Net Position Beginning of Year</i>				<u>10,931,331</u>
<i>Net Position End of Year</i>				<u><u>\$11,231,161</u></u>

See accompanying notes to the basic financial statements

**Niles City School District**

*Balance Sheet*

*Governmental Funds*

*June 30, 2021*

	<u>General</u>	<u>Bond Retirement</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	\$3,951,899	\$2,111,755	\$1,092,506	\$7,156,160
Restricted Assets:				
Equity in Pooled Cash and Cash Equivalents	22,007	0	0	22,007
Accrued Interest Receivable	372	0	0	372
Intergovernmental Receivable	237,578	0	1,402,800	1,640,378
Materials and Supplies Inventory	0	0	3,566	3,566
Inventory Held for Resale	0	0	5,238	5,238
Interfund Receivable	134,892	0	0	134,892
Property Taxes Receivable	<u>8,703,051</u>	<u>1,300,545</u>	<u>306,988</u>	<u>10,310,584</u>
<i>Total Assets</i>	<u>\$13,049,799</u>	<u>\$3,412,300</u>	<u>\$2,811,098</u>	<u>\$19,273,197</u>
<b>Liabilities</b>				
Accounts Payable	\$26,813	\$0	\$159,531	\$186,344
Contracts Payable	10,550	0	0	10,550
Accrued Wages and Benefits Payable	1,883,108	0	699,239	2,582,347
Intergovernmental Payable	562,592	0	72,932	635,524
Matured Compensated Absences Payable	204,520	0	0	204,520
Interfund Payable	<u>0</u>	<u>0</u>	<u>134,892</u>	<u>134,892</u>
<i>Total Liabilities</i>	<u>2,687,583</u>	<u>0</u>	<u>1,066,594</u>	<u>3,754,177</u>
<b>Deferred Inflows of Resources</b>				
Property Taxes	7,147,243	977,009	264,610	8,388,862
Unavailable Revenue	<u>1,690,663</u>	<u>308,556</u>	<u>966,177</u>	<u>2,965,396</u>
<i>Total Deferred Inflows of Resources</i>	<u>8,837,906</u>	<u>1,285,565</u>	<u>1,230,787</u>	<u>11,354,258</u>
<b>Fund Balances</b>				
Nonspendable	22,007	0	3,566	25,573
Restricted	0	2,126,735	1,051,327	3,178,062
Assigned	285,462	0	0	285,462
Unassigned (Deficit)	<u>1,216,841</u>	<u>0</u>	<u>(541,176)</u>	<u>675,665</u>
<i>Total Fund Balances</i>	<u>1,524,310</u>	<u>2,126,735</u>	<u>513,717</u>	<u>4,164,762</u>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i>	<u>\$13,049,799</u>	<u>\$3,412,300</u>	<u>\$2,811,098</u>	<u>\$19,273,197</u>

See accompanying notes to the basic financial statements

**Niles City School District**  
*Reconciliation of Total Governmental Fund Balances to  
 Net Position of Governmental Activities  
 June 30, 2021*

<b>Total Governmental Fund Balances</b>	<b>\$4,164,762</b>
 <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.	48,543,332
Other long-term assets are not available to pay for current-period expenditures and therefore are reported as unavailable revenue in the funds:	
Delinquent Property Taxes	1,832,747
Intergovernmental	<u>1,132,649</u>
Total	2,965,396
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.	880,422
In the statement of activities, interest is accrued on outstanding debt, whereas in governmental funds, an interest expenditure is reported when due.	(50,534)
The net pension liability and net OPEB asset/liability are not due and payable in the current period; therefore, the asset/liability and related deferred inflows/outflows are not reported in governmental funds:	
Net OPEB Asset	1,608,187
Deferred Outflows - Pension	4,554,556
Deferred Outflows - OPEB	628,991
Net Pension Liability	(27,715,398)
Net OPEB Liability	(1,911,991)
Deferred Inflows - Pension	(1,607,952)
Deferred Inflows - OPEB	<u>(3,175,944)</u>
Total	(27,619,551)
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:	
General Obligation Bonds	(16,403,706)
Capital Lease Payable	(132,378)
Compensated Absences	(1,847,902)
Deferred Charge on Refunding	<u>731,320</u>
Total	<u>(17,652,666)</u>
 <i>Net Position of Governmental Activities</i>	 <u><u>\$11,231,161</u></u>

See accompanying notes to the basic financial statements

**Niles City School District**  
*Statement of Revenues, Expenditures and Changes in Fund Balances*  
*Governmental Funds*  
*For the Fiscal Year Ended June 30, 2021*

	General	Bond Retirement	Other Governmental Funds	Total Governmental Funds
<b>Revenues</b>				
Property Taxes	\$7,033,421	\$1,463,894	\$191,327	\$8,688,642
Intergovernmental	18,787,712	240,715	4,990,558	24,018,985
Interest	7,467	0	0	7,467
Tuition and Fees	834,133	0	0	834,133
Extracurricular Activities	331	0	69,468	69,799
Contributions and Donations	1,421	0	8,233	9,654
Charges for Services	0	0	107,460	107,460
Rentals	156,887	0	0	156,887
Miscellaneous	650,053	0	7,255	657,308
<i>Total Revenues</i>	<u>27,471,425</u>	<u>1,704,609</u>	<u>5,374,301</u>	<u>34,550,335</u>
<b>Expenditures</b>				
Current:				
Instruction:				
Regular	13,730,815	0	1,690,459	15,421,274
Special	2,996,770	0	107,184	3,103,954
Vocational	86,614	0	0	86,614
Student Intervention	900	0	30,902	31,802
Support Services:				
Pupil	826,267	0	916,921	1,743,188
Instructional Staff	250,236	0	337,444	587,680
Board of Education	80,676	0	600	81,276
Administration	2,001,759	0	413,308	2,415,067
Fiscal	544,121	32,252	4,212	580,585
Business	17,281	0	164,671	181,952
Operation and Maintenance of Plant	2,273,537	0	170,513	2,444,050
Pupil Transportation	791,102	0	186,073	977,175
Central	633,655	0	318,849	952,504
Operation of Non-Instructional Services:				
Food Service Operations	0	0	1,049,202	1,049,202
Other Non-Instructional Services	14,336	0	141,301	155,637
Extracurricular Activities	319,912	0	109,781	429,693
Capital Outlay	0	0	3,590	3,590
Debt Service:				
Principal Retirement	60,823	575,000	0	635,823
Interest and Fiscal Charges	11,149	616,313	0	627,462
Capital Appreciation Bond Accretion	0	340,000	0	340,000
<i>Total Expenditures</i>	<u>24,639,953</u>	<u>1,563,565</u>	<u>5,645,010</u>	<u>31,848,528</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>2,831,472</u>	<u>141,044</u>	<u>(270,709)</u>	<u>2,701,807</u>
<b>Other Financing Sources (Uses)</b>				
Transfers In	0	0	5,141	5,141
Transfers Out	(805,141)	0	0	(805,141)
<i>Total Other Financing Sources (Uses)</i>	<u>(805,141)</u>	<u>0</u>	<u>5,141</u>	<u>(800,000)</u>
<i>Net Change in Fund Balances</i>	2,026,331	141,044	(265,568)	1,901,807
<i>Fund Balances (Deficit) Beginning of Year</i>	(502,021)	1,985,691	779,285	2,262,955
<i>Fund Balances End of Year</i>	<u>\$1,524,310</u>	<u>\$2,126,735</u>	<u>\$513,717</u>	<u>\$4,164,762</u>

See accompanying notes to the basic financial statements

**Niles 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, 2021*

<b>Net Change in Fund Balances - Total Governmental Funds</b>	<b>\$1,901,807</b>
<i>Amounts reported for governmental activities in the statement of activities are different because:</i>	
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets are allocated over their useful lives as depreciation expense. This is the amount by which depreciation exceeded capital outlay in the current period:	
Capital Asset Additions	177,246
Current Year Depreciation	<u>(2,194,990)</u>
Total	(2,017,744)
Governmental funds only report the disposal of capital assets to the extent proceeds are received from the sale. In the statement of activities, a gain or loss is reported for each disposal.	
	(71,715)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds:	
Property Taxes	68,914
Intergovernmental	505,603
Tuition and Fees	<u>(63,416)</u>
Total	511,101
Repayment of principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position:	
Principal Retirement	635,823
Capital Appreciation Bond Accretion	<u>340,000</u>
Total	975,823
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	1,650
Accretion on Capital Appreciation Bonds	(14,783)
Amortization of Bond Premium	66,403
Amortization of Deferred Charge on Refunding	<u>(47,437)</u>
Total	5,833
The internal service fund used by management to charge the costs of insurance to individual funds is not reported in the district wide statement 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.	
	340,105
Contractually required contributions are reported as expenditures in governmental funds; however, the statement of net position reports these amounts as deferred outflows:	
Pension	1,842,095
OPEB	<u>54,604</u>
Total	1,896,699
Except for amounts reported as deferred inflows/outflows, changes in the net pension/OPEB liability are reported as pension/OPEB contra-expense in the statement of activities:	
Pension	(2,983,543)
OPEB	<u>175,605</u>
Total	(2,807,938)
Some expenses reported in the statement of activities, such as compensated absences, do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.	
	<u>(434,141)</u>
<i>Change in Net Position of Governmental Activities</i>	<u><u>\$299,830</u></u>

See accompanying notes to the basic financial statements

**Niles 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, 2021*

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<b>Revenues</b>				
Property Taxes	\$7,149,129	\$7,014,607	\$7,000,414	(\$14,193)
Intergovernmental	19,054,473	18,624,942	18,587,258	(37,684)
Interest	8,593	8,434	8,818	384
Tuition and Fees	850,913	834,902	833,213	(1,689)
Rentals	178,567	175,204	174,850	(354)
Miscellaneous	587,325	646,134	645,979	(155)
<i>Total Revenues</i>	27,829,000	27,304,223	27,250,532	(53,691)
<b>Expenditures</b>				
Current:				
Instruction:				
Regular	13,353,692	14,042,480	13,917,782	124,698
Special	3,103,861	3,101,401	3,060,032	41,369
Vocational	88,506	88,436	88,436	0
Student Intervention	4,929	4,925	900	4,025
Support Services:				
Pupils	952,388	950,394	857,493	92,901
Instructional Staff	261,077	260,870	258,850	2,020
Board of Education	100,278	100,199	80,676	19,523
Administration	2,271,648	2,259,993	2,083,070	176,923
Fiscal	591,993	585,029	547,733	37,296
Business	55,723	30,321	20,008	10,313
Operation and Maintenance of Plant	2,428,342	2,423,886	2,305,766	118,120
Pupil Transportation	847,908	814,266	814,266	0
Central	640,667	625,567	625,567	0
Operation of Non-Instructional Services	28,577	20,311	14,336	5,975
Extracurricular Activities	343,771	343,498	321,255	22,243
Debt Service:				
Principal Retirement	60,823	60,823	60,823	0
Interest and Fiscal Charges	11,149	11,149	11,149	0
<i>Total Expenditures</i>	25,145,332	25,723,548	25,068,142	655,406
<i>Excess of Revenues Over Expenditures</i>	2,683,668	1,580,675	2,182,390	601,715
<b>Other Financing Sources (Uses)</b>				
Transfers Out	(805,141)	(805,141)	(805,141)	0
<i>Net Change in Fund Balance</i>	1,878,527	775,534	1,377,249	601,715
<i>Fund Balance Beginning of Year</i>	2,360,880	2,360,880	2,360,880	0
Prior Year Encumbrances Appropriated	85,207	85,207	85,207	0
<i>Fund Balance End of Year</i>	\$4,324,614	\$3,221,621	\$3,823,336	\$601,715

