



OHIO AUDITOR OF STATE
KEITH FABER



**NORTH ROYALTON CITY SCHOOL DISTRICT
CUYAHOGA COUNTY**

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**NORTH ROYALTON CITY SCHOOL DISTRICT
CUYAHOGA COUNTY**

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

FEDERAL GRANTOR Pass Through Grantor Program / Cluster Title	Federal CFDA Number	Total Federal Expenditures
U.S. DEPARTMENT OF AGRICULTURE		
<i>Passed Through Ohio Department of Education</i>		
Child Nutrition Cluster:		
School Breakfast Program	10.553	\$ 197,744
COVID-19 School Breakfast Program	10.553	6,987
National School Lunch Program	10.555	562,395
COVID-19 National School Lunch Program	10.555	17,536
National School Lunch Program - Non-Cash	10.555	72,205
Total Child Nutrition Cluster		856,867
Total U.S. Department of Agriculture		856,867
U.S. DEPARTMENT OF EDUCATION		
<i>Passed Through Ohio Department of Education</i>		
Title I Grants to Local Educational Agencies - 2020	84.010	1,195
Title I Grants to Local Educational Agencies - 2021	84.010	301,207
Total Title I Grants to Local Educational Agencies		302,402
Title I Grants - Expanding Opportunities for Each Child - 2021	84.010A	7,739
Total Title I Grants - Expanding Opportunities for Each Child		7,739
Total Title I		310,141
Special Education Cluster (IDEA):		
Special Education - Grants to States (IDEA, Part B) - 2020	84.027	117,084
Special Education - Grants to States (IDEA, Part B) - 2021	84.027	780,956
Total Special Education - Grants to States (IDEA, Part B)		898,040
Special Education - Preschool Grants (IDEA Preschool) - 2020	84.173	496
Special Education - Preschool Grants (IDEA Preschool) - 2021	84.173	20,243
Total Special Education - Preschool Grants (IDEA Preschool)		20,739
Total Special Education Cluster (IDEA)		918,779
English Language Acquisition State Grants - 2020	84.365	2,911
English Language Acquisition State Grants - 2021	84.365	20,508
English Language Acquisition State Grants		23,419
Title II, Part A, Supporting Effective Instruction State Grants - 2020	84.367	4,171
Title II, Part A, Supporting Effective Instruction State Grants - 2021	84.367	89,088
Total Title II, Part A, Supporting Effective Instruction State Grants		93,259
Student Support and Academic Enrichment Program - 2021	84.424	29,189
Total Student Support and Academic Enrichment Program		29,189
COVID-19 Elementary and Secondary Emergency Relief Fund - 2020	84.425D	122,402
COVID-19 Elementary and Secondary Emergency Relief Fund - 2021	84.425D	12,300
Total COVID-19 Elementary and Secondary Emergency Relief Fund		134,702
COVID-19 Coronavirus Relief Fund - 2021	21.019	206,167
Total COVID-19 Coronavirus Relief Fund		206,167
Total U.S. Department of Education		1,715,656
Total Expenditures of Federal Awards		\$ 2,572,523

The accompanying notes are an integral part of this schedule.

**NORTH ROYALTON CITY SCHOOL DISTRICT
CUYAHOGA COUNTY**

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

NOTE A – BASIS OF PRESENTATION

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

NOTE C – INDIRECT COST RATE

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

NOTE D - CHILD NUTRITION CLUSTER

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

NOTE E – FOOD DONATION PROGRAM

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

NOTE F - MATCHING REQUIREMENTS

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

NOTE G - TRANSFERS BETWEEN PROGRAM YEARS

Federal regulations require schools to obligate certain federal awards by June 30. However, with ODE's consent, schools can transfer unobligated amounts to the subsequent fiscal year's program. The District transferred the following amounts from 2020 to 2021 programs:

<u>Program Title</u>	<u>CFDA Number</u>	<u>Amount Transferred</u>
Title I Grants to Local Educational Agencies	84.010	\$ 769
Special Education - Grants to States	84.027	\$ 4,785
Title II, Part A, Supporting Effective Instruction State Grants	84.367	\$ 5,409
Student Support and Academic Enrichment Program	84.424	\$ 1,010

OHIO AUDITOR OF STATE KEITH FABER



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

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

To the Board of Education:

We have audited, in accordance with 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 North Royalton City School District, Cuyahoga 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 December 28, 2021, wherein we noted the financial impact of COVID-19 and the continuing emergency measures which 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 opinions 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. Given these limitations, we did not identify any deficiencies in internal control that we consider material weaknesses. However, unidentified material weaknesses may exist.

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 statements. 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*.

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

December 28, 2021

OHIO AUDITOR OF STATE KEITH FABER



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

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

To the Board of Education:

Report on Compliance for the Major Federal Program

We have audited North Royalton 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 North Royalton 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 program.

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 the District's major program. However, our audit does not provide a legal determination of the District's compliance.

Opinion on the Major Federal Program

In our opinion, the North Royalton City School District complied, in all material respects with the compliance requirements referred to above that could directly and materially affect its major federal program 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.

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

We have also audited the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of North Royalton City School District (the District) as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements. We issued our unmodified report thereon dated December 28, 2021, wherein we noted the financial impact of COVID-19 and the continuing emergency measures which may impact subsequent periods of the District. We conducted our audit to opine on the District's basic financial statements as a whole. The accompanying schedule of expenditures of federal awards presents additional analysis required by the Uniform Guidance and is not a required part of the basic financial statements. The schedule is management's responsibility, and was derived from and relates directly to the underlying accounting and other records management used to prepare the basic financial statements. We subjected this schedule to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this schedule directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, this schedule is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.



Keith Faber
Auditor of State
Columbus, Ohio

December 28, 2021

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**NORTH ROYALTON CITY SCHOOL DISTRICT
CUYAHOGA COUNTY**

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

1. SUMMARY OF AUDITOR'S RESULTS

(d)(1)(i)	Type of Financial Statement Opinion	Unmodified
(d)(1)(ii)	Were there any material weaknesses in internal control reported at the financial statement level (GAGAS)?	No
(d)(1)(ii)	Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?	No
(d)(1)(iii)	Was there any reported material noncompliance at the financial statement level (GAGAS)?	No
(d)(1)(iv)	Were there any material weaknesses in internal control reported for major federal programs?	No
(d)(1)(iv)	Were there any significant deficiencies in internal control reported for major federal programs?	No
(d)(1)(v)	Type of Major Programs' Compliance Opinion	Unmodified
(d)(1)(vi)	Are there any reportable findings under 2 CFR § 200.516(a)?	No
(d)(1)(vii)	Major Programs (list):	Child Nutrition Cluster: School Breakfast Program - CFDA #10.553 COVID-19 School Breakfast Program - CFDA #10.553 National School Lunch Program - CFDA #10.555 COVID-19 National School Lunch Program – CFDA #10.555 National School Lunch Program – Non-Cash – CFDA #10.555
(d)(1)(viii)	Dollar Threshold: Type A/B Programs	Type A: > \$ 750,000 Type B: all others
(d)(1)(ix)	Low Risk Auditee under 2 CFR §200.520?	Yes

**NORTH ROYALTON CITY SCHOOL DISTRICT
CUYAHOGA COUNTY**

SCHEDULE OF FINDINGS

2 CFR § 200.515

JUNE 30, 2021

(Continued)

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

None.

3. FINDINGS FOR FEDERAL AWARDS

None.

North Royalton City School District
North Royalton, Ohio



"We Inspire and Empower Learners"

Annual Comprehensive Financial Report
For the Fiscal Year Ended June 30, 2021

*North Royalton, Ohio
City School District*

Annual Comprehensive Financial Report

For the Fiscal Year Ended June 30, 2021

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

INTRODUCTORY SECTION

North Royalton City School District
Annual Comprehensive Financial Report
For the Fiscal Year Ended June 30, 2021
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North Royalton City School District
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For the Fiscal Year Ended June 30, 2021
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North Royalton City Schools

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December 28, 2021

Board of Education Members
North Royalton City School District

It is our privilege to present to you the Annual Comprehensive Financial Report of the North Royalton City School District (School District) for the fiscal year ended June 30, 2021. This Annual Comprehensive Financial Report enables the School District to comply with the Ohio Administrative Code Section 117-2-03 (B), which requires reporting on a GAAP (Generally Accepted Accounting Principles) basis, and Ohio Revised Code Section 117.38 which requires school districts reporting on a GAAP basis to file an unaudited annual report with the Auditor of State within 150 days of fiscal year end.

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

Under Ohio law, regular audits are required to be performed on all financial related operations of the School District. These audits may be done by either the Auditor of State's Office or, if the Auditor of State permits, an independent public accounting firm. For fiscal year 2021, the School District was audited by the Auditor of State's Office. Their unmodified opinion is included in the financial section of this Annual Comprehensive Financial Report.

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

The School District

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

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

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

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

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

- North Royalton High School built in 1950, with additions in 1958, 1976 and 1990 houses students in grades 9 through 12.
- North Royalton Middle School built in 1996 houses students in grades 5 through 8.
- Albion Elementary School built in 1955 with additions in 1956, 1957, 1976, 1978 and 1988 houses students in kindergarten through 4.
- Royal View Elementary School built in 1965 with an addition in 1988 houses students in pre-kindergarten through 4.
- Valley Vista Elementary School built in 1959 with additions in 1961 and 1988 houses students in kindergarten through 4.

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

The Reporting Entity

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

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

Economic Condition and Outlook

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

The North Royalton City School District receives approximately 73 percent of its revenues from local property tax collections. Therefore, the long-term financial health of the School District is very dependent on its tax base. The total assessed value of the School District's tax duplicate increased a little over 14 percent in the last ten years. The value change in the duplicate is due to revisions in property values made by the County Fiscal Officer every three years and new construction taking place in the School District.

Enrollment for fiscal year 2012 was 4,687 students. Enrollment for fiscal year 2021 was 3,838 students. The School District enlists the assistance of a professional demographer to develop enrollment projections. Projections are developed assuming low, moderate and high growth rates in the School District. The last enrollment projections completed in April 2015 indicated the growth in the student population will stabilize and have a gradual decline. Student enrollment projections for fiscal year 2026 estimate an enrollment of 4,062 students.

Educational Program

During fiscal year 2021, the School District's curriculum included a wide range of electives and comprehensive courses of study in college preparatory, liberal arts and technical career programs. The School District offers advanced placement courses at the high school in Calculus AB, Calculus BC, Computer Science Principles, English Literature and Composition, French Language and Culture, Macroeconomics, Microeconomics, Physics I, Physics II, Psychology, Spanish, Statistics, U.S. Government and Politics, and U.S. History.

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

Eighty-seven percent of the 2021 high school graduates indicated they intended to continue their education at the university or college level with 70 percent attending a four-year college and 17 percent attending a two-year college. Of the 336 graduates, one percent of the graduating class will be entering the military, and nine percent will enter the workforce. The high school offers 192 courses including 50 vocational offerings at Cuyahoga Valley Career Center. Additional academic statistics from the Class of 2021 include: 38 percent received an Honors Diploma, 17 percent were members of the National Honor Society, 38 students graduated Magna Cum Laude and 52 students graduated Summa Cum Laude. Additionally, the class of 2021 had 2 National Merit Commended students, and 3 National Merit Finalists.

Major Initiatives

2020-2021 School Year:

- Provided professional development to all staff on best strategies for implementing remote learning strategies during the Covid-19 pandemic.
- Continued quality professional development work with Responsive Literacy instruction with our elementary teachers, and with the middle and high school literacy committee members.
- Implemented ALEKS math, a digital learning tool at the middle school level.
- Began offering CCP government as a course that can be taken on campus and taught by a NRHS teacher.
- Added Lexia Reading into grade 2 as a digital learning tool (this is also implemented in grades K & 1) to help address learning loss from educational disruption during the pandemic.
- Analyzed student achievement data through item analysis tools provided by the State to identify gaps and areas in need at all grade levels K-12.
- Continued standards-based digital support for literacy through Achieve3000 in grades 5-8.
- Continued to address the mandates of the Third Grade Reading Guarantee.
- Explored updated resources for science and social studies in grades K-8 and revised/realigned curriculum maps and resources.

For the Future:

- Implementation of a School District Literacy Coach to support best practices surrounding Responsive Literacy instruction.
- Thorough professional development and training around guided reading in grades K-3 and readers' and writers' workshops in grades 4-8.
- Analyze student achievement data to identify learning gaps and engage staff in the process to determine best practices to address the areas of concern.
- Implement updated curriculum for science and social studies in grades K-8.
- Implement updated resources for accounting and AP Physics at the high school level.
- Explore updated curricular resources across a variety of content areas including health/PE, high school science, and various elective areas.
- Expand STEM programming at the middle school level to be able to offer courses to grades 6-8 instead of just grades 7 & 8.

Long-Term Planning

The School District has placed an emphasis on long-term planning. The administrative staff meets yearly to review and discuss staffing levels for the next five years in light of enrollment changes and program requirements. Enrollment projections are completed by professional demographers and the results are analyzed and incorporated into the operating and capital budget projections for the next five year period. Operating budget costs and capital expenditure needs are also reviewed and analyzed during these meetings. The central office administrative staff meets for two days in late July or early August and reviews three years of actual line item expenditures, considers educational and facility needs to establish the current year budget. Our student academic needs and high performance expectations have placed stress to our aging facilities as it relates to our operating and capital budgets in the short-term. Our community passed an \$88.9 million bond issue in May 2017 along with a .5 mill continuing permanent improvement maintenance fund levy. We are currently in the final construction phase of constructing a new elementary building to replace our existing three elementary buildings, renovating our middle school, and adding to and renovating our high school. The School District is planning to occupy these spaces in fiscal year 2022.

Relevant Financial Policies

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

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

Awards

GFOA Certificate of Achievement

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to North Royalton City School District for its Annual Comprehensive Financial Report for the fiscal year ended June 30, 2020. The Certificate of Achievement is the highest form of recognition in the area of governmental financial reporting.

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

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

Acknowledgments

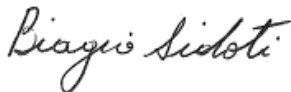
The publication of this report is a significant step toward professionalizing the North Royalton City School District's financial reporting. It enhances the School District's accountability to the residents of the North Royalton City School District.

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

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

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

Respectfully submitted,



Biagio Sidoti, CPA
Treasurer



Michael Laub
Superintendent

North Royalton City School District

Principal Officials

June 30, 2021

Board of Education

Ms. Heidi Dolezal.....President
Mr. Terry DeLap Vice President
Ms. Jacquelyn Arendt..... Member
Dr. John Kelly Member
Ms. Anne Reinkober..... Member

Treasurer

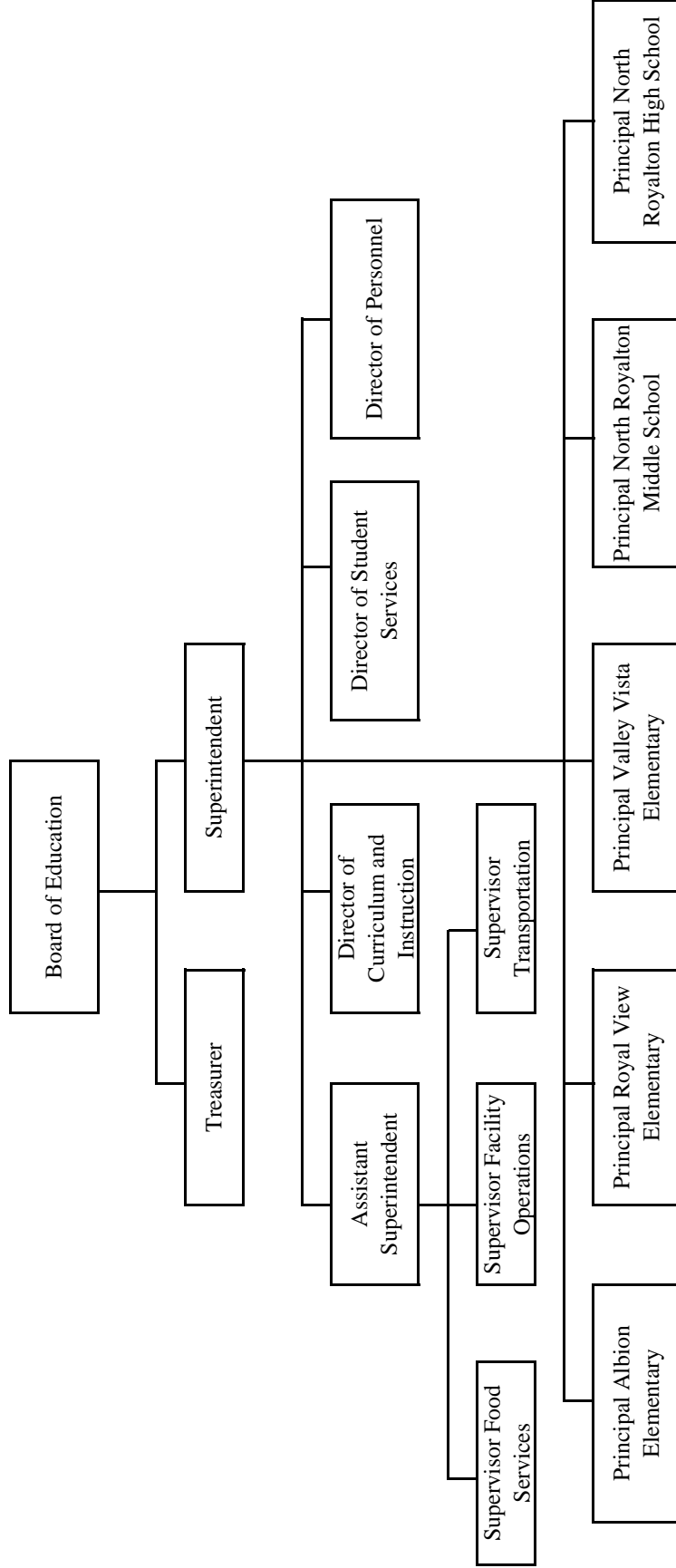
Mr. Biagio Sidoti, CPA

Administration

Mr. Michael Laub..... Superintendent
Mr. James J. Presot.....Assistant Superintendent
Mr. Patrick Farrell Director of Personnel
Ms. Melissa Vojta..... Director of Curriculum and Instruction
Ms. Julie Bogden..... Director of Student Services

North Royalton City School District

Organizational Chart





Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**North Royalton City School District
Ohio**

For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

June 30, 2020

Christopher P. Morill

Executive Director/CEO

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**FINANCIAL
SECTION**

OHIO AUDITOR OF STATE KEITH FABER



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

INDEPENDENT AUDITOR'S REPORT

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

To the Board of Education:

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the North Royalton City School District, Cuyahoga County, Ohio (the District), as of and for the year ended June 30, 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.

Efficient • Effective • Transparent

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 North Royalton City School District, Cuyahoga County, Ohio, 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

As discussed in Note 23 to the financial statements, the financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods for the District. We did not modify our opinion regarding this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require this presentation to include *management's discussion and analysis*, and schedules of net pension and other 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 introductory section, the financial section's combining statements, individual fund statements and schedules, and the statistical section information present additional analysis and are not a required part of the basic financial statements.

The statements and schedules are management's responsibility, and derive from and relate 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.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we will also issue our report dated December 28, 2021, 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

December 28, 2021

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

The discussion and analysis of North Royalton City School District's financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2021. The intent of this discussion and analysis is to look at the School District's financial performance as a whole; readers should also review the transmittal letter, the basic financial statements and the notes to the basic financial statements to enhance their understanding of the School District's financial performance.

Financial Highlights

Key financial highlights for fiscal year 2021 are as follows:

- ❑ Total net position decreased during fiscal year 2021, primarily due to the decrease in cash balances related to construction costs and an increase in the net pension liability. While cash decreased from the prior fiscal year by \$34,766,333, \$34,562,911 was capitalized related to building construction and renovation and bus purchases. Similarly, while the net pension liability increased by \$5,995,775, there was a large offsetting decrease with related deferred inflows of \$3,202,116.
- ❑ Fiscal year 2021 expenses increased from the prior fiscal year primarily due to the deletion of School District buildings in the net amount of \$1.6 million and changes related to the net pension and net OPEB liabilities.
- ❑ The School District's governmental funds reported a decrease in combined fund balances for fiscal year 2021, primarily due to the \$34.5 million of capital outlay expenditures in the building fund. The entirety of the fund balance at fiscal year-end is restricted for capital improvements related to the construction and renovations of the School District's buildings.

Using this Annual Comprehensive Financial Report

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

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

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

Reporting the School District as a Whole

Statement of Net Position and the Statement of Activities

While these statements contain information about the large number of funds used by the School District to provide programs and activities, the view of the School District as a whole looks at all financial transactions and asks the question, "How did we do financially during fiscal year 2021?" The statement of net position and the statement of activities answer this question. These statements include all non-fiduciary assets and liabilities using the accrual basis of accounting, similar to the accounting used by most private-sector companies. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

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

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

Reporting the School District's Most Significant Funds

The analysis of the School District's major funds begins on page 12. Fund financial reports provide detailed information about the School District's major funds. The School District uses many funds to account for a multitude of financial transactions; however, these fund financial statements focus on the School District's most significant funds. The School District's major governmental funds are the general, bond retirement debt service, and building capital projects funds.

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

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

The School District as a Whole

Recall that the statement of net position provides the perspective of the School District as a whole. Table 1 provides a summary of the School District's net position for fiscal year 2021 compared to 2020:

Table 1
Net Position
Governmental Activities

	2021	2020	Change
Assets			
Current and Other Assets	\$87,576,551	\$121,313,861	(\$33,737,310)
Capital Assets, Net of Depreciation	101,448,619	70,037,313	31,411,306
Net OPEB Asset	3,685,506	3,467,081	218,425
Total Assets	192,710,676	194,818,255	(2,107,579)
Deferred Outflows of Resources			
Deferred Charge on Refunding	40,453	42,476	(2,023)
Pension	10,988,202	10,849,498	138,704
OPEB	1,641,710	1,162,364	479,346
Total Deferred Outflows of Resources	12,670,365	12,054,338	616,027
Liabilities			
Current and Other Liabilities	10,749,147	10,619,020	(130,127)
Long-Term Liabilities:			
Due Within One Year	1,978,376	1,958,763	(19,613)
Due in More Than One Year:			
Net Pension Liability	65,726,159	59,730,384	(5,995,775)
Net OPEB Liability	5,017,826	5,796,439	778,613
Other Amounts	99,679,621	101,805,330	2,125,709
Total Liabilities	183,151,129	179,909,936	(3,241,193)
Deferred Inflows of Resources			
Property Taxes	41,012,001	42,927,711	1,915,710
Pension	1,250,324	4,452,440	3,202,116
OPEB	7,220,812	6,245,134	(975,678)
Total Deferred Inflows of Resources	49,483,137	53,625,285	4,142,148
Net Position			
Net Investment in Capital Assets	15,592,516	17,188,168	(1,595,652)
Restricted	8,528,324	7,499,747	1,028,577
Unrestricted (Deficit)	(51,374,065)	(51,350,543)	(23,522)
Total Net Position	(\$27,253,225)	(\$26,662,628)	(\$590,597)

North Royalton City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2021
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The net pension liability (NPL) is one of the largest liabilities 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 previously, changes in benefits, contribution rates, and return on investments affect the balance of these liabilities, but are outside the control of the local government. In the event that contributions, investment returns, and other changes are insufficient to keep up with required payments, State statute does not assign/identify the responsible party for the unfunded portion. Due to the unique nature of how the net pension liability and the net OPEB liability are satisfied, these liabilities are separately identified within the long-term liability section of the statement of net position.

Total assets decreased in fiscal year 2021, primarily due to a decrease in cash as bond proceeds were spent down, which was largely offset with a majority of the expenses being capitalized as they related to the construction of school buildings within the School District. Total liabilities increased largely due to increases in the STRS and SERS net pension liabilities.

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

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

Table 2 shows total revenues, expenses and changes in net position for fiscal years 2021 and 2020.