See accompanying notes to the basic financial statements



**Niles City School District**  
*Statement of Fund Net Position*  
*Proprietary Fund*  
*June 30, 2021*

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	<u>Internal Service</u>
<b>Assets</b>	
Equity in Pooled Cash and Cash Equivalents	\$1,229,964
Accounts Receivable	<u>32,447</u>
<i>Total Assets</i>	1,262,411
<b>Liabilities</b>	
Claims Payable	<u>381,989</u>
<b>Net Position</b>	
Unrestricted	<u><u>\$880,422</u></u>

See accompanying notes to the basic financial statements

**Niles City School District**  
*Statement of Revenues,  
Expenses and Changes in Fund Net Position  
Proprietary Fund  
For the Fiscal Year Ended June 30, 2021*

	Internal Service
<b>Operating Revenues</b>	
Charges for Services	\$3,988,525
Miscellaneous	363,179
<i>Total Operating Revenues</i>	4,351,704
<b>Operating Expenses</b>	
Purchased Services	104,379
Claims	4,555,823
Other	152,402
<i>Total Operating Expenses</i>	4,812,604
<i>Operating Income (Loss)</i>	(460,900)
<b>Non-Operating Revenues</b>	
Interest	1,005
<i>Income (Loss) before Transfers</i>	(459,895)
Transfers In	800,000
<i>Change in Net Position</i>	340,105
<i>Net Position Beginning of Year</i>	540,317
<i>Net Position End of Year</i>	\$880,422

See accompanying notes to the basic financial statements

**Niles City School District**  
*Statement of Cash Flows*  
*Proprietary Fund*  
*For the Fiscal Year Ended June 30, 2021*

	Internal Service
<b><i>Increase (Decrease) in Cash and Cash Equivalents</i></b>	
<b>Cash Flows from Operating Activities</b>	
Cash Received from Interfund Services Provided	\$3,988,525
Other Cash Receipts	411,928
Cash Payments for Goods and Services	(104,379)
Cash Payments for Claims	(4,530,251)
Other Cash Payments	(152,402)
<i>Net Cash Provided by (Used for) Operating Activities</i>	(386,579)
<b>Cash Flows from Noncapital Financing Activities</b>	
Transfers In	800,000
<b>Cash Flows from Investing Activities</b>	
Interest on Investments	1,005
<i>Net Increase in Cash and Cash Equivalents</i>	414,426
<i>Cash and Cash Equivalents Beginning of Year</i>	815,538
<i>Cash and Cash Equivalents End of Year</i>	\$1,229,964
 <b>Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities</b>	
Operating Income (Loss)	(\$460,900)
(Increase) Decrease in Assets:	
Accounts Receivables	48,749
Increase (Decrease) in Liabilities:	
Claims Payable	25,572
<i>Net Cash Provided by (Used for) Operating Activities</i>	(\$386,579)

See accompanying notes to the basic financial statements

**Niles City School District**  
*Statement of Fiduciary Assets and Liabilities*  
*Custodial Fund*  
*June 30, 2021*

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	<u>District Tournament</u>
<b>Assets</b>	
Equity in Pooled Cash and Cash Equivalents	<u>\$4,233</u>
<b>Liabilities</b>	
Intergovernmental Payable	<u>\$4,233</u>

See accompanying notes to the basic financial statements

**Niles City School District**  
*Statement of Changes in Fiduciary Net Position*  
*Custodial Fund*  
*For the Fiscal Year Ended June 30, 2021*

	District Tournament
<b>Additions</b>	
Collections for Other Organizations	\$1,044
<b>Deductions</b>	
Distributions to Other Organizations	1,044
<i>Net Increase (Decrease) in Fiduciary Net Position</i>	0
<i>Net Position Beginning of Year</i>	0
<i>Net Position End of Year</i>	\$0

See accompanying notes to the basic financial statements

**Niles City School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2021*

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**Note 1 - Description of the School District**

Niles City School District (the School District) operates under a locally-elected five-member Board form of government and provides educational services as mandated by State and federal agencies. The Board of Education controls the School District's instructional and support facilities which are staffed by 169 certified employees and 84 classified employees who provide services to students and other community members.

The School District is located in Niles, Ohio, Trumbull County, including an area extending roughly eight square miles around the City. The enrollment for the School District during the 2021 fiscal year was 2,188. The School District operates one primary (K-2) school, one intermediate (grades 3-5) school, one middle school and one high school.

On February 26, 2019, the Auditor of State declared the School District to be in a state of fiscal emergency as defined by Ohio Revised Code Section 3316.03(B)(3). In accordance with the law, a five-member Financial Planning and Supervision Commission was established to oversee all financial affairs of the School District. The Commission's primary charge is to develop, adopt and implement a financial recovery plan. The Commission is comprised of two appointees of the State Superintendent of Public Instruction, an appointee of the State Director of Budget and Management, an appointee of the Governor, and an appointee of the Mayor of Niles. Once the plan is adopted, the Board of Education's discretion is limited in that all financial activity of the School District must be in accordance with the plan.

The Financial Recovery Plan was adopted on July 29, 2019. Under State law, the School District must annually update its financial recovery plan. The recovery plan included reductions in staff and utilization of the K-12 Student Wellness and Success Funding. See Note 24 and 27 for more information on the School District's fiscal emergency status.

***Reporting Entity***

A reporting entity is composed of the primary government, component units and other organizations that are included to ensure that the financial statements are not misleading. The primary government of the School District consists of all funds, departments, boards and agencies that are not legally separate from the School District. For 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.

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 burdens on, the primary government. The School District has no component units.

The School District is associated with one jointly governed organization, one related organization and one public entity risk pool. These organizations are the Northeast Ohio Management Information Network (NEOMIN), McKinley Memorial Library and the Workers' Compensation Group Rating Program. These organizations are presented in Notes 18, 19 and 20 to the basic financial statements.

**Niles City School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2021*

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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 below.

***Basis of Presentation***

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

***Government-wide Financial Statements*** The statement of net position and the statement of activities display information about the School District as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The 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 on the face of the proprietary fund statements. Fiduciary funds are reported by type.

***Fund Accounting***

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

***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.

**Niles City School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2021*

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The difference between governmental fund assets and deferred outflows of resources 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 the operating fund of the School District and 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 is used to account for and report property tax revenues restricted for payment of principal and interest and fiscal charges 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 Fund Type** Proprietary fund reporting focuses on the determination of operating income, changes in net position, financial position and cash flows. Proprietary funds are classified as enterprise or internal service. The School District has no enterprise funds.

**Internal Service Funds** Internal service funds account for the 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 utilizes an internal service fund to account for self-insured health insurance claims.

**Fiduciary Fund Type** Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into the following four classifications: pension (and other employee benefit) trust funds, investment trust funds, private-purpose trust funds and custodial funds. Trust funds are distinguished from custodial funds by the existence of a trust agreement or equivalent arrangements that has certain characteristics. Custodial funds are used to report fiduciary activities that are not required to be reported in a trust fund. The School District's only custodial fund accounts for monies received for athletic tournaments held on behalf of the Ohio High School Athletic Association.

**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 (e.g., revenues) and decreases (e.g., expenses) in total net position.

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



**Niles City School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2021*

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Like the government-wide statements, all proprietary and fiduciary 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. In fiduciary funds, a liability to the beneficiaries of fiduciary activity is recognized when an event has occurred that compels the government to disburse fiduciary resources. Fiduciary fund liabilities other than those to beneficiaries are recognized using the economic resources measurement focus.

For proprietary funds, the statement of changes in fund net position presents increases (i.e., revenues) and decreases (i.e., expenses) in net total position. The statement of cash flows provides information about how the School District finances and meets the cash flow needs of its proprietary activities.

Fiduciary funds present a statement of changes in fiduciary net position which reports additions to and deductions from the custodial 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 and fiduciary 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 values, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the School District, available means expected to be received within sixty days of fiscal year-end.

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 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, interest, tuition, grants, and fees and rentals.

***Deferred Outflows/Inflows of Resources*** In addition to assets, the statements of financial position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. For the School District, deferred outflows of resources

**Niles City School District**  
*Notes to the Basic Financial Statements*  
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are reported on the government-wide statement of net position for deferred charges on refunding, 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 13 and 14.

In addition to liabilities, the statements of financial position report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized until that time. For the School District, deferred inflows of resources include property taxes, pension, OPEB plans and unavailable revenue. Property taxes represent amounts for which there is an enforceable legal claim as of June 30, 2021, but which were levied to finance fiscal year 2022 operations. These amounts have been recorded as a deferred inflow on both the government-wide statement of net position and governmental fund financial statements. Unavailable revenue is reported only on the governmental funds balance sheet, and represents receivables which will not be collected within the available period. For the School District, unavailable revenue includes delinquent property taxes and intergovernmental grants. 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 fund on page 17. Deferred inflows of resources related to pension and OPEB plans are reported on the government-wide statement of net position. (See Notes 13 and 14)

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

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

***Budgetary Process***

All funds, other than custodial funds, are legally required to be budgeted and appropriated. The major documents prepared are the tax budget, the appropriation resolution and the certificate of estimated resources, which are prepared on the budgetary basis of accounting. The tax budget 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. The Treasurer has been given the authority to allocate appropriations to the function and object level within each fund. Budgetary statements are presented beyond that legal level of control for information purposes only.

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 certificates that were in effect at the time when the original and final appropriations were passed by the Board of Education.

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

**Niles City School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2021*

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***Cash and Cash Equivalents***

To improve cash management, all cash received by the School District is pooled. Monies for all funds are maintained in this pool. Individual fund integrity is maintained through the School District's records. Interest in the pool is presented as "equity in pooled cash and cash equivalents" on the financial statements.

During fiscal year 2021, the School District invested in STAR Ohio. STAR Ohio (the State Treasury Asset Reserve of Ohio), is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but has adopted Governmental Accounting Standards Board (GASB), Statement No. 79, *Certain External Investment Pools and Pool Participants*. The School District measures their investment in STAR Ohio at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides an NAV per share that approximates fair value.

For fiscal year 2021, 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 is appreciated for deposits and withdrawals of \$100 million or more. STAR Ohio reserves the right to limit the transaction to \$250 million per day, requiring the excess amount to be transacted the following business day(s), but only to the \$250 million limit. All accounts of the participant will be combined for these purposes.

Following Ohio statutes, the Board of Education has, by resolution, identified the funds to receive an allocation of interest earnings. Interest revenue credited to the general fund during fiscal year 2021 amounted to \$7,467, of which \$3,465 was 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.