Table 2
Governmental Activities

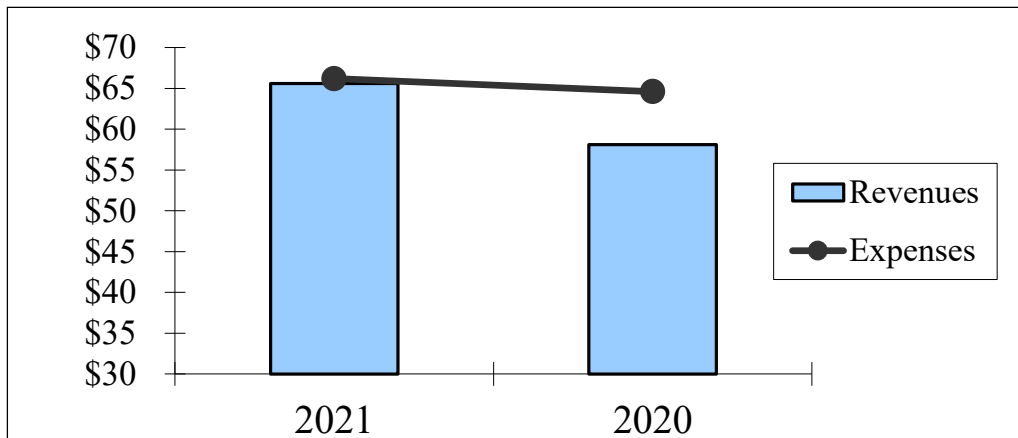
	2021	2020	Change
Program Revenues			
Charges for Services and Sales	\$918,221	\$2,101,695	(\$1,183,474)
Operating Grants and Contributions	4,915,649	3,663,924	1,251,725
Capital Grants and Contributions	5,000	10,000	(5,000)
Total Program Revenues	<u>5,838,870</u>	<u>5,775,619</u>	<u>63,251</u>
General Revenues			
Property Taxes	47,459,618	38,582,766	8,876,852
Grants and Entitlements not Restricted to Specific Programs	11,258,975	10,972,734	286,241
Unrestricted Contributions	4,025	2,500	1,525
Investment Earnings	128,247	2,330,429	(2,202,182)
Miscellaneous	898,471	470,374	428,097
Total General Revenues	<u>59,749,336</u>	<u>52,358,803</u>	<u>7,390,533</u>
Total Revenues	<u>65,588,206</u>	<u>58,134,422</u>	<u>7,453,784</u>
Program Expenses			
Instruction:			
Regular	32,036,002	29,616,586	(2,419,416)
Special	7,213,008	7,174,942	(38,066)
Vocational	47,960	48,583	623
Student Intervention Services	7,608	9,386	1,778
Support Services:			
Pupil	3,792,196	3,711,659	(80,537)
Instructional Staff	2,782,428	3,037,562	255,134
Board of Education	36,307	41,866	5,559
Administration	3,453,438	3,591,907	138,469
Fiscal	1,366,854	1,386,440	19,586
Business	397,908	381,657	(16,251)
Operation and Maintenance of Plant	4,378,824	3,930,175	(448,649)
Pupil Transportation	3,418,185	4,255,246	837,061
Central	266,995	262,772	(4,223)
Operation of Non-Instructional Services	1,160,763	1,015,064	(145,699)
Operation of Food Services	935,109	1,056,558	121,449
Extracurricular Activities	1,354,772	1,460,280	105,508
Interest and Fiscal Charges	3,530,446	3,604,691	74,245
Total Program Expenses	<u>66,178,803</u>	<u>64,585,374</u>	<u>(1,593,429)</u>
Change in Net Position	(590,597)	(6,450,952)	5,860,355
Net Position Beginning of Year	<u>(26,662,628)</u>	<u>(20,211,676)</u>	<u>(6,450,952)</u>
Net Position End of Year	<u>(\$27,253,225)</u>	<u>(\$26,662,628)</u>	<u>(\$590,597)</u>

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

Governmental Activities

Graph 1
 Revenues and Expenses
 (In Millions)

	2021	2020
Revenues	\$65.6	\$58.1
Expenses	66.2	64.6



During fiscal year 2021, the School District was able to close the gap between revenues and expenses as one can see from the proceeding graph. Increases in property taxes and grants were the main drivers for the increase in revenues. While most expense categories recognized decreases from the prior fiscal year, overall expenses increased due to the removal of building assets with a net book value of \$1,595,507 and the negative expenses related to the OPEB liability being lower in fiscal year 2021. The negative expense in fiscal year 2020 was (\$1,071,057) and was (\$365,652) in fiscal year 2021. The expenses related to the net pension liability was \$209,980 lower in fiscal year 2021 compared to the prior fiscal year.

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

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

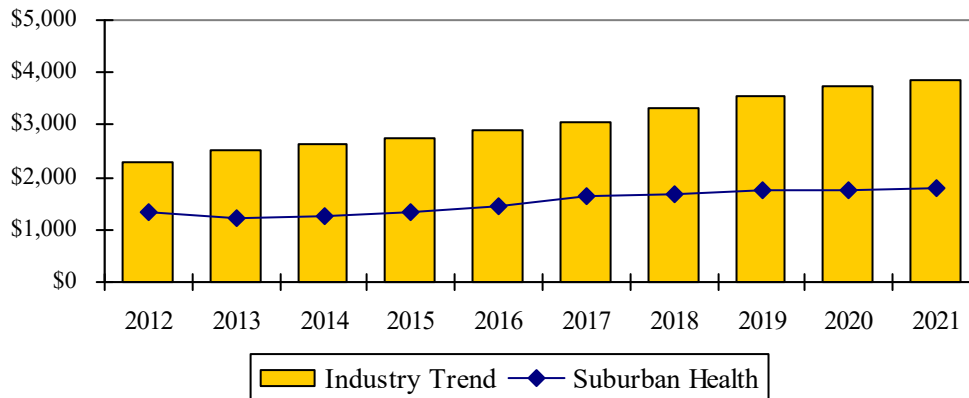
Thus school districts dependent upon property taxes are hampered by a lack of revenue growth and must regularly return to the voters to maintain a constant level of service. Due to the amount of property taxes available as an advance at fiscal year end being larger for fiscal year 2021, as well as it also being much larger in fiscal year 2019, property tax revenues for fiscal year 2021 were much higher than fiscal year 2020. The difference was due to the timing and collection by the County Fiscal Officer.

Investment earnings also decreased due to a smaller cash balance from the School District spending down cash for capital projects.

Total program revenues increased from the prior fiscal year due to operating grants and contributions from increases in Federal funding related to COVID-19. This was largely offset by fewer charges for services and sales revenue due primarily to less tuition and fees and food service sales.

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

Graph 2
Consortium vs. Industry Trend
for Health Care Costs



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

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

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

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

	2021		2020	
	Total Cost of Services	Net Cost of Services	Total Cost of Services	Net Cost of Services
Program Expenses				
Instruction:				
Regular	\$32,036,002	(\$30,996,372)	\$29,616,586	(\$29,016,735)
Special	7,213,008	(5,426,302)	7,174,942	(5,364,557)
Vocational	47,960	(25,547)	48,583	(25,885)
Student Intervention Services	7,608	3,328	9,386	(9,286)
Support Services:				
Pupil	3,792,196	(3,562,644)	3,711,659	(3,542,329)
Instructional Staff	2,782,428	(2,655,316)	3,037,562	(2,847,034)
Board of Education	36,307	(36,047)	41,866	(41,318)
Administration	3,453,438	(3,429,198)	3,591,907	(3,546,520)
Fiscal	1,366,854	(1,357,856)	1,386,440	(1,370,445)
Business	397,908	(395,104)	381,657	(376,783)
Operation and Maintenance of Plant	4,378,824	(4,224,939)	3,930,175	(3,756,338)
Pupil Transportation	3,418,185	(3,303,875)	4,255,246	(4,137,032)
Central	266,995	(265,117)	262,772	(259,461)
Operation of Non-Instructional Services	1,160,763	(88,754)	1,015,064	13,486
Operation of Food Services	935,109	(36,568)	1,056,558	(88,333)
Extracurricular Activities	1,354,772	(1,009,176)	1,460,280	(836,494)
Interest and Fiscal Charges	3,530,446	(3,530,446)	3,604,691	(3,604,691)
Total Program Expenses	<u>\$66,178,803</u>	<u>(\$60,339,933)</u>	<u>\$64,585,374</u>	<u>(\$58,809,755)</u>

The School District's Funds

Information regarding the School District's major funds begins on page 20. These funds are accounted for using the modified accrual basis of accounting. Total governmental funds had a decrease in fund balance primarily due to an increase in capital outlay expenditures. The general fund had an increase in fund balance for fiscal year 2021, mainly due to increases in property tax, due to the timing of collections, and intergovernmental and miscellaneous revenues. The general fund had a decrease in expenditures of approximately \$0.9 million, primarily due to decreases in pupil transportation, instructional staff, operation and maintenance of plant, and pupil services due to fewer needs as the School District had periods of full remote learning due to COVID-19. The bond retirement fund continues to make the bonded debt service requirements. The bond retirement fund balance decreased due to debt service requirements exceeding the property taxes it collected. The building fund had a significant decrease in fund balance during fiscal year 2021 due to the capital outlay expenditures related to the construction and renovation of buildings within the School District. Other governmental funds had an increase in fund balance due to revenues exceeding expenditures while both categories increased over the prior year. Revenues increased mainly due to increased grants and property taxes while expenditures increased as a larger portion of regular instruction was made out of the elementary and secondary school emergency relief fund. As one can see from the statement of revenues, expenditures and changes in fund balances – governmental funds, property taxes from the communities that comprise the School District are the largest revenue source, accounting for a majority of total revenue.

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

General Fund Budgeting Highlights

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

During the course of fiscal year 2021, the School District amended its general fund budget several times. The School District uses an operational unit budget process and has in place systems that are designed to tightly control expenses but provide flexibility for program based decisions and management.

The School District likes to take a conservative approach when budgeting. As the fiscal year went on, the School District was able to amend and decrease its final certificate of estimated resources by \$584,715, while the School District was able to decrease its final appropriations by approximately \$3.1 million, overall, with decreases being seen in all expenditures except operation of non-instructional services. Actual revenues and expenditures were mostly in line with final budgets. This is due in large part to the School District's continued commitment to provide a quality education while still controlling costs.

Capital Assets and Debt Administration

Capital Assets

Capital assets increased for fiscal year 2021. The majority of the capital asset additions were for construction in progress related to the construction and renovation of buildings within the School District. Ohio law requires school districts to set aside three percent of certain revenues for capital improvements. For fiscal year 2021, this amounted to \$722,413 for the set-aside. See Note 12 to the basic financial statements for additional information on the School District's capital assets and Note 19 for additional information regarding required set-asides.

Debt Administration

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

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

The School District's overall legal debt margin increased to approximately \$32 million. This is the additional amount of debt the School District could issue. The debt margin increased from fiscal year 2020 due to higher assessed values within the School District and less debt subject to the limit. See Note 14 to the basic financial statements for detail on the School District's long-term obligations.

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

School District Outlook

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

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

The State of Ohio's 2012-2013 biennium budget reduced State funding to the School District by approximately \$3 million over the two year period. The State then looked to increase State funding by \$300,000 and \$500,000, respectively, in the 2014-2015 biennium budget. The State of Ohio's 2016-2017 biennium budget projected increases to the School District's State funding by approximately \$460,000 in fiscal year 2016 and an additional \$285,000 in fiscal year 2017, of which a \$257,000 increase was realized in fiscal year 2016 and a \$92,000 loss was realized in fiscal year 2017. The State of Ohio's 2018-2019 biennium budget is projected to remain constant at a base funding level of \$5,797,760 in fiscal year 2018 and 2019. The most recent State of Ohio 2020-2021 biennium budget projects increase to the School District's State funding in the form of student wellness and success funds by approximately \$133,000 in fiscal year 2020 and an additional \$57,000 in fiscal year 2021. The guarantees are included in the biennium budget causing our base funding level to remain constant. Unfortunately, the COVID-19 pandemic caused the State of Ohio to reduce our funding by approximately \$600,000 in fiscal year 2020. The State of Ohio increased the funding level by \$800,000 in fiscal year 2021 netting a two-year increase of \$200,000.

Residential development continues to take place in both the cities of North Royalton and Broadview Heights. Due to the increased enrollment from fiscal year 2003 through 2008, the School District's facilities reached maximum capacity. As a stopgap measure, the School District leased four buildings from the City of Broadview Heights to house preschool and kindergarten students beginning in fiscal year 2005. This freed classroom space at the elementary level and enabled redistricting, achieving a better balance of student enrollment at each of the elementary schools. The School District's enrollment projection, updated in 2015, reflected student enrollment to have a slight decline over the next ten years. In light of the most recent enrollment study, the School District decided to terminate its lease with the City of Broadview Heights and create the needed space among the three elementary buildings to house the preschool and kindergarten students beginning in fiscal year 2016.

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

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

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

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

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

The Board of Education unanimously passed a resolution to place the same \$88.9 million bond issue, along with a .5 mill continuing permanent improvement maintenance fund levy, on the May 2, 2017, ballot. The issue passed by 1,945 votes with 6,190 voting for the issue and 4,245 voting against. The School District is currently in the final construction phase to build one new elementary school to replace the three existing buildings, renovate and build new sections at the high school, renovate the middle school, and increase the existing permanent improvement fund to maintain facility needs.

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

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

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

Contacting the School District's Financial Management

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

Basic Financial Statements

North Royalton City School District
Statement of Net Position
June 30, 2021

	Governmental Activities
Assets	
Equity in Pooled Cash and Cash Equivalents	\$40,089,387
Accounts Receivable	39,754
Intergovernmental Receivable	954,247
Accrued Interest Receivable	27,460
Inventory Held for Resale	9,889
Materials and Supplies Inventory	148,574
Taxes Receivable	46,255,387
Prepaid Items	51,853
Net OPEB Asset (See Note 22)	3,685,506
Nondepreciable Capital Assets	84,572,571
Depreciable Capital Assets, Net	16,876,048
<i>Total Assets</i>	192,710,676
Deferred Outflows of Resources	
Deferred Charge on Refunding	40,453
Pension	10,988,202
OPEB	1,641,710
<i>Total Deferred Outflows of Resources</i>	12,670,365
Liabilities	
Accounts Payable	658,163
Accrued Wages and Benefits	5,234,678
Contracts Payable	1,850,330
Intergovernmental Payable	1,100,819
Accrued Interest Payable	318,819
Vacation Benefits Payable	177,036
Matured Compensated Absences Payable	932
Retainage Payable	1,393,300
Claims Payable	15,070
Long-Term Liabilities:	
Due Within One Year	1,978,376
Due In More Than One Year:	
Net Pension Liability (See Note 21)	65,726,159
Net OPEB Liability (See Note 22)	5,017,826
Other Amounts Due in More Than One Year	99,679,621
<i>Total Liabilities</i>	183,151,129
Deferred Inflows of Resources	
Property Taxes	41,012,001
Pension	1,250,324
OPEB	7,220,812
<i>Total Deferred Inflows of Resources</i>	49,483,137
Net Position	
Net Investment in Capital Assets	15,592,516
Restricted for:	
Capital Improvements	7,887,036
Food Service Operations	76,143
Local Grants	258,796
Student Activities	123,005
Athletics and Music	80,095
Auxiliary Services	63,895
State Grants	9,580
Federal Grants	10,099
Unclaimed Funds	19,675
Unrestricted (Deficit)	(51,374,065)
<i>Total Net Position</i>	(\$27,253,225)

See accompanying notes to the basic financial statements

North Royalton City School District

Statement of Activities

For the Fiscal Year Ended June 30, 2021

	Expenses	Program Revenues			Net (Expense)
		Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions	Revenue and Changes in Net Position
Governmental Activities					Governmental Activities
Instruction:					
Regular	\$32,036,002	\$283,882	\$755,748	\$0	(\$30,996,372)
Special	7,213,008	83,913	1,702,793	0	(5,426,302)
Vocational	47,960	349	22,064	0	(25,547)
Student Intervention Services	7,608	10,936	0	0	3,328
Support Services:					
Pupil	3,792,196	25,267	204,285	0	(3,562,644)
Instructional Staff	2,782,428	18,947	108,165	0	(2,655,316)
Board of Education	36,307	260	0	0	(36,047)
Administration	3,453,438	24,240	0	0	(3,429,198)
Fiscal	1,366,854	8,998	0	0	(1,357,856)
Business	397,908	2,804	0	0	(395,104)
Operation and Maintenance of Plant	4,378,824	96,822	52,063	5,000	(4,224,939)
Pupil Transportation	3,418,185	22,218	92,092	0	(3,303,875)
Central	266,995	1,878	0	0	(265,117)
Operation of Non-Instructional Services	1,160,763	211	1,071,798	0	(88,754)
Operation of Food Services	935,109	41,081	857,460	0	(36,568)
Extracurricular Activities	1,354,772	296,415	49,181	0	(1,009,176)
Interest and Fiscal Charges	3,530,446	0	0	0	(3,530,446)
Totals	\$66,178,803	\$918,221	\$4,915,649	\$5,000	(60,339,933)

General Revenues

Property Taxes Levied for:

General Purposes	40,362,043
Debt Service	5,433,713
Capital Outlay	1,663,862

Grants and Entitlements not Restricted
to Specific Programs

Unrestricted Contributions	4,025
Investment Earnings	128,247
Miscellaneous	898,471

Total General Revenues 59,749,336

Change in Net Position (590,597)

Net Position Beginning of Year (26,662,628)

Net Position End of Year (\$27,253,225)

See accompanying notes to the basic financial statements

North Royalton City School District

Balance Sheet

Governmental Funds

June 30, 2021

	General	Bond Retirement	Building	Other Governmental Funds	Total Governmental Funds
Assets					
Equity in Pooled Cash and Cash Equivalents	\$17,840,219	\$7,946,224	\$9,727,231	\$4,323,889	\$39,837,563
Restricted Assets:					
Equity in Pooled Cash and Cash Equivalents	19,675	0	0	0	19,675
Property Taxes Receivable	39,370,040	5,269,488	0	1,615,859	46,255,387
Accounts Receivable	39,754	0	0	0	39,754
Accrued Interest Receivable	27,460	0	0	0	27,460
Intergovernmental Receivable	227,038	0	0	727,209	954,247
Interfund Receivable	662,041	0	0	0	662,041
Prepaid Items	51,203	0	0	650	51,853
Inventory Held for Resale	0	0	0	9,889	9,889
Materials and Supplies Inventory	145,273	0	0	3,301	148,574
<i>Total Assets</i>	<u>\$58,382,703</u>	<u>\$13,215,712</u>	<u>\$9,727,231</u>	<u>\$6,680,797</u>	<u>\$88,006,443</u>
Liabilities					
Accounts Payable	\$84,372	\$0	\$7,015	\$563,198	\$654,585
Accrued Wages and Benefits	4,988,140	0	0	246,538	5,234,678
Contracts Payable	0	0	1,682,833	167,497	1,850,330
Interfund Payable	0	0	0	662,041	662,041
Intergovernmental Payable	1,061,138	0	0	39,681	1,100,819
Matured Compensated Absences Payable	932	0	0	0	932
Retainage Payable	0	0	1,393,300	0	1,393,300
<i>Total Liabilities</i>	<u>6,134,582</u>	<u>0</u>	<u>3,083,148</u>	<u>1,678,955</u>	<u>10,896,685</u>
Deferred Inflows of Resources					
Property Taxes	34,873,297	4,705,240	0	1,433,464	41,012,001
Unavailable Revenue	1,418,524	172,209	0	538,268	2,129,001
<i>Total Deferred Inflows of Resources</i>	<u>36,291,821</u>	<u>4,877,449</u>	<u>0</u>	<u>1,971,732</u>	<u>43,141,002</u>
Fund Balances					
Nonspendable	216,151	0	0	3,951	220,102
Restricted	0	8,338,263	6,644,083	3,490,733	18,473,079
Committed	0	0	0	1,200	1,200
Assigned	445,860	0	0	0	445,860
Unassigned (Deficit)	15,294,289	0	0	(465,774)	14,828,515
<i>Total Fund Balances</i>	<u>15,956,300</u>	<u>8,338,263</u>	<u>6,644,083</u>	<u>3,030,110</u>	<u>33,968,756</u>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i>	<u>\$58,382,703</u>	<u>\$13,215,712</u>	<u>\$9,727,231</u>	<u>\$6,680,797</u>	<u>\$88,006,443</u>

See accompanying notes to the basic financial statements

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

Total Governmental Fund Balances		\$33,968,756
 <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.		101,448,619
Other long-term assets are not available to pay for current-period expenditures and therefore are unavailable in the funds:		
Delinquent Property Taxes	1,514,169	
Intergovernmental	485,462	
Tuition and Fees	129,370	
Total	2,129,001	2,129,001
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.		213,501
Deferred outflows of resources represent deferred charges on refundings, which are not reported in the funds.		40,453
In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due.		(318,819)
Vacation benefits payable is not expected to be paid with expendable available financial resources and therefore is not reported in the funds.		(177,036)
Long-term liabilities payable are not due and payable in the current period and therefore are not reported in the funds:		
General Obligation Bonds	(93,780,508)	
Certificates of Participation	(2,520,000)	
Compensated Absences	(5,357,489)	
Total	(101,657,997)	(101,657,997)
The net OPEB asset and the net pension and net OPEB liabilities are not due and payable in the current period; therefore, the asset/liabilities and related deferred inflows/outflows are not reported in the funds:		
Net OPEB Asset	3,685,506	
Deferred Outflows - Pension	10,988,202	
Deferred Outflows - OPEB	1,641,710	
Net Pension Liability	(65,726,159)	
Net OPEB Liability	(5,017,826)	
Deferred Inflows - Pension	(1,250,324)	
Deferred Inflows - OPEB	(7,220,812)	
Total	(62,899,703)	(62,899,703)
 <i>Net Position of Governmental Activities</i>		 <u><u>(\$27,253,225)</u></u>

See accompanying notes to the basic financial statements

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

	General	Bond Retirement	Building	Other Governmental Funds	Total Governmental Funds
Revenues					
Property Taxes	\$40,197,761	\$5,357,250	\$0	\$1,647,961	\$47,202,972
Intergovernmental	11,542,559	94,961	0	4,133,913	15,771,433
Interest	(278,080)	0	405,869	1,052	128,841
Tuition and Fees	443,156	0	0	0	443,156
Extracurricular Activities	90,299	0	0	192,032	282,331
Contributions and Donations	4,111	0	5,000	91,626	100,737
Charges for Services	30,000	0	0	41,081	71,081
Rentals	7,035	0	0	73,997	81,032
Miscellaneous	898,471	0	0	0	898,471
<i>Total Revenues</i>	<u>52,935,312</u>	<u>5,452,211</u>	<u>410,869</u>	<u>6,181,662</u>	<u>64,980,054</u>
Expenditures					
Current:					
Instruction:					
Regular	27,179,390	0	67,186	771,654	28,018,230
Special	5,576,170	0	0	1,266,984	6,843,154
Vocational	47,982	0	0	0	47,982
Student Intervention Services	7,608	0	0	0	7,608
Support Services:					
Pupil	3,374,947	0	0	261,063	3,636,010
Instructional Staff	2,598,600	0	0	108,058	2,706,658
Board of Education	35,714	0	0	0	35,714
Administration	3,358,240	0	0	0	3,358,240
Fiscal	1,228,771	71,071	16,638	21,591	1,338,071
Business	371,533	0	0	0	371,533
Operation and Maintenance of Plant	3,265,427	0	53,626	106,138	3,425,191
Pupil Transportation	2,998,214	0	0	849,938	3,848,152
Central	254,991	0	0	0	254,991
Operation of Non-Instructional Services	29,051	0	0	1,072,657	1,101,708
Operation of Food Services	0	0	0	942,621	942,621
Extracurricular Activities	969,838	0	0	341,695	1,311,533
Capital Outlay	0	0	34,483,988	226,750	34,710,738
Debt Service:					
Principal Retirement	0	1,705,000	0	95,000	1,800,000
Interest and Fiscal Charges	0	3,790,875	0	69,022	3,859,897
<i>Total Expenditures</i>	<u>51,296,476</u>	<u>5,566,946</u>	<u>34,621,438</u>	<u>6,133,171</u>	<u>97,618,031</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>1,638,836</u>	<u>(114,735)</u>	<u>(34,210,569)</u>	<u>48,491</u>	<u>(32,637,977)</u>
Other Financing Sources (Uses)					
Sale of Capital Assets	69,374	0	0	0	69,374
Transfers In	0	0	0	55,000	55,000
Transfers Out	(55,000)	0	0	0	(55,000)
<i>Total Other Financing Sources (Uses)</i>	<u>14,374</u>	<u>0</u>	<u>0</u>	<u>55,000</u>	<u>69,374</u>
<i>Net Change in Fund Balances</i>	1,653,210	(114,735)	(34,210,569)	103,491	(32,568,603)
<i>Fund Balances Beginning of Year</i>	<u>14,303,090</u>	<u>8,452,998</u>	<u>40,854,652</u>	<u>2,926,619</u>	<u>66,537,359</u>
<i>Fund Balances End of Year</i>	<u>\$15,956,300</u>	<u>\$8,338,263</u>	<u>\$6,644,083</u>	<u>\$3,030,110</u>	<u>\$33,968,756</u>

See accompanying notes to the basic financial statements

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

Net Change in Fund Balances - Total Governmental Funds (\$32,568,603)

*Amounts reported for governmental activities in the
statement of activities are different because:*

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.