***Inventory***

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

***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, laws of other governments, or imposed by law through constitutional provisions. Restricted assets in the general fund include resources restricted for unclaimed monies.

***Capital Assets***

All capital assets of the School District are general capital assets. 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.

**Niles City School District**  
*Notes to the Basic Financial Statements*  
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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:

Description	Estimated Lives
Land Improvements	5 years
Buildings and Improvements	25 - 50 years
Furniture, Fixtures and Equipment	5 - 20 years
Vehicles	5 - 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.

***Compensated Absences***

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

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

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

On the governmental fund financial statements, compensated absences are recognized as a liability and expenditure to the extent payments come due each period upon the occurrence of employee resignations and retirements. These amounts are recorded in the account "Matured Compensated Absences Payable" in the funds from which the employee who has accumulated unpaid leave is paid.

**Niles City School District**  
*Notes to the Basic Financial Statements*  
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***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.

***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 proprietary funds 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, 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. Bonds and capital leases are recognized as a liability on the fund financial statements when due. Net pension/OPEB liability should be recognized in the governmental funds to the extent that benefit payments are due and payable and the pension/OPEB plan's fiduciary net position is not sufficient for payment of those benefits.

***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.

***Fund Balance***

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

***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.

**Niles City School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2021*

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**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 represents the remaining amount that is not restricted or committed. These amounts are assigned 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 or by State statute. The Board of Education has assigned fund balance for uniform school supplies, public school support, civil service and workers' compensation.

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

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.

***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 adopted by the School District. Net position restricted for other purposes include resources restricted for instruction, support services, operation of non-instructional services, food service operations and extracurricular activities.

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

***Bond Premium***

On the government-wide financial statements, bond premiums are deferred and amortized for the term of the bonds using the straight-line method since the results are not significantly different from the effective interest method. Bond premiums are presented as an increase of the face amount of the bonds payable. On governmental fund statements, bond premiums are receipted in the year the bonds are issued.

**Niles City School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2021*

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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 debt using the straight-line method and is presented as deferred outflows of resources on the statement of net position.

***Estimates***

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

***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 self-insurance program. Operating expenses are necessary costs incurred to provide the goods or services that are the primary activity of the fund. Any revenues and expenses not meeting the definitions of operating are reported as nonoperating.

**Note 3 – Accountability and Compliance**

***Accountability***

The following funds had deficit fund balances as of June 30, 2021:

***Other Governmental Funds:***

Food Service	\$86,605
ESSER	423,819
Coronavirus Relief	143
Title I	27,043

The deficits in the special revenue funds were caused by the recognition of expenditures on a modified accrual basis of accounting which are substantially greater than the expenditures recognized on a cash basis. The general fund is liable for these deficits and provides transfers when cash is required, not when accruals occur.

**Niles City School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2021*

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**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. Expenditures are recorded when paid in cash (budget) as opposed to when the liability is incurred (GAAP).
3. Encumbrances are treated as expenditures (budget) rather than restricted, committed or assigned fund balance (GAAP).
4. Budgetary revenues and expenditures of the uniform school supplies, public school support and workers' compensation funds are classified to the general fund for GAAP reporting.

The following tables summarize 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	\$2,026,331
Revenue Accruals	(126,016)
Expenditure Accruals	(491,220)
Perspective Difference:	
Uniform School Supplies	(490)
Public School Support	6,468
Workers' Compensation	(37,824)
Budget Basis	\$1,377,249

**Note 5 – 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 resources in the governmental funds. The constraints placed on fund balance for the major governmental funds and all other governmental funds are as follows:



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Fund Balances	General	Bond Retirement	Other Governmental Funds	Total
<b><i>Nonspendable</i></b>				
Materials and Supplies Inventory	\$0		\$3,566	\$3,566
Unclaimed Monies	22,007	0	0	22,007
<b><i>Total Nonspendable</i></b>	<b>22,007</b>	<b>0</b>	<b>3,566</b>	<b>25,573</b>
<b><i>Restricted for</i></b>				
Community Programs	0	0	15,138	15,138
Classroom Facilities Maintenance	0	0	690,540	690,540
Athletics & Activities	0	0	75,375	75,375
Student Wellness	0	0	36,252	36,252
Special Education Programs	0	0	13,585	13,585
Improving Teacher Quality	0	0	27,202	27,202
Scholarship	0	0	132,501	132,501
Professional Development	0	0	7,190	7,190
Instructional Services	0	0	49,360	49,360
Debt Service Payments	0	2,126,735	0	2,126,735
Capital Improvements	0	0	4,184	4,184
<b><i>Total Restricted</i></b>	<b>0</b>	<b>2,126,735</b>	<b>1,051,327</b>	<b>3,178,062</b>
<b><i>Assigned to</i></b>				
Uniform School Supplies	3,254	0	0	3,254
Public School Support	19,475	0	0	19,475
Civil Service	1,192	0	0	1,192
Workers' Compensation	261,541	0	0	261,541
<b><i>Total Assigned</i></b>	<b>285,462</b>	<b>0</b>	<b>0</b>	<b>285,462</b>
<b><i>Unassigned (Deficit)</i></b>	<b>1,216,841</b>	<b>0</b>	<b>(541,176)</b>	<b>675,665</b>
<b><i>Total Fund Balances</i></b>	<b>\$1,524,310</b>	<b>\$2,126,735</b>	<b>\$513,717</b>	<b>\$4,164,762</b>

**Note 6 - Deposits and Investments**

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

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

Inactive deposits are public deposits that the Board 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.

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

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

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;
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), and;
8. Certain bankers' acceptances (for a period not to exceed one hundred eighty days) and commercial paper notes (for a period not to exceed two hundred seventy days) in an amount not to exceed 40 percent of the interim monies available for investment at any one time if training requirements have been met. The investment in commercial paper notes of a single issuer shall not exceed in the aggregate five percent of interim moneys available for investment at the time of purchase.

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

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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.

***Investments***

As of June 30, 2021, the School District had STAR Ohio as an investment. STAR Ohio is being held with an amount of \$5,096,638 which is measured at net asset value per share. The average maturity is 54.4 days.

**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 property located in the School District. Real property tax revenues received in calendar year 2021 represent the collection of calendar year 2020 taxes. Real property taxes received in calendar year 2021 were levied after April 1, 2020, on the assessed value listed as of January 1, 2020, the lien date. Assessed values for real property are established by State law at thirty-five percent of appraised market value. Real property are payable annually or semiannually. If paid annually, payment is due December 31; if paid semiannually, the first payment is due December 31, with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established.

Public utility property tax revenues received in calendar year 2021 represents collections of calendar year 2020 taxes. Public utility real and tangible personal property taxes received in calendar year 2021 became a lien on December 31, 2019, were levied after April 1, 2020, and are collected in 2021 with real property taxes. Public utility real property is assessed at thirty-five percent of true value; public utility tangible personal property is currently assessed at varying percentages of true value.

The School District receives property taxes from Trumbull County. The County Auditor periodically advances to the School District its portion of the taxes collected. Second-half real property tax payments collected by the County by June 30, 2021, are available to finance fiscal year 2021 operations. The amount available to be advanced can vary based on the date the tax bills are sent.

Accrued property taxes receivable includes real property and public utility property taxes which are measurable as of June 30, 2021, and for which there is an enforceable legal claim. Although total property tax collections for the next fiscal year are measurable, only the amount of real property taxes available as an advance at June 30 was levied to finance current fiscal year operations and is reported as revenue at fiscal year end. The portion of the receivable not levied to finance current fiscal year operations is offset by a credit to deferred inflows of resources – property taxes.

The amount available as an advance at June 30, 2021, was \$72,033 in the general fund, \$14,980 in the bond retirement debt service fund and \$1,962 in the classroom facilities special revenue fund. The amount available as an advance at June 30, 2020, was \$39,026 in the general fund, \$8,046 in the bond retirement debt service fund and \$1,073 in the classroom facilities special revenue fund.

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

The assessed values upon which the fiscal year 2021 taxes were collected are:

	2020 Second Half Collections		2021 First Half Collections	
	Amount	Percent	Amount	Percent
Real Estate	\$217,044,870	98.49%	\$230,769,090	98.51%
Public Utility Personal	3,333,500	1.51	3,493,720	1.49
Total	\$220,378,370	100.00%	\$234,262,810	100.00%
Full Tax Rate per \$1,000 of assessed valuation	\$56.80		\$56.30	

**Note 8 - Receivables**

Receivables at June 30, 2021, consisted of taxes, accounts, accrued interest and intergovernmental grants. All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes, the stable condition of State programs, and the current year guarantee of federal funds. All receivables except property taxes are expected to be received within one year. Property taxes, although ultimately collectible, include some portion of delinquencies that will not be collected within one year.

A summary of the principal items of intergovernmental receivables follows:

Governmental Activities	Amounts
ESSER Reimbursement	\$427,583
Title I Grants	382,907
IDEA-B Special Education Grant	221,598
Improving Teacher Quality	200,317
SERS Overpayment Refund	140,774
Miscellaneous Federal Grants	125,643
State Foundation Adjustment	66,114
Food Service Reimbursement	33,810
Medicaid Reimbursement	30,690
Coronavirus Relief Grant	9,431
Miscellaneous State Grants	1,511
Total	\$1,640,378

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**Note 9 - 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, 2021, if applicable, cannot be determined at this time.

***School Foundation***

In fiscal year 2021, School District foundation funding was 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 2021 are not finalized. As of the date of this report, additional ODE adjustments for fiscal year 2021 have been finalized, which did not result in a material receivable to, or a liability of, the School District.

***Litigation***

The School District is a party to various legal proceedings seeking damages. The School District's administration is of the opinion that ultimate disposition of these claims and legal proceedings will not have a material effect, if any, on the financial condition of the School District.

**Note 10 - Risk Management**

The School District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees and natural disasters. During fiscal year 2021, the School District contracted with The Griffith Agency, Inc. for the following:

<u>Type of Coverage</u>	<u>Coverage</u>
Building and Personal Property (\$5,000 deductible)	\$98,666,138
Crime:	
Employee Theft (\$1,000 deductible)	50,000
Money and Securities:	
Inside Premises	10,000
Outside Premises	10,000
General Liability (\$2,500 deductible)	
Per occurrence	5,000,000
Total Aggregate per Year	6,000,000
Automobile Liability Combine Single Limits	5,000,000
Non-Owned Liability	5,000,000
Hired Liability	5,000,000

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Settled claims have not exceeded this commercial coverage in any of the past three years, and there was no reduction in insurance coverage from last year.

***Employee Health Benefits***

The School District is self-insured for medical, prescription drug, dental and vision insurance. Aetna administers the medical insurance, prescription drug, and dental for all certified and non-certified employees and administrators. Vision plan is administered by Eye Med for all certified and non-certified employees and administrators. Specific stop-loss coverage has been purchased at \$100,000 for each employee. The administrators review all claims which are paid by the School District.

The claims liability of \$381,989 reported in the internal service fund at June 30, 2021 is based on estimates provided by the third party administrators and the requirements of Governmental Accounting Standards Board Statement No. 30 which requires that a liability for unpaid claims costs, including estimates of costs relating to incurred but not reported claims, be reported. The estimate was not affected by incremental claim adjustment expenses and does not include other allocated or unallocated claim adjustment expenses.

Changes in total claims liability during fiscal years 2020 and 2021 were:

	Balance at Beginning of Year	Current Year Claims	Claim Payments	Balance at End of Year
2020	\$249,923	\$4,897,339	\$4,790,845	\$356,417
2021	356,417	4,555,823	4,530,251	381,989

***Worker's Compensation***

For fiscal year 2021, the School District participated in the Workers' Compensation Group Rating Program (GRP), an insurance purchasing pool (Note 20). The intent of the GRP is to achieve the benefit of a reduced premium for the School District by virtue of its grouping and representation with other participants in the GRP. The workers' compensation experience of the participating school districts is calculated as one experience and a common premium rate is applied to all school districts in the GRP. Each participant pays its workers' compensation premium to the State based on the rate for the GRP rather than its individual rate. Participation in the GRP is limited to school districts that can meet the GRP's selection criteria. The firm of Benefit Management Inc. provides administration, cost control, and actuarial services to the GRP.

**Note 11 - Other Employee Benefits**

***Compensated Absences***

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

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Teachers, administrators and classified employees earn sick leave at the rate of one and one-fourth days per month. Upon retirement, certified and classified employees with eight or more consecutive years of service are eligible to receive severance. Certified and classified employees receive payment for thirty-five percent of their unused sick days, up to a maximum of seventy days, times the employee's daily rate. All unused accumulated sick days in excess of 200 days up to the maximum allowable are paid out at a rate of \$50 per day for certified and \$40 per day for classified.

***Life Insurance Benefits***

The School District provides all full-time employees with term life insurance of \$45,000 through American United Life. Premiums are paid by the School District. Part-time employees do not receive term life insurance benefits.

**Note 12 – Capital Assets**

Capital asset activity for the fiscal year ended June 30, 2021, was as follows:

	Balance 6/30/2020	Additions	Deductions	Balance 6/30/2021
<b>Governmental Activities</b>				
<b><i>Capital Assets not being Depreciated:</i></b>				
Land	\$655,575	\$0	\$0	\$655,575
<b><i>Capital Assets being Depreciated:</i></b>				
Land Improvements	4,073,194	0	0	4,073,194
Buildings and Improvements	62,635,514	0	0	62,635,514
Furniture, Fixtures and Equipment	4,976,991	4,990	(938,689)	4,043,292
Vehicles	1,017,508	172,256	(182,606)	1,007,158
<b><i>Total Capital Assets being Depreciated</i></b>	<b>72,703,207</b>	<b>177,246</b>	<b>(1,121,295)</b>	<b>71,759,158</b>
<b><i>Less Accumulated Depreciation:</i></b>				
Land Improvements	(1,828,665)	(196,417)	0	(2,025,082)
Buildings and Improvements	(16,671,478)	(1,701,100)	0	(18,372,578)
Furniture, Fixtures and Equipment	(3,283,731)	(257,079)	866,974	(2,673,836)
Vehicles	(942,117)	(40,394)	182,606	(799,905)
<b><i>Total Accumulated Depreciation</i></b>	<b>(22,725,991)</b>	<b>(2,194,990) *</b>	<b>1,049,580</b>	<b>(23,871,401)</b>
<b><i>Total Assets being Depreciated, Net</i></b>	<b>49,977,216</b>	<b>(2,017,744)</b>	<b>(71,715)</b>	<b>47,887,757</b>
<b><i>Governmental Activities Capital Assets, Net</i></b>	<b>\$50,632,791</b>	<b>(\$2,017,744)</b>	<b>(\$71,715)</b>	<b>\$48,543,332</b>

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

Instruction:	
Regular	\$1,989,789
Special	72
Support Services:	
Pupil	737
Instructional Staff	4,464
Board of Education	1,418
Administration	19,069
Fiscal	164
Operation and Maintenance of Plant	30,001
Pupil Transportation	46,954
Operation of Non-Instructional Services	54,731
Food Service Operations	2,762
Extracurricular Activities	44,829
Total Depreciation Expense	\$2,194,990

**Note 13 – 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) represent 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.

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

GASB 68/75 assumes the liability is solely the obligation of the employer, because (1) they benefit from employee services; and (2) State statute requires funding to come from these employers. All pension contributions to date have come solely from these employers (which also includes pension costs paid in the form of withholdings from employees). The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits. In addition, health care plan enrollees pay a portion of the health care costs in the form of a monthly premium. State statute requires the retirement systems to amortize



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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 14 for the required OPEB disclosures.

***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	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. Beginning April 1, 2018, 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. A three-year COLA suspension is in effect for all benefit recipients for the years 2018, 2019, and 2020. Upon resumption of the COLA, it will be indexed to the percentage increase in the CPI-W, not to exceed 2.5 percent and with a floor of 0 percent. In 2020, the Board of Trustees approved a 0.5 percent cost of living adjustment (COLA) for eligible retirees and beneficiaries in 2021.

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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, 2021, the allocation to pension, death benefits, and Medicare B was 14.0 percent. For fiscal year 2021, the Retirement Board did not allocate any employer contribution to the Health Care Fund.

The School District's contractually required contribution to SERS was \$381,762 for fiscal year 2021. Of this amount \$27,907 is reported as an intergovernmental payable.

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

Plan Description – School District licensed teachers and other faculty members participate in STRS Ohio, a cost-sharing multiple employer public employee retirement system administered by STRS. STRS provides retirement and disability benefits to members and death and survivor benefits to beneficiaries. STRS issues a stand-alone financial report that includes financial statements, required supplementary information, and detailed information about STRS' fiduciary net position. That report can be obtained by writing to STRS, 275 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 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. Eligibility changes will be phased in until August 1, 2026, 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.

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 at any 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

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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 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 fiscal year 2021 employer and employee contribution rate of 14 percent was equal to the statutory maximum rates. For fiscal year 2021, the full employer contribution was allocated to pension.

The School District's contractually required contribution to STRS was \$1,460,333 for fiscal year 2021. Of this amount \$211,133 is reported as an intergovernmental payable.

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

The net pension liability was measured as of June 30, 2020, 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:

	SERS	STRS	Total
Proportion of the Net Pension Liability:			
Current Measurement Date	0.08428200%	0.09150440%	
Prior Measurement Date	0.08875400%	0.09640658%	
Change in Proportionate Share	-0.00447200%	-0.00490218%	
Proportionate Share of the Net Pension Liability	\$5,574,589	\$22,140,809	\$27,715,398
Pension Expense	\$410,789	\$2,572,754	\$2,983,543

At June 30, 2021, the School District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

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	SERS	STRS	Total
<b>Deferred Outflows of Resources</b>			
Differences between expected and actual experience	\$10,829	\$49,679	\$60,508
Changes of assumptions	0	1,188,534	1,188,534
Net difference between projected and actual earnings on pension plan investments	353,873	1,076,710	1,430,583
Changes in proportionate share and difference between School District contributions and proportionate share of contributions	0	32,836	32,836
School District contributions subsequent to the measurement date	381,762	1,460,333	1,842,095
<b>Total Deferred Outflows of Resources</b>	<b>\$746,464</b>	<b>\$3,808,092</b>	<b>\$4,554,556</b>
<b>Deferred Inflows of Resources</b>			
Differences between expected and actual experience	\$0	\$141,575	\$141,575
Changes in proportionate share and difference between School District contributions and proportionate share of contributions	171,111	1,295,266	1,466,377
<b>Total Deferred Inflows of Resources</b>	<b>\$171,111</b>	<b>\$1,436,841</b>	<b>\$1,607,952</b>

\$1,842,095 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, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

	SERS	STRS	Total
Fiscal Year Ending June 30:			
2022	(\$111,593)	\$291,030	\$179,437
2023	46,889	49,320	96,209
2024	147,502	293,920	441,422
2025	110,793	276,648	387,441
<b>Total</b>	<b>\$193,591</b>	<b>\$910,918</b>	<b>\$1,104,509</b>

***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.

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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, 2020, are presented as follows:

Inflation	3.00 percent
Future Salary Increases, including inflation COLA or Ad Hoc COLA	3.50 percent to 18.20 percent 2.5 percent
Investment Rate of Return	7.50 percent net of investment expense, including inflation
Actuarial Cost Method	Entry Age Normal (Level Percent of Payroll)

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

The most recent experience study was completed for the five year period ended June 30, 2015.

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 rebalanced uncorrelated asset classes.

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Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash	2.00 %	1.85 %
US Stocks	22.50	5.75
Non-US Stocks	22.50	6.50
Fixed Income	19.00	2.85
Private Equity	12.00	7.60
Real Assets	17.00	6.60
Multi-Asset Strategies	5.00	6.65
Total	<u>100.00 %</u>	

**Discount Rate** The total pension liability was calculated using the discount rate of 7.50 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 (7.50 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 School District's proportionate share of the net pension liability calculated using the discount rate of 7.50 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 (6.50 percent), or one percentage point higher (8.50 percent) than the current rate.

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
School District's proportionate share of the net pension liability	\$7,636,506	\$5,574,589	\$3,844,601

**Actuarial Assumptions – STRS**

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results used in the July 1, 2020, actuarial valuation, are presented as follows:

Inflation	2.50 percent
Projected Salary Increases	12.50 percent at age 20 to 2.50 percent at age 65
Investment Rate of Return	7.45 percent, net of investment expenses, including inflation
Discount Rate of Return	7.45 percent
Payroll Increases	3 percent
Cost of Living Adjustments (COLA)	0.0 percent, effective July 1, 2017

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Post-retirement mortality rates for healthy retirees 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. 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 July 1, 2020, valuation are based on the results of an actuarial experience study for the period July 1, 2011, through June 30, 2016.

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

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

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

**Discount Rate** The discount rate used to measure the total pension liability was 7.45 percent as of June 30, 2020. The projection of cash flows used to determine the discount rate assumes that member and employer contributions will be made at the statutory contribution rates in accordance with rate increases described 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, 2020. Therefore, the long-term expected rate of return on pension plan investments of 7.45 percent was applied to all periods of projected benefit payment to determine the total pension liability as of June 30, 2020.

**Sensitivity of the School District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate** The following table presents the School District's proportionate share of the net pension liability calculated using the current period discount rate assumption of 7.45 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 (6.45 percent) or one percentage point higher (8.45 percent) than the current rate:

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	1% Decrease (6.45%)	Current Discount Rate (7.45%)	1% Increase (8.45%)
School District's proportionate share of the net pension liability	\$31,524,657	\$22,140,809	\$14,188,779

**Note 14 – Defined Benefit OPEB Plans**

See Note 13 for a description of the net OPEB liability (asset).

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

Funding Policy – State statute permits SERS to fund the health care benefits through employer contributions. Each year, after the allocation for statutorily required pensions and benefits, the Retirement Board may allocate the remainder of the employer contribution of 14 percent of covered payroll to the Health Care Fund in accordance with the funding policy. For fiscal year 2021, 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 2021, this amount was \$23,000. 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 2021, the School District’s surcharge obligation was \$54,604.