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

Capital Outlay	34,562,911	
Depreciation	(1,524,367)	
Total	33,038,544	33,038,544

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. (1,627,238)

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

Delinquent Property Taxes	256,646	
Intergovernmental	310,885	
Tuition and Fees	40,621	
Total	608,152	608,152

Repayment of bond principal and certificates of participation is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. 1,800,000

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

Accrued Interest on Bonds	5,900	
Amortization of Loss on Refunding	(2,023)	
Amortization of Premium on Bonds	325,574	
Total	329,451	329,451

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

Vacation Benefits Payable	(876)	
Compensated Absences	(19,478)	
Total	(20,354)	(20,354)

The internal service fund used by management to charge the costs of insurance to individual funds are not reported in the district-wide statements of activities. Governmental fund expenditures and related internal service fund revenues are eliminated. The net revenue (expense) of the internal service fund is allocated among the governmental activities. 3,700

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

Pension	4,607,375	
OPEB	135,054	
Total	4,742,429	4,742,429

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

Pension	(7,262,330)	
OPEB	365,652	
Total	(6,896,678)	(6,896,678)

Change in Net Position of Governmental Activities (\$590,597)

See accompanying notes to the basic financial statements

North Royalton City School District
Statement of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund
For the Fiscal Year Ended June 30, 2021

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Property Taxes	\$39,041,738	\$38,464,785	\$38,464,785	\$0
Intergovernmental	11,254,510	11,572,619	11,572,619	0
Interest	350,000	201,041	202,362	1,321
Tuition and Fees	859,500	430,843	431,216	373
Extracurricular Activities	169,800	90,621	90,299	(322)
Contributions and Donations	2,500	4,025	4,025	0
Charges for Services	30,000	30,000	30,000	0
Rentals	47,500	9,783	9,783	0
Miscellaneous	163,000	774,448	775,395	947
<i>Total Revenues</i>	51,918,548	51,578,165	51,580,484	2,319
Expenditures				
Current:				
Instruction:				
Regular	27,784,564	26,671,548	26,671,547	1
Special	5,734,084	5,533,259	5,533,258	1
Vocational	50,828	48,366	48,366	0
Support Services:				
Pupil	3,698,410	3,379,424	3,379,424	0
Instructional Staff	2,841,761	2,622,815	2,622,815	0
Board of Education	44,341	36,092	36,092	0
Administration	3,527,079	3,330,639	3,330,639	0
Fiscal	1,277,275	1,218,861	1,218,861	0
Business	378,765	366,596	366,596	0
Operation and Maintenance of Plant	3,668,891	3,296,692	3,296,691	1
Pupil Transportation	3,627,282	3,042,082	3,042,082	0
Central	260,513	249,104	249,104	0
Operation of Non-Instructional Services	19,971	37,874	37,874	0
Extracurricular Activities	1,010,591	971,760	971,760	0
<i>Total Expenditures</i>	53,924,355	50,805,112	50,805,109	3
<i>Excess of Revenues Over (Under) Expenditures</i>	(2,005,807)	773,053	775,375	2,322
Other Financing Sources (Uses)				
Sale of Capital Assets	50,540	30,024	30,024	0
Advances In	275,000	51,184	51,184	0
Advances Out	(662,041)	(662,041)	(662,041)	0
Transfers Out	(55,000)	(55,000)	(55,000)	0
<i>Total Other Financing Sources (Uses)</i>	(391,501)	(635,833)	(635,833)	0
<i>Net Change in Fund Balance</i>	(2,397,308)	137,220	139,542	2,322
<i>Fund Balance Beginning of Year</i>	16,964,992	16,964,992	16,964,992	0
Prior Year Encumbrances Appropriated	149,348	149,348	149,348	0
<i>Fund Balance End of Year</i>	\$14,717,032	\$17,251,560	\$17,253,882	\$2,322

See accompanying notes to the basic financial statements

North Royalton City School District

Statement of Fund Net Position

Internal Service Fund

June 30, 2021

	<u>Self Insurance</u>
Assets	
<i>Current Assets:</i>	
Equity in Pooled Cash and Cash Equivalents	<u>\$232,149</u>
Liabilities	
<i>Current Liabilities:</i>	
Accounts Payable	3,578
Claims Payable	<u>15,070</u>
<i>Total Liabilities</i>	<u>18,648</u>
Net Position	
Unrestricted	<u><u>\$213,501</u></u>

See accompanying notes to the basic financial statements

North Royalton City School District
*Statement of Revenues,
Expenses and Changes in Fund Net Position
Internal Service Fund
For the Fiscal Year Ended June 30, 2021*

	<u>Self Insurance</u>
Operating Revenues	
Charges for Services	<u>\$124,115</u>
Operating Expenses	
Purchased Services	25,744
Claims	<u>94,671</u>
<i>Total Operating Expenses</i>	<u>120,415</u>
<i>Operating Income</i>	3,700
<i>Net Position Beginning of Year</i>	<u>209,801</u>
<i>Net Position End of Year</i>	<u><u>\$213,501</u></u>

See accompanying notes to the basic financial statements

North Royalton City School District
Statement of Cash Flows
Internal Service Fund
For the Fiscal Year Ended June 30, 2021

	<u>Self Insurance</u>
<i>Increase (Decrease) in Cash and Cash Equivalents</i>	
Cash Flows from Operating Activities	
Cash Received from Interfund Services Provided	\$124,115
Cash Payments for Purchased Services	(25,886)
Cash Payments for Claims	<u>(94,795)</u>
<i>Net Cash Provided by Operating Activities</i>	3,434
<i>Cash and Cash Equivalents Beginning of Year</i>	<u>228,715</u>
<i>Cash and Cash Equivalents End of Year</i>	<u><u>\$232,149</u></u>
Reconciliation of Operating Income to Net Cash Provided by Operating Activities	
Operating Income	\$3,700
Adjustments:	
Decrease in Accounts Payable	(142)
Decrease in Claims Payable	<u>(124)</u>
<i>Net Cash Provided by Operating Activities</i>	<u><u>\$3,434</u></u>
See accompanying notes to the basic financial statements	

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North Royalton City School District

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2021*

Note 1 – Description of the School District and Reporting Entity

North Royalton City School District (the “School District”) is organized under Article VI, Sections 2 and 3 of the Constitution of the State of Ohio. The School District operates under a locally-elected Board form of government consisting of five members elected at-large for staggered four year terms.

The School District is located in a suburban area south of Cleveland, Ohio. It is located in Cuyahoga County and encompasses nearly all of the City of North Royalton and a smaller portion of the City of Broadview Heights. It is staffed by 221 classified employees and 296 certified personnel who provide services to 3,838 students and other community members. The School District currently operates three elementary buildings, one middle school, one high school, an administrative building, a maintenance garage and a bus garage.

Reporting Entity

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

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

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

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

North Royalton City School District

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2021*

Note 2 – Summary of Significant Accounting Policies

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

Basis of Presentation

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

Government-wide Financial Statements The statement of net position and the statement of activities display information about the School District as a whole. These statements include the financial activities of the primary government. The activity of the internal service fund is eliminated to avoid “doubling up” revenues and expenses. These statements usually distinguish between those activities of the School District that are governmental and those that are considered business-type. The School District, however, has no business-type activities.

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

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

Fund Accounting

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

North Royalton City School District

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2021*

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

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

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

Building Fund The building fund is used to account for and report restricted bond proceeds used for the building, restoration, and improvement of the School District property.

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

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

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

Measurement Focus

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

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

North Royalton City School District

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2021

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

Basis of Accounting

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

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

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

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

Deferred Outflows/Inflows of Resources In addition to assets, the statements of financial position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources, represents a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. For the School District, deferred outflows of resources are reported on the government-wide statement of net position for deferred charges on refunding and pension and OPEB plans. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The deferred outflows of resources related to pension and OPEB plans are explained in Notes 21 and 22.

North Royalton City School District

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2021

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 the governmental fund financial statements. Unavailable revenue is reported only on the governmental funds balance sheet, and represents receivables which will not be collected within the available period. For the School District, unavailable revenue includes delinquent property taxes, intergovernmental revenue, tuition and fees, and miscellaneous revenue. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available. The details of these unavailable revenues are identified on the Reconciliation of Total Governmental Fund Balances to Net Position of Governmental Activities found on page 21. Deferred inflows of resources related to pension and OPEB plans are reported on the government-wide statement of net position (see Notes 21 and 22).

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

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

Pensions/Other Postemployment Benefits (OPEB)

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

Budgetary Process

All funds, except 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. Budgetary modifications at this level require a resolution of the Board of Education. The Treasurer has been given authority to allocate Board appropriations to the function and object levels within each fund.

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

North Royalton City School District

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2021

The appropriation resolution is subject to amendment by the Board throughout the fiscal year with the restriction that appropriations may not exceed estimated resources. The amounts reported as the original budgeted amounts reflect the first appropriation for that fund that covered the entire fiscal year, including amounts automatically carried over from prior fiscal years. The amounts reported as the final budgeted amounts represent the final appropriation amounts passed by the Board during the fiscal year. Prior to June 30, the School District passed an amended appropriation measure which closely matched appropriations to expenditures plus encumbrances in the majority of categories.

The scholarship special revenue fund did not have any budgetary activity in fiscal year 2021; therefore, budgetary information is not provided.

Cash and Cash Equivalents

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

During fiscal year 2021, investments were limited to commercial paper, STAR Ohio, the State Treasurer’s Investment Pool, money market accounts, federal home loan bank bonds, federal home loan mortgage corporation bonds, federal national mortgage association bonds, federal farm credit bank bonds, federal agricultural mortgage corporation bonds, treasury notes, and negotiable certificates of deposit. Investments are reported at fair value except for commercial paper and STAR Ohio. The School District’s commercial paper is measured at amortized cost, as it is a highly liquid debt instrument with a remaining maturity at the time of purchase of less than one year.

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

For fiscal year 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, specified the funds to receive an allocation of interest earnings. Interest revenue credited to the general fund during fiscal year 2021 amounted to (\$278,080), which includes (\$335,479) assigned from other School District funds.

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

North Royalton City School District

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2021*

Restricted Assets

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

Prepaid Items

Payments made to vendors for services that will benefit periods beyond June 30, 2021, are recorded as prepaid items using the consumption method by recording a current asset for the prepaid amount and reflecting the expenditure/expense in the year in which services are consumed.

Inventory

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

Capital Assets

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

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

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

<u>Description</u>	<u>Estimated Lives</u>
Land Improvements	15 - 20 years
Buildings and Improvements	40 years
Furniture and Equipment	5 - 15 years
Vehicles	10 years

North Royalton City School District

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2021*

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. Since the School District’s policy limits the accrual of vacation time to one year from the employee’s anniversary date, the outstanding liability is recorded as “vacation benefits payable” on the statement of net position rather than as a long-term liability.

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

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

On the governmental fund financial statements, compensated absences are recognized as 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 fund from which the employee who has accumulated unpaid leave is paid.

Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements, and all payables, accrued liabilities and long-term obligations payable from the proprietary fund are reported on the proprietary fund financial statements.

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources, are reported as obligations of the funds; however, claims and judgments and compensated absences that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are due for payment during the current fiscal year. Net pension/OPEB liabilities should be recognized in the governmental funds to the extent that benefit payments are due and payable and the pension/OPEB plans’ fiduciary net position are not sufficient for payment of those benefits. Bonds are recognized as a liability on the fund financial statements when due.

Net Position

Net position represents the difference between all other elements in a statement of financial position. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use through external restrictions imposed by creditors, grantors or laws or regulations of other governments. Net position restricted for other purposes include resources restricted for various school programs.