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 \$54,604 for fiscal year 2021. Of this amount \$54,604 is reported as an intergovernmental payable.



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***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 – The 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, 2021, STRS did not allocate any employer contributions to postemployment health care.

***OPEB Liabilities (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, 2020, and the total OPEB liability used to calculate the net OPEB liability (asset) was determined by an actuarial valuation as of that date. The School District's proportion of the net OPEB liability (asset) was based on the School District's share of contributions to the respective retirement systems relative to the contributions of all participating entities. Following is information related to the proportionate share and OPEB expense:

	SERS	STRS	Total
Proportion of the Net OPEB Liability/Asset:			
Current Measurement Date	0.08797530%	0.09150440%	
Prior Measurement Date	0.09099590%	0.09640658%	
Change in Proportionate Share	-0.00302060%	-0.00490218%	
Proportionate Share of the:			
Net OPEB Liability	\$1,911,991	\$0	\$1,911,991
Net OPEB (Asset)	\$0	(\$1,608,187)	(\$1,608,187)
OPEB Expense	(\$62,675)	(\$112,930)	(\$175,605)

At June 30, 2021, the School District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

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	SERS	STRS	Total
<b>Deferred Outflows of Resources</b>			
Differences between expected and actual experience	\$25,112	\$103,045	\$128,157
Changes of assumptions	325,928	26,547	352,475
Net difference between projected and actual earnings on OPEB plan investments	21,544	56,360	77,904
Changes in proportionate share and difference between School District contributions and proportionate share of contributions	0	15,851	15,851
School District contributions subsequent to the measurement date	54,604	0	54,604
<b>Total Deferred Outflows of Resources</b>	<b>\$427,188</b>	<b>\$201,803</b>	<b>\$628,991</b>
<b>Deferred Inflows of Resources</b>			
Differences between expected and actual experience	\$972,381	\$320,327	\$1,292,708
Changes of assumptions	48,159	1,527,509	1,575,668
Changes in proportionate share and difference between School District contributions and proportionate share of contributions	234,365	73,203	307,568
<b>Total Deferred Inflows of Resources</b>	<b>\$1,254,905</b>	<b>\$1,921,039</b>	<b>\$3,175,944</b>

\$54,604 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, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

	SERS	STRS	Total
Fiscal Year Ending June 30:			
2022	(\$188,477)	(\$432,590)	(\$621,067)
2023	(186,918)	(394,441)	(581,359)
2024	(187,172)	(381,057)	(568,229)
2025	(162,174)	(355,124)	(517,298)
2026	(115,085)	(77,170)	(192,255)
Thereafter	(42,495)	(78,854)	(121,349)
<b>Total</b>	<b>(\$882,321)</b>	<b>(\$1,719,236)</b>	<b>(\$2,601,557)</b>

**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.

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

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

Key methods and assumptions used in calculating the total OPEB liability in the latest actuarial valuation date of June 30, 2020, are presented as follows:

Inflation	3.00 percent
Wage Increases	3.50 percent to 18.20 percent
Investment Rate of Return	7.50 percent net of investment expense, including inflation
Municipal Bond Index Rate:	
Measurement Date	2.45 percent
Prior Measurement Date	3.13 percent
Single Equivalent Interest Rate, net of plan investment expense, including price inflation:	
Measurement Date	2.63 percent
Prior Measurement Date	3.22 percent
Medical Trend Assumption:	
Medicare	5.25 to 4.75 percent
Pre-Medicare	7.00 to 4.75 percent

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

The most recent experience study was completed for the five year period ended June 30, 2015.

The long-term expected rate of return on plan assets is reviewed as part of the actuarial five-year experience study. The most recent study covers fiscal years 2010 through 2015, and was adopted by the Board on April 21, 2016. Several factors are considered in evaluating the long-term rate of return assumption including long-term historical data, estimates inherent in current market data, and a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return were developed by the investment consultant for each major asset class. These ranges were combined to produce the long-term expected rate of return, 7.50 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.

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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 13.

**Discount Rate** The discount rate used to measure the total OPEB liability at June 30, 2020, was 2.63 percent. The discount rate used to measure the total OPEB liability at June 30, 2019, was 3.22 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 State statute contribution rate of 2.00 percent of projected covered employee payroll each year, which includes a 1.50 percent payroll surcharge and 0.50 percent of contributions from the basic benefits plan. Based on these assumptions, the OPEB plan’s fiduciary net position was projected to become insufficient to make future benefit payments during the fiscal year ending June 30, 2025. Therefore, the long-term expected rate of return on OPEB plan assets was used to present value the projected benefit payments through the fiscal year ending June 30, 2024, and the Fidelity General Obligation 20-year Municipal Bond Index rate of 2.45 percent, as of June 30, 2020 (i.e. municipal bond rate), was used to present value the projected benefit payments for the remaining years in the projection. The total present value of projected benefit payments from all years was then used to determine the single rate of return that was used as the discount rate. The projection of future benefit payments for all current plan members was until the benefit payments ran out.

**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 School District’s proportionate share of the net OPEB liability for SERS and what the School District’s proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (1.63 percent) and higher (3.63 percent) than the current discount rate (2.63 percent). Also shown is what the School District’s proportionate share of the net OPEB liability would be based on health care cost trend rates that are one percentage point lower (6.00 percent decreasing to 3.75 percent) and higher (8.00 percent decreasing to 5.75 percent) than the current rate.

	1% Decrease (1.63%)	Current Discount Rate (2.63%)	1% Increase (3.63%)
School District's proportionate share of the net OPEB liability	\$2,340,230	\$1,911,991	\$1,571,542
	1% Decrease (6.00 % decreasing to 3.75%)	Current Trend Rate (7.00 % decreasing to 4.75%)	1% Increase (8.00 % decreasing to 5.75%)
School District's proportionate share of the net OPEB liability	\$1,505,548	\$1,911,991	\$2,455,510

**Actuarial Assumptions – STRS**

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results used in the June 30, 2020, actuarial valuation are presented as follows:

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Projected Salary Increases	12.50 percent at age 20 to 2.50 percent at age 65
Investment Rate of Return	7.45 percent, net of investment expenses, including inflation
Payroll Increases	3 percent
Discount Rate of Return	7.45 percent
Health Care Cost Trends:	
Medical:	
Pre-Medicare	5.00 percent initial, 4 percent ultimate
Medicare	-6.69 percent initial, 4 percent ultimate
Prescription Drug:	
Pre-Medicare	6.50 percent initial, 4 percent ultimate
Medicare	11.87 percent initial, 4 percent ultimate

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

For 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, 2020, valuation are based on the results of an actuarial experience study for the period July 1, 2011 through June 30, 2016.

Since the prior measurement date, 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.

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 13.

**Discount Rate** The discount rate used to measure the total OPEB liability was 7.45 percent as of June 30, 2020. The projection of cash flows used to determine the discount rate assumes 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, 2020. Therefore, the long-term expected rate of return on health care plan investments of 7.45 percent was used to measure the total OPEB liability as of June 30, 2020.

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***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 School District's proportionate share of the net OPEB asset as of June 30, 2020, calculated using the current period discount rate assumption of 7.45 percent, as well as what the School District's proportionate share of the net OPEB asset would be if it were calculated using a discount rate that is one percentage point lower (6.45 percent) or one percentage point higher (8.45 percent) than the current assumption. Also shown is the School District's proportionate share of the net OPEB asset as if it were calculated using health care cost trend rates that are one percentage point lower or one percentage point higher than the current health care cost trend rates.

	1% Decrease (6.45%)	Current Discount Rate (7.45%)	1% Increase (8.45%)
School District's proportionate share of the net OPEB asset	(\$1,399,229)	\$1,608,187	(\$1,785,483)

  

	1% Decrease	Current Trend Rate	1% Increase
School District's proportionate share of the net OPEB asset	(\$1,774,478)	(\$1,608,187)	(\$1,405,623)

**Note 15 - Long-Term Obligations**

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

Debt Issue	Interest Rate	Original Issue	Year of Maturity
2009 School Facilities Improvement Bonds:			
Capital Appreciation Bonds	9.15% to 23.54%	\$120,000	2018 to 2021
2010 Refunding General Obligation Bonds:			
Serial Bonds	2.00% to 4.00%	3,445,000	2011 to 2023
2017 Refunding Improvement Bonds:			
Serial Bonds	3.00% to 5.00%	9,830,000	2021 to 2033
Term Bonds	2.00% to 5.00%	4,870,000	2018 to 2037

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Changes in long-term obligations of the School District during fiscal year 2021 were as follows:

	Principal Outstanding 6/30/20	Additions	Deductions	Principal Outstanding 6/30/21	Amounts Due in One Year
<b>General Obligation Bonds:</b>					
2009 School Facilities Improvement Bonds					
Capital Appreciation Bonds	\$30,000	\$0	(\$30,000)	\$0	\$0
Accretion on Capital Appreciation Bonds	325,217	14,783	(340,000)	0	0
Total 2009 School Facilities Improvement Bonds	355,217	14,783	(370,000)	0	0
2010 Refunding General Obligation Bonds					
Serial Bonds	1,325,000	0	(460,000)	865,000	480,000
2017 Refunding Improvement Bonds					
Serial Bonds	9,830,000	0	(85,000)	9,745,000	530,000
Term Bonds	4,770,000	0	0	4,770,000	0
Premium	1,090,109	0	(66,403)	1,023,706	0
Total 2017 Refunding Improvement Bonds	15,690,109	0	(151,403)	15,538,706	530,000
<i>Total General Obligation Bonds</i>	17,370,326	14,783	(981,403)	16,403,706	1,010,000
<b>Other Long-Term Obligations</b>					
Net Pension Liability					
SERS	5,310,307	264,282	0	5,574,589	0
STRS	21,319,736	821,073	0	22,140,809	0
Total Net Pension Liability	26,630,043	1,085,355	0	27,715,398	0
Net OPEB Liability					
SERS	2,288,356	0	(376,365)	1,911,991	0
Capital Leases Payable	193,201	0	(60,823)	132,378	64,333
Compensated Absences	1,413,761	553,590	(119,449)	1,847,902	313,157
<i>Total Other Long-Term Obligations</i>	30,525,361	1,638,945	(556,637)	31,607,669	377,490
<i>Total Governmental Activities</i>					
<i>Long-Term Liabilities</i>	\$47,895,687	\$1,653,728	(\$1,538,040)	\$48,011,375	\$1,387,490

Compensated absences will be paid from the general fund and the food service, classroom facilities maintenance, title VI-B and Title I special revenue funds. Capital leases will be paid from the general fund. There are no repayment schedules for the net pension liability and net OPEB liability. However, employer pension and OPEB contributions are made from the following funds: the general fund, food service, classroom facilities maintenance, title VI-B and title I funds. For additional information related to the net pension and net OPEB liabilities see Notes 13 and 14.