North Royalton City School District

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2021*

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

Fund Balances

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

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

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

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

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

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

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

North Royalton City School District

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2021*

Operating Revenues and Expenses

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

Bond Premiums and Discounts

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

Under Ohio law, premiums on the original issuance of debt are to be deposited to the bond retirement fund to be used for debt retirement and are precluded from being applied to the project fund. Ohio law does allow premiums on refunding debt to be used as part of the payment to the bond escrow agent.

Deferred Charge on Refunding

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

Internal Activity

Transfers between governmental funds are eliminated on the government-wide financial statements. Internal events that are allocations of overhead expenses from one function to another or within the same function are eliminated on the statement of activities. Interfund payments for services provided and used are not eliminated.

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

Estimates

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

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

Note 3 – Change in Accounting Principles

For fiscal year 2021, the School District implemented the Governmental Accounting Standards Board's (GASB) Statement No. 98, *The Annual Comprehensive Financial Report*. GASB 98 establishes the term annual comprehensive financial report and its acronym ACFR. That new term and acronym replace instances of comprehensive annual financial report and its acronym in generally accepted accounting principles for state and local governments. The School District is also implementing *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 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. Advances In and Out are operating transactions (budget) as opposed to balance sheet transactions (GAAP).
3. Investments are reported at cost (budget) rather than fair value (GAAP).
4. Expenditures are recorded when paid in cash (budget) as opposed to when the liability is incurred (GAAP).
5. Encumbrances are treated as expenditures (budget) rather than as restricted, committed, or assigned (GAAP).
6. Budgetary revenues and expenditures of the adult education and public school support funds are classified to general fund for GAAP reporting.

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

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

	Net Change in Fund Balance
GAAP Basis	\$1,653,210
Net Adjustment for Revenue Accruals	(1,822,303)
Advances In	51,184
Advances Out	(662,041)
Beginning Fair Value Adjustment for Investments	517,843
Ending Fair Value Adjustment for Investments	(139,503)
Net Adjustment for Expenditure Accruals	842,253
Encumbrances	(302,406)
Perspective Difference:	
Adult Education	10,835
Public School Support	(9,530)
Budget Basis	\$139,542

Note 5 – Deposits and Investments

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

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

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

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

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.

North Royalton City School District

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2021*

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

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

Investments may only be made through specified dealers and institutions. Payment for investments may be made only upon delivery of the securities representing the investments to the treasurer or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

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

Investments

As of June 30, 2021, the School District had the following investments:

Measurement/Investment	Measurement Amount	Maturity	Standard & Poor's Rating	Percent of Total Investments
Amortized Cost:				
Commercial Paper	\$12,217,325	Less Than One Year	A-1/A-1+	32.62 %
Net Asset Value Per Share:				
STAR Ohio	6,664,707	Less Than One Year	AAAm	17.79
Fair Value - Level 1 Inputs:				
Money Market Accounts	12,574	Less Than One Year	AAAm	N/A
Fair Value - Level 2 Inputs:				
Federal Home Loan Bank Bonds	2,474,418	Less Than Five Years	AA+	6.61
Federal Home Loan Mortgage Corporation Bonds	1,001,262	Less Than Five Years	AA+	N/A
Federal National Mortgage Association Bonds	1,287,603	Less Than Five Years	AA+	N/A
Federal Farm Credit Bank Bonds	3,507,270	Less Than Five Years	AA+	9.36
Federal Agricultural Mortgage Corporation Bonds	289,571	Less Than Five Years	AA+	N/A
Treasury Notes	5,009,913	Less Than Three Years	A-1+/AA+	13.38
Negotiable Certificates of Deposit	4,992,120	Less Than Four Years	N/A	13.33
Total Investments	<u>\$37,456,763</u>			

The School District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets. Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The preceding chart identifies the School District's recurring fair value measurements as of June 30, 2021. The money market accounts are measured at fair value and are valued using quoted market prices (Level 1 inputs). The School District's investments measured at fair value are valued using methodologies that incorporate market inputs such as benchmark yields, reported trades, broker/dealer quotes, issuer spreads, two-sided markets, benchmark securities, bids, offers and reference data including market research publications. Market indicators and industry and economic events are also monitored, which could require the need to acquire further market data (Level 2 inputs).

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

Credit Risk STAR Ohio carries a rating of AAAm by Standard & Poor's. Ohio law requires that STAR Ohio maintain the highest rating provided by at least one nationally recognized standard rating service. The federal home loan bank bonds, federal home loan mortgage corporation bonds, federal national mortgage association bonds and federal farm credit bank bonds carry a rating of AA+ by Standard & Poor's. The School District has no investment policy that addresses credit risk.

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

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

Note 6 – Fund Deficits

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

<u>Fund</u>	<u>Deficit</u>
Elementary and Secondary School Emergency Relief	(\$426,729)
Title VI-B	(28,774)
Title I	(10,271)

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

Note 7 – Property Taxes

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

Property taxes include amounts levied against all real and public utility located in the School District. Real property tax revenue received in calendar year 2021 represents collections 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 taxes are established by State statute at thirty-five percent of appraised market value. Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semi-annually, the first payment is due December 31, with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established.

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

The School District receives property taxes from Cuyahoga County. The County Fiscal Officer periodically advances to the School District its portion of the taxes collected. Second-half real property tax payments collected by the County by June 30, 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 represents the real property and public utility property taxes which were 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 were levied to finance current fiscal year operations and are reported as revenue at fiscal year-end. The portion of the receivable not levied to finance current fiscal year operations is offset by a credit to deferred inflows of resources – property taxes.

North Royalton City School District

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2021*

The amount available as an advance at June 30, 2021 was \$3,207,589 in the general fund, \$392,039 in the bond retirement debt service fund, and \$129,589 in the permanent improvement capital projects fund. The amount available as an advance at June 30, 2020 was \$1,474,613 in the general fund, \$173,021 in the bond retirement debt service fund, and \$57,207 in the permanent improvement capital projects fund. The difference was in the timing and collection by the County Fiscal Officer.

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

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

	2020 Second Half Collections		2021 First Half Collections	
	Amount	Percent	Amount	Percent
Real Estate	\$1,175,020,840	97.59 %	\$1,177,001,730	97.43 %
Public Utility Personal	29,075,240	2.41	31,089,320	2.57
Total	<u>\$1,204,096,080</u>	<u>100.00 %</u>	<u>\$1,208,091,050</u>	<u>100.00 %</u>

Tax Rate per \$1,000 of Assessed Valuation	\$67.00	\$66.70
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The School District's full tax rate decreased from the prior year due the increase in assessed values in order for the emergency levies to collect their fixed amount.

Note 8 – Tax Abatements

School District property taxes were reduced under Enterprise Zone agreements entered into by an overlapping government – the City of North Royalton. As a result of the agreements, the School District had \$11,122 in taxes abated for fiscal year 2021.

Note 9 – Receivables

Receivables at June 30, 2021, consisted of taxes, tuition, interest, student fees and rentals. All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes, the stable condition of State programs and the current fiscal year guarantee of Federal funds. All receivables except for delinquent property taxes are expected to be collected within one year. Property taxes, although ultimately collectible, include some portion of delinquencies that will not be collected within one year.

North Royalton City School District

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2021*

At June 30, 2021, the School District had the following intergovernmental receivables:

	<u>Amount</u>
<i>Governmental Activities:</i>	
Elementary and Secondary School Emergency Relief	\$460,202
Title VI-B	173,982
Foundation	141,275
SERS Refund	85,763
Title I	74,314
Class Size Reduction Grant	12,675
Immigrant Education	4,455
Preschool Grant	1,536
Miscellaneous Federal Grants	<u>45</u>
Total Intergovernmental Receivable	<u><u>\$954,247</u></u>

Note 10 – Interfund Transactions

Interfund Transfers

The general fund had transfers of \$55,000 to the athletics and music special revenue fund to help provide funding for fiscal year 2021.

Interfund Balances

Interfund balances at June 30, 2021, consisted of the following:

	Interfund Balances	
	June 30, 2021	
	<u>Receivables</u>	<u>Payables</u>
<i>Governmental Activities:</i>		
General	<u>\$662,041</u>	<u>\$0</u>
<i>Special Revenue:</i>		
Elementary and Secondary School Emergency Relief	0	598,479
Title VI-B	0	39,874
Immigrant Education	0	743
Title I	0	14,630
Class Size Reduction Grant	0	8,315
<i>Total Special Revenue</i>	<u>0</u>	<u>662,041</u>
Total Governmental Activities	<u><u>\$662,041</u></u>	<u><u>\$662,041</u></u>

North Royalton City School District

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2021*

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

Note 11 – Fund Balances

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

Fund Balances	General	Bond Retirement	Building	Other Governmental Funds	Total
<i>Nonspendable:</i>					
Prepaid Items	\$51,203	\$0	\$0	\$650	\$51,853
Inventory	145,273	0	0	3,301	148,574
Unclaimed Funds	19,675	0	0	0	19,675
<i>Total Nonspendable</i>	216,151	0	0	3,951	220,102
<i>Restricted for:</i>					
Debt Service	0	8,338,263	0	0	8,338,263
Capital Improvements	0	0	6,644,083	2,803,591	9,447,674
Food Service Operations	0	0	0	132,409	132,409
Local Grants	0	0	0	258,796	258,796
Student Activities	0	0	0	123,005	123,005
Athletics and Music	0	0	0	80,095	80,095
Auxiliary Services	0	0	0	63,895	63,895
State Grants	0	0	0	23,585	23,585
Federal Grants	0	0	0	5,357	5,357
<i>Total Restricted</i>	0	8,338,263	6,644,083	3,490,733	18,473,079
<i>Committed to:</i>					
College Scholarships	0	0	0	1,200	1,200
<i>Assigned to:</i>					
Purchases on Order:					
Instruction	97,445	0	0	0	97,445
Support Services	186,253	0	0	0	186,253
Adult Education	14,755	0	0	0	14,755
Public School Support	147,407	0	0	0	147,407
<i>Total Assigned</i>	445,860	0	0	0	445,860
<i>Unassigned (Deficit)</i>	15,294,289	0	0	(465,774)	14,828,515
Total Fund Balances	\$15,956,300	\$8,338,263	\$6,644,083	\$3,030,110	\$33,968,756

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

Note 12 – Capital Assets

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

	Balance 6/30/20	Additions	Deductions	Balance 6/30/21
<i>Capital Assets not being Depreciated:</i>				
Land	\$1,110,140	\$0	\$0	\$1,110,140
Construction in Progress	50,099,524	33,362,907	0	83,462,431
<i>Total Capital Assets not being Depreciated</i>	<u>51,209,664</u>	<u>33,362,907</u>	<u>0</u>	<u>84,572,571</u>
<i>Capital Assets being Depreciated:</i>				
Land Improvements	1,147,357	0	(348,784)	798,573
Buildings and Improvements	46,364,464	61,015	(12,845,088)	33,580,391
Furniture and Equipment	4,074,592	289,052	(461,942)	3,901,702
Vehicles	5,806,317	849,937	(530,518)	6,125,736
<i>Total Capital Assets being Depreciated</i>	<u>57,392,730</u>	<u>1,200,004</u>	<u>(14,186,332)</u>	<u>44,406,402</u>
Less Accumulated Depreciation:				
Land Improvements	(1,095,552)	(7,505)	347,718	(755,339)
Buildings and Improvements	(30,798,806)	(1,001,478)	11,249,581	(20,550,703)
Furniture and Equipment	(2,983,569)	(158,939)	431,277	(2,711,231)
Vehicles	(3,687,154)	(356,445)	530,518	(3,513,081)
<i>Total Accumulated Depreciation</i>	<u>(38,565,081)</u>	<u>(1,524,367) *</u>	<u>12,559,094</u>	<u>(27,530,354)</u>
<i>Total Assets being Depreciated, Net</i>	<u>18,827,649</u>	<u>(324,363)</u>	<u>(1,627,238)</u>	<u>16,876,048</u>
<i>Governmental Activities Capital Assets, Net</i>	<u>\$70,037,313</u>	<u>\$33,038,544</u>	<u>(\$1,627,238)</u>	<u>\$101,448,619</u>

* Depreciation expense was charged to governmental activities as follows:

Instruction:	
Regular	\$1,103,430
Special	4,603
Support Services:	
Instructional Staff	4,036
Administration	1,814
Fiscal	1,195
Operation and Maintenance of Plant	34,790
Pupil Transportation	366,807
Operation of Non-Instructional Services	3,282
Operation of Food Service	1,840
Extracurricular Activities	2,570
Total Depreciation Expense	<u><u>\$1,524,367</u></u>

North Royalton City School District

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2021*

Note 13 – Other Employee Benefits

Compensated Absences

The criteria for determining vacation and sick leave benefits are derived from negotiated agreements and State laws. Employees earn ten to thirty days of vacation per fiscal year, depending upon length of service. Accumulated, unused vacation time is paid to employees at the end of each contract year, depending upon negotiated agreements, or upon termination of employment. Teachers do not earn vacation time.