On June 11, 2009, the School District issued \$18,244,893 in general obligation bonds which included serial, term and capital appreciation (deep discount) bonds in the amount of \$9,904,893, \$8,220,000 and \$120,000, respectively. The general obligation bonds were issued for the purpose of providing funding for the construction of a new high school building and a new elementary school building. On June 20, 2017, the full amount of the term bonds and a portion of the serial bonds were retired by the School District through an advance refunding. The serial bonds were fully retired at June 30, 2019. A portion of the capital appreciation bonds matured and were retired on December 1, 2019 with the remaining bond maturing on December 1, 2020. These bonds were purchased at a discount at the time of issuance and, at maturity, all

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compound interest (accretion) is paid and the bond holder collects the face value. The bonds will be retired from the debt service fund. The accretion recorded for 2021 was \$14,783. The bonds were fully retired at June 30, 2021.

On July 13, 2010, the School District issued \$3,535,000 in general obligation bonds to advance refund the callable portion of the 2001 school improvement bonds. The general obligation bonds included serial and capital appreciation (deep discount) bonds in the amount of \$3,445,000 and \$90,000, respectively. The serial bonds mature at varying amounts annually on December 1, beginning in 2010 and ending in 2022. The capital appreciation bonds matured on December 1, 2019. The capital appreciation bonds were purchased at a discount at the time of issuance and, at maturity, all compound interest (accretion) was paid and the bond holder collected face value. The bonds will be retired from the debt service fund.

On June 20, 2017, the School District issued \$14,700,000 in general obligation bonds to advance refund the callable portion of the 2009 school facilities improvement bonds. The issuance included a premium of \$1,294,850 which is being amortized over the life of the debt. The general obligation bonds included serial and term bonds in the amount of \$9,830,000 and \$4,870,000, respectively. The serial bonds mature at varying amounts annually on December 1, beginning in 2017 and ending in 2032. The term bonds mature on December 1, 2019, December 1, 2034 and December 1, 2036. The bonds will be retired from the debt service fund.

The term bonds maturing on December 1, 2034 and 2036 are subject to mandatory sinking fund redemption at a redemption price of 100 percent of the principal amount to be redeemed, plus accrued interest to the date of redemption, on December 1 in the years and in the respective principal amounts as follows:

Fiscal Year	Issue	
	\$2,245,000	\$2,525,000
2034	1,100,000	0
2036	0	1,195,000
Total mandatory sinking fund payment	1,100,000	1,195,000
Amount due at stated maturity	1,145,000	1,330,000
Total	\$2,245,000	\$2,525,000
<i>State Maturity</i>	12/1/2034	12/1/2036

In fiscal year 2019, the School District entered into a capital lease obligation for the purchase of technology upgrade hardware and software. The lease includes interest at a rate of 5.78 percent and will mature on January 1, 2023.

The School District's overall debt margin was \$7,830,388 with an unvoted debt margin of \$234,263 at June 30, 2021. Principal and interest requirements to retire general obligation bonds are as follows:



**Niles City School District**  
*Notes to the Basic Financial Statements*  
For the Fiscal Year Ended June 30, 2021

	Direct Placements			
	General Obligation Bonds			
	Term		Serial	
	Principal	Interest	Principal	Interest
2022	\$0	\$199,213	\$1,010,000	\$389,650
2023	0	199,213	945,000	353,200
2024	0	199,213	595,000	322,400
2025	0	199,213	690,000	296,700
2026	0	199,213	725,000	268,400
2027-2031	0	996,062	4,550,000	846,825
2032-2036	3,440,000	820,992	2,095,000	90,525
2037	1,330,000	33,250	0	0
<b>Total</b>	<b>\$4,770,000</b>	<b>\$2,846,369</b>	<b>\$10,610,000</b>	<b>\$2,567,700</b>

**Note 16 – Capital Leases**

In fiscal year 2019, the School District entered into a capital lease for technology upgrade equipment. The lease obligation meets the criteria of a capital lease and has been recorded on the government-wide statements. The original amounts capitalized for the capital lease and the book value as of June 30, 2021 follows:

	Amounts
Asset:	
Furniture, Fixtures and Equipment	\$305,072
Less: Accumulated Depreciation	(183,043)
Current Book Value	\$122,029

The following is a schedule of the future long-term minimum lease payments required under the capital lease and present value of the minimum lease payments is as follows:

Year ending June 30,	Capital Lease
2022	\$71,972
2023	71,972
Total Minimum Lease Payments	143,944
Less: Amount Representing Interest	(11,566)
Present Value of Minimum Lease Payments	\$132,378

**Note 17 - Interfund Transfers and Balances**

***Interfund Transfers***

The general fund transferred \$800,000 to the self-insurance internal service fund to provide funding for health insurance claims. The general fund transferred \$5,141 to the food service special revenue fund to provide additional resources for current operations.

**Niles City School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2021*

***Interfund Balances***

	Interfund Receivable
Interfund Payable	General
<b><i>Other Governmental Funds:</i></b>	
Title I	\$134,892

Interfund receivables and payables at June 30, 2021, are due to the timing of the receipt of grant monies and monies collected for some programs received by various funds. The general fund provides money to operate the programs until grants and other monies are received and the advances can be repaid. These loans are expected to be repaid in one year.

**Note 18 - Jointly Governed Organization**

***Northeast Ohio Management Information Network (NEOMIN)*** NEOMIN is a jointly governed organization among twenty-nine school districts and two educational service centers in Trumbull and Ashtabula Counties. The jointly governed organization was formed for the purpose of applying modern technology with the aid of computers and other electronic equipment to administrative and instructional functions among member districts. Each of the districts supports NEOMIN based upon a per pupil charge. The School District paid \$93,780 to NEOMIN during fiscal year 2021.

The Governing board consists of ten members: The Trumbull and Ashtabula County superintendents (permanent members), three superintendents from Ashtabula County participating school districts, three superintendents from Trumbull County participating school districts, the fiscal agent (or NEOMIN). The School District was not represented on the Governing Board during fiscal year 2021. The Board exercises total control over the operations of NEOMIN including budgeting, appropriating, contracting and designating management. The degree of control exercised by any participating school district is limited to its representation on the Governing Board. To obtain a copy of NEOMIN’s financial statements, write to the Trumbull County Educational Service Center, 6000 Youngstown Warren Road, Niles, Ohio 44446.

**Note 19 – Related Organization**

***McKinley Memorial Library*** The McKinley Memorial Library (the “Library”) is a distinct political subdivision of the State of Ohio created under Chapter 3375 of the Ohio Revised Code. The Library is governed by a Board of Trustees appointed by the Niles City School District Board of Education. The Board of Trustees possesses its own contracting and budgeting authority, hires and fires personnel and does not depend on the School District for operational subsidies. Although the School District does serve as the taxing authority and may issue tax related debt on behalf of the Library, its role is limited to a ministerial function. The determination to request approval of a tax, the rate and the purpose are discretionary made solely by the Board of Trustees. Financial information can be obtained from the McKinley Memorial Library, Treasurer/Clerk, 40 North Main Street, Niles, Ohio, 44446.

**Niles City School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2021*

**Note 20 – Public Entity Risk Pool**

**Workers’ Compensation Group Rating Program** The School District participates in a group rating plan for workers’ compensation as established under Section 4123.29 of the Ohio Revised Code. The Workers’ Compensation Group Rating Program (GRP) has been established through Benefit Management, Inc. as a group purchasing pool. Each year, the participating entities pay an enrollment fee to the GRP to cover the costs of administering the program.

**Note 21 - Set-Aside Calculations**

The School District is required by State statute to annually set aside in the general fund an amount based on a statutory formula for the acquisition and construction of capital improvements. Amounts not spent by the end of the fiscal year or offset by similarly restricted resources received during the year must be held in cash at 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 change in the fiscal year-end set-aside amounts for capital improvements. Disclosure of this information is required by State statute.

	Capital Improvements
Set-Aside Balance as of June 30, 2020	\$0
Current Year Set-Aside Requirement	399,594
Offsets	(309,396)
Qualifying Disbursements	(453,178)
Total	(\$362,980)
Set-Aside Balance as of June 30, 2021 and Carried Forward to Future Fiscal Years	\$0

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

**Note 22 – 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 year end the amount of encumbrances expected to be honored upon performance by the vendor in the next fiscal year were as follows:

<b>Governmental Funds</b>	
Other Governmental Funds	\$162,441

**Niles City School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2021*

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**Note 23 – Tax Abatements**

For fiscal year 2021, the School District's property taxes were reduced by \$7,594 under enterprise zone agreements entered into by the City of Niles.

**Note 24 – Financial Difficulties**

On February 26, 2019, the Auditor of State declared the School District to be in a state of fiscal emergency as defined by Ohio Revised Code Section 3316.03(B)(3). Many factors have contributed to the School District's financial condition including significant reductions in State revenues, phase-out of the tangible personal property tax and increasing health care costs. In accordance with the law, a five-member Financial Planning and Supervision Commission was established to oversee all financial affairs of the School District. The Commission's primary charge is to develop, adopt and implement a financial recovery plan. The Commission is comprised of two appointees of the State Superintendent of Public Instruction, an appointee of the State Director of Budget and Management, an appointee of the Governor, and an appointee of the Mayor of Niles. Once the plan is adopted, the Board of Education's discretion is limited in that all financial activity of the School District must be in accordance with the plan.

The Financial Recovery Plan was adopted on July 29, 2019. Under State law, the School District must annually update its financial recovery plan. The recovery plan included reductions in staff and utilization of the K-12 Student Wellness and Success Funding.

**Note 25 – Change in Accounting Principle**

For fiscal year 2021, the School District implemented the Governmental Accounting Standards Board's (GASB) *Implementation Guide No. 2019-1*. These changes were incorporated in the School District's 2021 financial statements; however, there was no effect on beginning net position/fund balance.

**Note 26 – COVID-19**

The United States and the State of Ohio declared a state of emergency in March of 2020 due to the COVID-19 pandemic. Ohio's state of emergency ended in June of 2021 while the national state of emergency continues. During fiscal year 2021, the school district received Coronavirus Aid, Relief, and Economic Security (CARES) Act funding. The School District's investment portfolio and the investments of the pension and other employee benefit plans in which the School District participates fluctuate with market conditions, and due to market volatility, the amount of losses that will be recognized in subsequent periods, if any, cannot be determined. In addition, the impact on the School District's future operating costs, revenues, and any recovery from emergency funding, either federal or state, cannot be estimated. Additional funding has been made available through the Consolidated Appropriations Act, 2021, passed by Congress on December 21, 2020 and/or the American Rescue Plan Act, passed by Congress on March 11, 2021.

**Niles City School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2021*

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**Note 27 – Subsequent Event**

For fiscal year 2022, School District foundation funding received from the state of Ohio will be funded using a direct funding model. Under this new model, community school, STEM school, scholarship, and open enrollment funding will be directly funded by the State of Ohio to the respective educating schools. For fiscal year 2021 and prior, the amounts related to students who were residents of the School District were funded to the School District who, in turn, made the payment to the educating school. For fiscal year 2021, the School District reported \$2,878,518 in revenue and expenditures/expense related to these programs. Also during fiscal year 2021, the school district reported \$614,109 in tuition and fees from the resident school districts which will be direct funded to the School District as the educating entity in fiscal year 2022. This new funding system calculates a unique base cost and a unique “per-pupil local capacity amount” for each School District. The School District’s state core foundation funding is then calculated. Any change in funding will be subject to a phase in percentage of 16.67 percent for fiscal year 2022 and 33.33 percent for fiscal year 2023.

On January 27, 2022, Niles City School District no longer met the fiscal emergency conditions set forth in Section 3316.03(B), Ohio Revised Code. The Auditor of State therefore terminated the School District’s fiscal emergency status.

**Niles City School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2021*

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## Required Supplementary Information

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**Niles 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 Eight Fiscal Years (1)*

	2021	2020	2019
School District's Proportion of the Net Pension Liability	0.08428200%	0.08875400%	0.08992850%
School District's Proportionate Share of the Net Pension Liability	\$5,574,589	\$5,310,307	\$5,150,372
School District's Covered Payroll	\$2,968,407	\$3,163,578	\$3,023,650
School District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered - Payroll	187.80%	167.86%	170.34%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	68.55%	70.85%	71.36%

(1) Information prior to 2014 is not available.

\*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



2018	2017	2016	2015	2014
0.09774970%	0.09965500%	0.09763260%	0.10071700%	0.10071700%
\$5,840,329	\$7,293,826	\$5,571,011	\$5,097,230	\$5,989,317
\$3,568,457	\$2,913,079	\$3,927,223	\$3,026,131	\$3,068,545
163.67%	250.38%	141.86%	168.44%	195.18%
69.50%	62.98%	69.16%	71.70%	65.52%

**Niles 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 Five Fiscal Years (1)*

	2021	2020	2019
School District's Proportion of the Net OPEB Liability	0.08797530%	0.09099590%	0.09165130%
School District's Proportionate Share of the Net OPEB Liability	\$1,911,991	\$2,288,356	\$2,542,655
School District's Covered Payroll	\$2,968,407	\$3,163,578	\$3,023,650
School District's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered - Payroll	64.41%	72.33%	84.09%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	18.17%	15.57%	13.57%

(1) Information prior to 2017 is not available.

\*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

2018	2017
0.09922920%	0.10102280%
\$2,663,051	\$2,879,524
\$3,568,457	\$2,913,079
74.63%	98.85%
12.46%	11.49%

**Niles 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 Eight Fiscal Years (1)*

	2021	2020	2019
School District's Proportion of the Net Pension Liability	0.09150440%	0.09640658%	0.09919378%
School District's Proportionate Share of the Net Pension Liability	\$22,140,809	\$21,319,736	\$21,810,485
School District's Covered Payroll	\$11,014,007	\$11,849,093	\$11,277,421
School District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered - Payroll	201.02%	179.93%	193.40%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	75.50%	77.40%	77.30%

(1) Information prior to 2014 is not available.

\*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

2018	2017	2016	2015	2014
0.09852662%	0.10083797%	0.09676036%	0.09669263%	0.09669263%
\$23,405,210	\$33,753,508	\$26,741,733	\$23,518,994	\$28,015,672
\$11,136,657	\$10,006,350	\$10,582,471	\$10,298,908	\$10,441,984
210.16%	337.32%	252.70%	228.36%	268.30%
75.30%	66.80%	72.10%	74.70%	69.30%

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

	2021	2020	2019
School District's Proportion of the Net OPEB (Asset) Liability	0.09150440%	0.09640658%	0.09919378%
School District's Proportionate Share of the Net OPEB (Asset) Liability	(\$1,608,187)	(\$1,596,724)	(\$1,593,943)
School District's Covered Payroll	\$11,014,007	\$11,849,093	\$11,277,421
School District's Proportionate Share of the Net OPEB (Asset) Liability as a Percentage of its Covered - Payroll	-14.60%	-13.48%	-14.13%
Plan Fiduciary Net Position as a Percentage of the Total OPEB (Asset) Liability	182.10%	174.70%	176.00%

(1) Information prior to 2017 is not available.

\*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

<u>2018</u>	<u>2017</u>
0.09852662%	0.10083797%
\$3,844,145	\$5,269,229
\$11,136,657	\$10,006,350
34.52%	52.66%
47.10%	37.30%

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

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
<b>Net Pension Liability</b>				
Contractually Required Contribution	\$381,762	\$415,577	\$427,083	\$408,193
Contributions in Relation to the Contractually Required Contribution	<u>(381,762)</u>	<u>(415,577)</u>	<u>(427,083)</u>	<u>(408,193)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
School District Covered Payroll (1)	\$2,726,871	\$2,968,407	\$3,163,578	\$3,023,650
Pension Contributions as a Percentage of Covered Payroll	<u>14.00%</u>	<u>14.00%</u>	<u>13.50%</u>	<u>13.50%</u>
<b>Net OPEB Liability</b>				
Contractually Required Contribution (2)	54,604	58,958	71,549	66,492
Contributions in Relation to the Contractually Required Contribution	<u>(54,604)</u>	<u>(58,958)</u>	<u>(71,549)</u>	<u>(66,492)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
OPEB Contributions as a Percentage of Covered Payroll	<u>2.00%</u>	<u>1.99%</u>	<u>2.26%</u>	<u>2.20%</u>
Total Contributions as a Percentage of Covered Payroll (2)	<u>16.00%</u>	<u>15.99%</u>	<u>15.76%</u>	<u>15.70%</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



<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
\$499,584	\$407,831	\$517,608	\$419,422	\$424,686	\$462,185
<u>(499,584)</u>	<u>(407,831)</u>	<u>(517,608)</u>	<u>(419,422)</u>	<u>(424,686)</u>	<u>(462,185)</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$3,568,457	\$2,913,079	\$3,927,223	\$3,026,131	\$3,068,545	\$3,436,322
<u>14.00%</u>	<u>14.00%</u>	<u>13.18%</u>	<u>13.86%</u>	<u>13.84%</u>	<u>13.45%</u>
54,248	51,261	79,657	78,258	73,645	93,928
<u>(54,248)</u>	<u>(51,261)</u>	<u>(79,657)</u>	<u>(78,258)</u>	<u>(73,645)</u>	<u>(93,928)</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<u>1.52%</u>	<u>1.76%</u>	<u>2.03%</u>	<u>2.59%</u>	<u>2.40%</u>	<u>2.73%</u>
<u>15.52%</u>	<u>15.76%</u>	<u>15.21%</u>	<u>16.45%</u>	<u>16.24%</u>	<u>16.18%</u>

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

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
<b>Net Pension Liability</b>				
Contractually Required Contribution	\$1,460,333	\$1,541,961	\$1,658,873	\$1,578,839
Contributions in Relation to the Contractually Required Contribution	<u>(1,460,333)</u>	<u>(1,541,961)</u>	<u>(1,658,873)</u>	<u>(1,578,839)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
School District Covered Payroll (1)	\$10,430,950	\$11,014,007	\$11,849,093	\$11,277,421
Pension Contributions as a Percentage of Covered Payroll	<u>14.00%</u>	<u>14.00%</u>	<u>14.00%</u>	<u>14.00%</u>
<b>Net OPEB Liability</b>				
Contractually Required Contribution	\$0	\$0	\$0	\$0
Contributions in Relation to the Contractually Required Contribution	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<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>	<u>0.00%</u>
Total Contributions as a Percentage of Covered Payroll	<u>14.00%</u>	<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

<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
\$1,559,132	\$1,400,889	\$1,481,546	\$1,338,858	\$1,357,458	\$1,443,742
<u>(1,559,132)</u>	<u>(1,400,889)</u>	<u>(1,481,546)</u>	<u>(1,338,858)</u>	<u>(1,357,458)</u>	<u>(1,443,742)</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$11,136,657	\$10,006,350	\$10,582,471	\$10,298,908	\$10,441,984	\$11,105,705
<u>14.00%</u>	<u>14.00%</u>	<u>14.00%</u>	<u>13.00%</u>	<u>13.00%</u>	<u>13.00%</u>
\$0	\$0	\$0	\$102,989	\$104,420	\$111,057
<u>0</u>	<u>0</u>	<u>0</u>	<u>(102,989)</u>	<u>(104,420)</u>	<u>(111,057)</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>1.00%</u>	<u>1.00%</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>

**Niles City School District**  
*Notes to Required Supplementary Information*  
*For the Fiscal Year Ended June 30, 2021*

**Net Pension Liability**

**Changes in Assumptions – SERS**

Beginning in fiscal year 2018, an assumption of 2.5 percent was used for COLA or Ad Hoc Cola. Prior to 2018, an assumption of 3 percent was used.

Beginning with fiscal year 2017, amounts reported 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 fiscal year 2016 and prior are presented below:

	Fiscal Year 2017	Fiscal Year 2016 and Prior
Wage Inflation	3.00 percent	3.25 percent
Future Salary Increases, including inflation	3.50 percent to 18.20 percent	4.00 percent to 22.00 percent
Investment Rate of Return	7.50 percent net of investments expense, including inflation	7.75 percent net of investments expense, including inflation

Beginning with fiscal year 2017, mortality assumptions 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.

**Changes in Assumptions - STRS**

Beginning with fiscal year 2018, 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 year 2017 and prior are presented below:

	Fiscal Year 2018	Fiscal Year 2017 and Prior
Inflation	2.50 percent	2.75 percent
Projected salary increases	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	7.45 percent, net of investment expenses, including inflation	7.75 percent, net of investment expenses, including inflation
Payroll Increases	3 percent	3.5 percent
Cost-of-Living Adjustments (COLA)	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 2018, post-retirement mortality rates for healthy retirees are based on the RP-2014 Annuity 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

**Niles City School District**  
*Notes to Required Supplementary Information*  
*For the Fiscal Year Ended June 30, 2021*

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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.

**Net OPEB Liability**

**Changes in Assumptions – SERS**

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

Municipal Bond Index Rate:	
Fiscal year 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 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

**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.

**Niles City School District**  
*Notes to Required Supplementary Information*  
*For the Fiscal Year Ended June 30, 2021*

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**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 will be discontinued beginning January 2020.