Teachers, administrators, and classified employees earn sick leave at the rate of one and one-fourth days per month. A percentage of unused sick time is paid at retirement. All employees who are eligible to retire receive a severance benefit upon retirement limited to what is specified in the respective employment agreements.

Life Insurance

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

Note 14 – Long-Term Obligations

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

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

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

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
<i>2018 General Obligation School Improvement Bonds:</i>					
Current Interest Serial Bonds	\$58,625,000	\$0	\$1,705,000	\$56,920,000	\$1,775,000
Current Interest Term Bonds	28,070,000	0	0	28,070,000	0
Unamortized Premium	9,116,082	0	325,574	8,790,508	0
Total 2018 General Obligation School Improvement Bonds	<u>95,811,082</u>	<u>0</u>	<u>2,030,574</u>	<u>93,780,508</u>	<u>1,775,000</u>
<i>Direct Placement:</i>					
<i>2020 Refunding Certificates of Participation:</i>					
Current Interest Term COPs	2,615,000	0	95,000	2,520,000	95,000
Compensated Absences	5,338,011	178,241	158,763	5,357,489	108,376
<i>Net Pension Liability:</i>					
STRS	46,293,069	4,447,319	0	50,740,388	0
SERS	13,437,315	1,548,456	0	14,985,771	0
Total Net Pension Liability	<u>59,730,384</u>	<u>5,995,775</u>	<u>0</u>	<u>65,726,159</u>	<u>0</u>
<i>Net OPEB Liability:</i>					
SERS	5,796,439	0	778,613	5,017,826	0
<i>Total Governmental Activities Long-Term Liabilities</i>	<u>\$169,290,916</u>	<u>\$6,174,016</u>	<u>\$3,062,950</u>	<u>\$172,401,982</u>	<u>\$1,978,376</u>

On July 25, 2017, the School District issued \$88,900,000 in general obligation bonds, which included serial and term bonds in the amounts of \$60,830,000 and \$28,070,000, respectively. The bonds were issued for the purpose of constructing, renovating, remodeling, rehabilitating, adding to, furnishing, equipping and otherwise improving buildings and facilities, and acquiring, preparing, equipping and otherwise improving real estate for School District purposes. The serial bonds have interest rates ranging from 1.50 to 5.00 percent and a maturity date of December 1, 2041. The term bonds have an interest rate of 5.00 percent and a maturity date of December 1, 2047. At June 30, 2021, the School District had unspent proceeds of \$4,857,074 related to the bonds.

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

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

North Royalton City School District

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2021*

On December 10, 2019, the School District issued \$2,615,000 in certificates of participation (COPs) from direct placement to fully refund the remaining 2011 COPs in order to take advantage of lower interest rates. The COPs were issued with an interest rate of 2.74 percent. The COPs were issued for a 21 year period with a final maturity on December 1, 2040. The COPs will be retired through the permanent improvement capital projects fund. Proceeds of \$2,556,140 were deposited in an irrevocable trust with an escrow agent to provide for all future debt payments on the 2011 COPs. As a result, \$2,513,664 of the 2011 COPs was considered defeased and the liability for the refunded COPs has been removed from the School District's financial statements. At June 30, 2021, \$2,470,000 of the refunded bonds remain outstanding.

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

<u>Year</u>	<u>Amount</u>
2021	\$95,000
2022	100,000
2023	105,000
2024	100,000
2025	105,000
2026	110,000
2027	115,000
2028	115,000
2029	120,000
2030	125,000
2031	125,000
2032	135,000
2033	130,000
2034	135,000
2035	145,000
2036	145,000
2037	145,000
2038	150,000
2039	155,000
2040	165,000
Total	<u>\$2,520,000</u>

The School District's overall debt margin was \$32,076,458 with an unvoted debt margin of \$1,208,091 at June 30, 2021. Principal, lease payments for COPs, and interest requirements to retire the general obligation bonds and certificates of participation follows:

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

Fiscal Year	General Obligation Bonds				Certificates of Participation	
	Serial		Term		From Direct Placement	
	Principal	Interest	Principal	Interest	Principal	Interest
2022	\$1,775,000	\$3,743,463	\$0	\$0	\$95,000	\$67,746
2023	1,800,000	3,714,400	0	0	100,000	65,075
2024	1,830,000	3,662,050	0	0	105,000	62,266
2025	1,905,000	3,587,350	0	0	100,000	59,458
2026	1,980,000	3,499,750	0	0	105,000	56,650
2027-2031	11,500,000	15,870,000	0	0	585,000	236,943
2032-2036	14,495,000	12,854,675	0	0	670,000	151,111
2037-2041	17,665,000	9,633,600	0	0	760,000	53,430
2042-2046	3,970,000	1,482,900	17,790,000	3,889,500	0	0
2047-2048	0	0	10,280,000	520,250	0	0
Total	<u>\$56,920,000</u>	<u>\$58,048,188</u>	<u>\$28,070,000</u>	<u>\$4,409,750</u>	<u>\$2,520,000</u>	<u>\$752,679</u>

The bonds will be paid from the bond retirement fund and the COPs will be paid from the permanent improvement capital projects fund. Compensated absences will be paid from the general fund and the food service, student wellness, title VI-B, and title I special revenue funds. There is no repayment schedule for the net pension liability and the net OPEB liability; however, employer pension and OPEB contributions are made from the general fund and the food service, student wellness, title VI-B, and title I special revenue funds. For additional information related to the net pension liability and the net OPEB liability (see Notes 21 and 22).

Note 15 – Risk Management

Property and Liability

The School District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During fiscal year 2021, the School District contracted with various insurance companies through the Ohio Schools Council Association insurance program. The following is a summary of the School District’s insurance coverage as of June 30, 2021:

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Company	Coverage	Amount
Liberty Mutual Insurance	Buildings and Contents - Replacement Costs	\$166,646,681
	General Liability:	
	Per occurrence	1,000,000
	Total per year	2,000,000
	Crime Insurance	250,000
	Inland Marine Coverage	4,080,867
The Netherlands Insurance Company	Automobile Liability	1,000,000
	Uninsured Motorists	75,000
Midwestern Indemnity	Commercial Umbrella:	
	Per occurrence	10,000,000
	Total per year	10,000,000
Great American Insurance Company	Cyber:	
	Per occurrence	1,000,000
	Total per year	1,000,000

Settled claims have not exceeded this commercial coverage in any of the past three years and there have been no significant reductions in insurance coverage from the prior year.

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

Employee Health Benefits

For fiscal year 2021, the School District was a participant in the Suburban Health Consortium (the “Consortium”) to provide employee health, dental and prescription drug benefits. The Consortium is administered by Medical Mutual. Payments are made to the Consortium for the monthly attachment point, monthly stop-loss premiums, and administrative charges. The fiscal agent of the Consortium is the Orange City School District. The Treasurer of the Orange City School District pays monthly for the actual amount of claims processed, the stop-loss premium and the administrative charges. The entire risk of loss transfers to the Consortium upon payment of the premiums.

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

	Board Share of Premium			
	Certificated Plan		Classified Plan	
	Family	Single	Family	Single
Medical	\$1,200.97	\$558.14	\$1,275.97	\$582.82
Prescription Drug	332.06	148.43	332.06	148.43
Dental	110.85	47.50	110.85	47.50

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Self Insurance

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

The claims liability of \$15,070 reported in the internal service fund at June 30, 2021, is based on an estimate provided by the third party administrators and the requirements of GASB Statement No. 30 “Risk Financing Omnibus”, which requires that a liability for unpaid claims cost, including estimates of cost relating to incurred but not reported claims, be reported. The estimate was not affected by incremental claims adjustment expenses and does not include other allocated or unallocated claim adjustment expenses. Management’s expectation is the claims liabilities will be paid within one year. Changes in the fund’s claims liability amount in 2020 and 2021 were as follows:

Fiscal Year	Beginning Balance	Current Year Claims	Claim Payments	Ending Balance
2020	\$18,080	\$79,211	\$82,097	\$15,194
2021	15,194	94,671	94,795	15,070

Workers’ Compensation

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

Note 16 – Contingencies

Grants

The School District received financial assistance from federal and State agencies in the form of grants. The expenditure of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the general fund or other applicable funds; however, in the opinion of management, the effect of any such disallowed claims on the overall financial position of the School District at June 30, 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 have been finalized. The FTE adjustments made by ODE subsequent to year-end were not material to the financial statements.

Litigation

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

North Royalton City School District

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Note 17 – Jointly Governed Organizations

Connect

Connect is a jointly governed computer service bureau owned and operated by thirteen public school districts. Connect was formed when the Lakeshore Northeast Ohio Computer Consortium and the Lake Erie Educational Computer Association merged during fiscal year 2012. The primary function of Connect is to provide to its members the support and leadership which enables organizations to achieve their objectives through innovative and cost effective shared technology solutions. Major areas of service provided by Connect include accounting, payroll, inventory, career guidance services, handicapped student tracking, pupil scheduling, attendance reporting and grade reporting. Connect is wholly owned by its member districts and is governed by a Board of Directors (member Superintendents). Connect's Board exercises total control over the operations of the organization including budgeting, appropriating, contracting and designating management. Each participant's degree of control is limited to its representation on the Board. Connect's current membership includes the Educational Service Center of Cuyahoga County and thirteen school districts in Cuyahoga County. Each year, the Board of Directors elects a Chairman, a Vice Chairman, and a Recording Secretary. The Treasurer of the fiscal agent is a nonvoting, ex-officio member of the Board of Directors. The Cuyahoga County Educational Service Center serves as the fiscal agent of Connect. Each school district supports Connect based upon a per pupil charge dependent upon the software packages used. In fiscal year 2021, the School District paid \$185,902 to Connect. Financial information can be obtained by contacting the Treasurer of the fiscal agent at 6393 Oak Tree Boulevard, Independence, Ohio 44131.

Cuyahoga Valley Career Center

The Cuyahoga Valley Career Center is a joint vocational school which is a jointly governed organization among eleven school districts. Each participating school district appoints one board member to the Cuyahoga Valley Career Center's Board of Education. The Board exercises total control over the operations of the Center including budgeting, appropriating, contracting, and designating management. The students of each participating school district may attend classes offered at the vocational facility. Each participant's control over the operation of the Cuyahoga Valley Career Center is limited to representation on the board. In fiscal year 2021, the School District did not contribute to Cuyahoga Valley Career Center. Financial information can be obtained from the Cuyahoga Valley Career School District, 8001 Brecksville Road, Brecksville, Ohio 44141.

Ohio Schools Council Association

The Ohio Schools Council (Council) is a jointly governed organization among 249 members. The jointly governed organization was created by school districts for the purpose of saving money through volume purchases. Each district supports the Council by paying an annual participation fee. Each school district member's superintendent serves as a representative of the Assembly. The Assembly elects five of the Council's Board members and the remaining four are representatives of the Greater Cleveland School Superintendents' Association. The Council operates under a nine-member Board of Directors (the Board). The Board is the policy making authority of the Council. The Board exercises total control over the operations of the Association including budgeting, appropriating, contracting, and designating management. Each participant's degree of control is limited to its representation on the Board. The Board meets monthly September to June. The Board appoints an Executive Director who is responsible for receiving and disbursing funds, investing available funds, preparing financial reports for the Board and Assembly and carrying out such other responsibilities as designated by the Board. In fiscal year 2021, the School District paid \$105,291 to the Council. Financial information can be obtained by contacting the Executive Director of the Ohio Schools Council at 6393 Oak Tree Boulevard, Suite 377, Independence, Ohio 44131.

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The School District participates in the Council's natural gas purchase program. This program allows the School District to purchase natural gas at reduced rates. Constellation New Energy (formerly Compass Energy) has been selected as the supplier and program manager. There are currently over 160 participants in the program, including the North Royalton City School District. The participants make monthly payments based on estimated usage. Each September, these estimated payments are compared to their actual usage for the year (July to June). Districts that paid more in estimated billings than their actual billings are issued credits on future billings beginning in September until the credits are exhausted and districts that did not pay enough on estimated billings are invoiced for the difference on the September monthly estimated billing.