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

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

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

NILES CITY SCHOOL DISTRICT  
TRUMBULL COUNTY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

<b>FEDERAL GRANTOR</b> <i>Pass Through Grantor</i> <b>Program / Cluster Title</b>	<b>Federal CFDA Number</b>	<b>Total Federal Expenditures</b>
<b>U.S. DEPARTMENT OF AGRICULTURE</b>		
<i>Passed Through Ohio Department of Education</i>		
Nutrition Cluster:		
National School Breakfast Program	10.553	\$ 192,834
COVID-19 National School Breakfast Program	10.553	90,124
National School Lunch Program	10.555	409,603
COVID-19 National School Lunch Program	10.555	153,156
Non-Cash Assistance (Food Distribution)	10.555	84,950
Total Child Nutrition Cluster		<u>930,667</u>
Fresh Fruit and Vegetable Program	10.582	59,886
Total U.S. Department of Agriculture		<u><b>990,553</b></u>
<b>U.S. DEPARTMENT OF TREASURY</b>		
<i>Passed Through Ohio Department of Education</i>		
COVID-19 Coronavirus Relief Fund:		
COVID-19 Broadband Connectivity	21.019	83,539
COVID-19 Rural and Small Town School District	21.019	119,484
Total Coronavirus Relief Fund		<u>203,023</u>
Total U.S. Department of Treasury		<u><b>203,023</b></u>
<b>U.S. DEPARTMENT OF EDUCATION</b>		
<i>Passed Through Ohio Department of Education</i>		
Special Education Cluster:		
Early Literacy SSIP (IDEA)	84.027A	6,957
Early Literacy SSIP (IDEA)	84.027A	24,368
IDEA-B Special Education	84.027	95,482
IDEA-B Special Education	84.027A	374,247
IDEA Early Childhood Special Education	84.173	4,835
IDEA Early Childhood Special Education	84.173A	10,037
Total - Special Education Cluster		<u>515,926</u>
Title I-A Improving Basic Programs	84.010	98,668
Title I-A Improving Basic Programs	84.010A	843,787
School Quality Improvement	84.010A	209,878
Total Title I Grants to Local Educational Agencies		<u>1,152,333</u>
Striving Readers Comprehensive Literacy	84.371C	40,340
Striving Readers Comprehensive Literacy	84.371C	41,351
Total - Striving Readers Comprehensive Literacy		<u>81,691</u>
Title II-A Supporting Effective Instruction	84.367	210
Title II-A Supporting Effective Instruction	84.367A	66,706
Total - Title II-A Supporting Effective Instruction		<u>66,916</u>
Title IV-A Student Support and Academic Enrichment Program	84.424A	80,804
COVID-19 Elementary & Secondary School Emergency Relief	84.425D	800,316
COVID-19 Elementary & Secondary School Emergency Relief	84.425D	152,562
Total - COVID-19 Elementary & Secondary School Emergency Relief		<u>952,878</u>
Total U.S. Department of Education		<u><b>2,850,548</b></u>
<b>Total Expenditures of Federal Awards</b>		<u><b>\$ 4,044,124</b></u>

The accompanying notes are an integral part of this schedule.

**NILES CITY SCHOOL DISTRICT  
TRUMBULL COUNTY**

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
2 CFR 200.510(b)(6)  
FOR THE YEAR ENDED JUNE 30, 2021**

**NOTE A – BASIS OF PRESENTATION**

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of Niles City School District (the District) under programs of the federal government for the year ended June 30, 2021. 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 of accounting. Such expenditures are recognized following the cost principles contained in Uniform Guidance wherein certain types of expenditures may or may not be allowable or may be limited as to reimbursement.

**NOTE C – INDIRECT COST RATE**

The 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 entitlement value. The District allocated donated food commodities to the respective program that benefitted from the use of those donated food commodities.



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

Girard City School District  
Trumbull County  
100 West Main Street, Suite 2  
Girard, Ohio 44420

To the Board of Education:

We have audited, in accordance with auditing standards generally accepted in the United States and 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 Niles City School District, Trumbull County, (the District) as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated March 1, 2022, wherein we noted the District is experiencing certain financial difficulties. We also noted the financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the District.

***Internal Control Over Financial Reporting***

As part of our financial statement audit, we considered the District's internal control over financial reporting (internal control) as a basis for designing audit procedures appropriate in the circumstances to the extent necessary to support our opinion on the financial statements, but not to the extent necessary to opine on the effectiveness of the District's internal control. Accordingly, we have not opined on it.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or combination of internal control deficiencies resulting in a reasonable possibility that internal control will not prevent or detect and timely correct a material misstatement of the District's financial statements. 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 internal control deficiencies that might be material weaknesses or significant deficiencies. Therefore, unidentified material weaknesses or significant deficiencies may exist. Given these limitations, we did not identify any deficiencies in internal control that we consider material weaknesses. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings that we consider a significant deficiency. We consider finding 2021-001 to be a significant deficiency.

***Compliance and Other Matters***

As part of reasonably assuring whether the District's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the financial statement. However, opining on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

***District's Response to Findings***

The District's response to the finding identified in our audit is described in the accompanying corrective action plan. We did not subject the District's response to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

***Purpose of this Report***

This report only describes the scope of our internal control and compliance testing and our testing results, and does not opine on the effectiveness of the District's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this report is not suitable for any other purpose.



Keith Faber  
Auditor of State  
Columbus, Ohio

March 1, 2022

# OHIO AUDITOR OF STATE KEITH FABER



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

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

Niles City School District  
Trumbull County  
309 North Rhodes Avenue  
Niles, Ohio 44446

To the Board of Education:

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

We have audited the Niles City School District's (the District) compliance with the applicable requirements described in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could directly and materially affect each of Niles City School District's major federal program for the year ended June 30, 2021. The *Summary of Auditor's Results* in the accompanying schedule of findings identifies the District's major federal programs.

### ***Management's Responsibility***

The District's Management is responsible for complying with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal program.

### ***Auditor's Responsibility***

Our responsibility is to opine on the District's compliance for the District's major federal program based on our audit of the applicable compliance requirements referred to above. Our compliance audit followed auditing standards generally accepted in the United States of America; the standards for financial audits included in 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). These standards and the Uniform Guidance require us to plan and perform the audit to reasonably assure whether noncompliance with the applicable compliance requirements referred to above that could directly and materially affect a major federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe our audit provides a reasonable basis for our compliance opinion on each of the District's major programs. However, our audit does not provide a legal determination of the District's compliance.

**Opinion on Each Major Federal Program**

In our opinion, Niles City School District complied, in all material respects with the compliance requirements referred to above that could directly and materially affect its major federal programs for the year ended June 30, 2021.

**Report on Internal Control Over Compliance**

The District's management is responsible for establishing and maintaining effective internal control over compliance with the applicable compliance requirements referred to above. In planning and performing our compliance audit, we considered the District's internal control over compliance with the applicable requirements that could directly and materially affect a major federal program, to determine our auditing procedures appropriate for opining on each major federal program's compliance and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not to the extent needed to opine on the effectiveness of internal control over compliance. Accordingly, we have not opined on the effectiveness of the District's 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, when performing their assigned functions, to prevent, or to timely detect and correct, noncompliance with a federal program's applicable compliance requirement. 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 federal program compliance requirement will not be prevented, or timely detected and corrected. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with federal program's applicable compliance requirement 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 first paragraph of this section and would not necessarily identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

This report only describes the scope of our internal control over compliance tests and the results of this testing based on Uniform Guidance requirements. Accordingly, this report is not suitable for any other purpose.



Keith Faber  
Auditor of State  
Columbus, Ohio

March 1, 2022

**NILES CITY SCHOOL DISTRICT  
TRUMBULL COUNTY**

**SCHEDULE OF FINDINGS  
2 CFR § 200.515  
JUNE 30, 2021**

**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>	Yes
<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> Child Nutrition Cluster Coronavirus Relief Fund Elementary & Secondary School Emergency Relief - COVID	CFDAs 10.553 and 10.555 CFDA 21.019 CFDA 84.425D
<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>	No

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

**1. Budget vs Actual**

**FINDING NUMBER 2021-001**

SIGNIFICANT DEFICIENCY

Sound accounting practices require accurately posting estimated receipts and appropriations to the ledgers to provide information for budget versus actual comparison and to allow the Board to make informed decisions regarding budgetary matters.

The Appropriation resolution and subsequent amendments establish the legal spending authority of the District and the appropriation ledger provides the process by which the District controls spending, it is therefore necessary the amounts appropriated by the Board are precisely stated and accurately posted to the appropriation ledger.

We noted the District did not accurately and timely post final appropriations to the accounting system.

We also noted the interim appropriations and budget in the system at month end did not agree for the following approved resolutions:

<b>Date Passed</b>	<b>Fund</b>	<b>Appropriations</b>	<b>Budget</b>	<b>Difference</b>
6/30/2020	001	25,839,177	25,439,337	399,840
6/30/2020	002	1,500,000	2,054,600	(554,600)
6/30/2020	024	3,500,000	4,996,031	(1,496,031)
6/30/2020	006	1,000,000	1,266,669	(266,669)
6/30/2020	572	800,000	-	800,000
9/17/2020	001	25,389,177	25,877,985	(488,808)
9/17/2020	024	4,750,000	5,016,225	(266,255)
11/19/2020	001	25,410,000	25,580,955	(170,955)
11/19/2020	024	4,750,000	5,016,225	(266,255)
11/19/2020	572	1,387,988	1,360,528	27,460

Failure to accurately post the appropriations to the ledgers could result in overspending and negative cash balances. In addition, this could lead to inaccurate reporting of the budgetary information in the financial statements.

The District should accurately and timely post appropriations to the accounting system.

**Officials' Response:** See the Corrective Action Plan.

**3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS**

None

Ann Marie A. Thigpen  
Superintendent

Rhonda Amorganos  
Treasurer



309 North Rhodes Ave.  
Niles, Ohio 44446

(330) 989-5095  
(330) 989-5096-Fax

[www.nilescityschools.org](http://www.nilescityschools.org)

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**  
**2 CFR 200.511(b)**  
**JUNE 30, 2021**

<b>Finding Number</b>	<b>Finding Summary</b>	<b>Status</b>	<b>Additional Information</b>
2020-001	Budget vs Actual	Not Corrected	See finding 2021-001
2020-002	Nutrition Cluster – Eligibility	Corrected	
2020-003	Nutrition Cluster – Procurement & Suspension & Debarment	Corrected	
2020-004	Nutrition Cluster – Allowable Activities & Costs	Corrected	
2020-005	Federal Schedule	Partially Corrected	Management Letter comment has been made

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Ann Marie A. Thigpen  
Superintendent

Rhonda Amorganos  
Treasurer



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[www.nilescityschools.org](http://www.nilescityschools.org)

**CORRECTIVE ACTION PLAN**  
**2 CFR § 200.511(c)**  
**JUNE 30, 2021**

**Finding Number:**

2021-001

**Planned Corrective Action:**

The District treasurer will enter appropriations into the software system after board approval and prior to sending to the county auditor's office. Budget adjustments are posted sporadically, as needed, and when the Board and Fiscal Commission approved them. The final budget adjustment at June 30 were less than estimated resources therefore, no overspending occurred. In order to meet the expectations of the audit comment, the district would have to amend appropriations every month, which is unreasonable when appropriations are finalized every June 30<sup>th</sup>.

Any discrepancies between what was Board approved and posted would have been due to unforeseen events, which happen often in school districts. June 28, 2020 initial budgets were posted July 8, 2020 after closing fiscal year 2020. September 17, 2020 board approved appropriations were posted on September 22, 2020. November 19, 2020 board approved appropriations were posted on November 13, 2020 prior to board approval.

**Anticipated Completion Date:**

Completion of Fiscal Year 2022 and ongoing into Fiscal Year 2023.

**Responsible Contact Person:**

Rhonda Amorganos

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# OHIO AUDITOR OF STATE KEITH FABER



**NILES CITY SCHOOL DISTRICT**

**TRUMBULL COUNTY**

**AUDITOR OF STATE OF OHIO CERTIFICATION**

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



**Certified for Release 3/22/2022**

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)