Note 18 – Shared Risk Pool

The Suburban Health Consortium ("the Consortium") is a shared health risk pool created on October 1, 2001, formed by the Boards of Education of several school districts in northeast Ohio, for the purposes of maximizing benefits and/or reducing costs of group health, life, dental and/or other insurance coverage for their employees and the eligible dependents and designated beneficiaries of such employees. The Consortium was formed and operates as a legally separate entity under Ohio Revised Code Section 9.833. The Board of Directors is the governing body of the Consortium. The Board of Education of each Consortium Member appoints its Superintendent or such Superintendent's designee to be its representative on the Board of Directors. The officers of the Board of Directors consist of a Chairman, Vice-Chairman and Recording Secretary, who are elected at the annual meeting of Board of Directors and serve until the next annual meeting. All of the authority of the Consortium is exercised by or under the direction of the Board of Directors. The Board of Directors also set all premiums and other amounts to be paid by the Consortium Members and the Board of Directors have the authority to waive premiums and other payments. All members of the Board of Directors serve without compensation.

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

Any Consortium Member wishing to withdraw from participation in the Consortium or any benefit program shall notify the Fiscal Agent at least one hundred eighty (180) days prior to the effective date of withdrawal. Upon withdrawal of a Consortium Member, the Consortium shall pay the run out of all claims for such Consortium Member provided such Consortium Member has paid to the Consortium, prior to the effective date of withdrawal a withdrawal fee in the amount equal to two months' premiums at the Consortium Member's current rate. Payment of the withdrawal fee does not extend insurance coverage for two months. Upon automatic withdrawal, for non-payment of premiums required by the Consortium Agreement, the Consortium shall pay the run out of all claims for such Consortium Member provided that the Consortium

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has received from such Consortium Member all outstanding and unpaid premiums and other amounts and the withdrawal fee equal to two months' premiums at the Consortium Member's current rates. Any Consortium Member which withdraws from the Consortium pursuant to the Consortium Agreement shall have no claim to the Consortium's assets. Financial information for the Consortium can be obtained from the Treasurer of the Orange City School District (the Fiscal Agent) at 32000 Chagrin Boulevard, Pepper Pike, Ohio 44124.

Note 19 – Set-Aside Calculation

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

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

	<u>Capital Improvements</u>
Set-aside Balance as of June 30, 2020	\$0
Current Year Set-aside Requirement	722,413
Qualifying Disbursements	<u>(1,306,951)</u>
Totals	<u>(\$584,538)</u>
Set-aside Balance Carried Forward to Future Fiscal Years	<u>\$0</u>
Set-aside Balance as of June 30, 2021	<u>\$0</u>

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

Note 20 – Significant Commitments

Encumbrances

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

<i>Governmental:</i>	
General	\$302,406
Building	9,707,841
Other Governmental Funds	<u>1,247,394</u>
Total Governmental	<u>\$11,257,641</u>

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Notes to the Basic Financial Statements
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Contractual Commitments

At June 30, 2021, the various projects within the School District had contractual commitments consisting of the following:

Project	Contract Amount	Amount Paid	Remaining on Contract
High School Additions and Renovations	\$40,026,668	\$34,397,162	\$5,629,506
Elementary Building	34,912,722	33,077,109	1,835,613

The amounts of \$1,850,330 and \$1,393,300 in contracts and retainage payable, respectively, have been capitalized. The amounts remaining on these contracts were encumbered at year end.

Note 21 – Defined Benefit Pension Plans

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

Net Pension Liability/Net OPEB Liability (Asset)

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

The net pension/OPEB liability (asset) 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 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.

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The proportionate share of each plan's unfunded benefits is presented as a *net OPEB asset* or long-term *net pension/OPEB liability* on the accrual basis of accounting. Any liability for the contractually-required pension/OPEB contribution outstanding at the end of the year is included in *intergovernmental payable* on both the accrual and modified accrual bases of accounting. The remainder of this note includes the required pension disclosures. See Note 22 for the required OPEB disclosures.

State Teachers Retirement System (STRS)

Plan Description – School District licensed teachers and other faculty members participate in STRS Ohio, a cost-sharing multiple employer public employee 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.

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 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.

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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 \$3,604,523 for fiscal year 2021. Of this amount, \$582,342 is reported as an intergovernmental payable.

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 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.

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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.

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 \$1,002,852 for fiscal year 2021. Of this amount, \$31,580 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:

	<u>STRS</u>	<u>SERS</u>	<u>Total</u>
Proportion of the Net Pension Liability:			
Prior Measurement Date	0.20933451%	0.22458500%	
Current Measurement Date	<u>0.20970186%</u>	<u>0.22656930%</u>	
Change in Proportionate Share	<u>0.00036735%</u>	<u>0.00198430%</u>	
Proportionate Share of the Net Pension Liability	\$50,740,388	\$14,985,771	\$65,726,159
Pension Expense	\$5,707,254	\$1,555,076	\$7,262,330

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

	STRS	SERS	Total
Deferred Outflows of Resources			
Differences between expected and actual experience	\$113,849	\$29,109	\$142,958
Changes of assumptions	2,723,779	0	2,723,779
Net difference between projected and actual earnings on pension plan investments	2,467,511	951,292	3,418,803
Changes in proportionate share and difference between School District contributions and proportionate share of contributions	0	95,287	95,287
School District contributions subsequent to the measurement date	3,604,523	1,002,852	4,607,375
Total Deferred Outflows of Resources	\$8,909,662	\$2,078,540	\$10,988,202
Deferred Inflows of Resources			
Differences between expected and actual experience	\$324,450	\$0	\$324,450
Changes in proportionate share and difference between School District contributions and proportionate share of contributions	925,874	0	925,874
Total Deferred Inflows of Resources	\$1,250,324	\$0	\$1,250,324

\$4,607,375 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:

Fiscal Year Ending June 30:	STRS	SERS	Total
2022	\$1,122,833	\$67,052	\$1,189,885
2023	564,659	314,281	878,940
2024	1,251,573	396,520	1,648,093
2025	1,115,750	297,835	1,413,585
Total	\$4,054,815	\$1,075,688	\$5,130,503

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	 <u>100.00 %</u>	

* 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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For the Fiscal Year Ended June 30, 2021*

	1% Decrease (6.45%)	Current Discount Rate (7.45%)	1% Increase (8.45%)
School District's proportionate share of the net pension liability	\$72,245,478	\$50,740,388	\$32,516,614

Actuarial Assumptions – SERS

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

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

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

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

Inflation	3.00 percent
Future Salary Increases, including inflation	3.50 percent to 18.20 percent
COLA or Ad Hoc COLA	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.

North Royalton City School District

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2021*

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.

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	100.00 %	

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	\$20,528,676	\$14,985,771	\$10,335,168

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

Note 22 – Defined Benefit OPEB Plans

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

State Teachers Retirement System (STRS)

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

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 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.

North Royalton City School District

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2021*

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 \$135,054.

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 \$135,054 for fiscal year 2021, which is reported as an intergovernmental payable.

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:

	<u>STRS</u>	<u>SERS</u>	<u>Total</u>
Proportion of the Net OPEB Liability (Asset):			
Prior Measurement Date	0.20933451%	0.23049394%	
Current Measurement Date	<u>0.20970186%</u>	<u>0.23088223%</u>	
Change in Proportionate Share	<u>0.00036735%</u>	<u>0.00038829%</u>	
Proportionate Share of the:			
Net OPEB Liability	\$0	\$5,017,826	\$5,017,826
Net OPEB (Asset)	(\$3,685,506)	\$0	(\$3,685,506)
OPEB Expense	(\$273,394)	(\$92,258)	(\$365,652)

North Royalton City School District

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2021

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

	<u>STRS</u>	<u>SERS</u>	<u>Total</u>
Deferred Outflows of Resources			
Differences between expected and actual experience	\$236,149	\$65,903	\$302,052
Changes of assumptions	60,839	855,365	916,204
Net difference between projected and actual earnings on OPEB plan investments	129,162	56,539	185,701
Changes in proportionate share and difference between School District contributions and proportionate share of contributions	513	102,186	102,699
School District contributions subsequent to the measurement date	0	135,054	135,054
Total Deferred Outflows of Resources	<u>\$426,663</u>	<u>\$1,215,047</u>	<u>\$1,641,710</u>
Deferred Inflows of Resources			
Differences between expected and actual experience	\$734,099	\$2,551,915	\$3,286,014
Changes of assumptions	3,500,611	126,387	3,626,998
Changes in proportionate share and difference between School District contributions and proportionate share of contributions	181,756	126,044	307,800
Total Deferred Inflows of Resources	<u>\$4,416,466</u>	<u>\$2,804,346</u>	<u>\$7,220,812</u>

\$135,054 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:

	<u>STRS</u>	<u>SERS</u>	<u>Total</u>
Fiscal Year Ending June 30:			
2022	(\$1,005,964)	(\$352,173)	(\$1,358,137)
2023	(918,537)	(348,083)	(1,266,620)
2024	(887,868)	(348,748)	(1,236,616)
2025	(828,565)	(328,243)	(1,156,808)
2026	(170,858)	(252,618)	(423,476)
Thereafter	<u>(178,011)</u>	<u>(94,488)</u>	<u>(272,499)</u>
Total	<u>(\$3,989,803)</u>	<u>(\$1,724,353)</u>	<u>(\$5,714,156)</u>

North Royalton City School District

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2021*

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:

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 21).

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.

North Royalton City School District

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2021*

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.

	<u>1% Decrease (6.45%)</u>	<u>Current Discount Rate (7.45%)</u>	<u>1% Increase (8.45%)</u>
School District's proportionate share of the net OPEB asset	(\$3,206,631)	(\$3,685,506)	(\$4,091,816)

	<u>1% Decrease</u>	<u>Current Trend Rate</u>	<u>1% Increase</u>
School District's proportionate share of the net OPEB asset	(\$4,066,595)	(\$3,685,506)	(\$3,221,285)

Actuarial Assumptions – SERS

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

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

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

North Royalton City School District

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2021

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.

The SERS health care plan follows the same asset allocation and long-term expected real rate of return for each major asset class as the pension plan (see Note 21).

Discount Rate The discount rate used to measure the total OPEB liability at June 30, 2020 was 2.63 percent. The discount rate used to measure 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.

North Royalton City School District

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2021

Sensitivity of the School District's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate and Changes in the Health Care Cost Trend Rates The net OPEB liability is sensitive to changes in the discount rate and the health care cost trend rate. The following table presents the 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.

	<u>1% Decrease (1.63%)</u>	<u>Current Discount Rate (2.63%)</u>	<u>1% Increase (3.63%)</u>
School District's proportionate share of the net OPEB liability	\$6,141,695	\$5,017,826	\$4,124,353

	<u>1% Decrease (6.00 % decreasing to 3.75%)</u>	<u>Current Trend Rate (7.00 % decreasing to 4.75%)</u>	<u>1% Increase (8.00 % decreasing to 5.75%)</u>
School District's proportionate share of the net OPEB liability	\$3,951,157	\$5,017,826	\$6,444,237

Note 23 – 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.

Note 24 – 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 \$1,345,694 in revenue and expenditures/expense related to these programs. 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.

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

	2021	2020
School District's Proportion of the Net Pension Liability	0.20970186%	0.20933451%
School District's Proportionate Share of the Net Pension Liability	\$50,740,388	\$46,293,069
School District's Covered Payroll	\$25,223,629	\$24,516,729
School District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	201.16%	188.82%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	75.50%	77.40%

(1) Although this schedule is intended to reflect information for ten years, information prior to fiscal year 2014 is not available. An additional column will be added each year.

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

See accompanying notes to the required supplementary information

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

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

	2021	2020
School District's Proportion of the Net Pension Liability	0.22656930%	0.22458500%
School District's Proportionate Share of the Net Pension Liability	\$14,985,771	\$13,437,315
School District's Covered Payroll	\$7,827,393	\$7,672,896
School District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	191.45%	175.13%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	68.55%	70.85%

(1) Although this schedule is intended to reflect information for ten years, information prior to fiscal year 2014 is not available. An additional column will be added each year.

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

See accompanying notes to the required supplementary information

2019	2018	2017	2016	2015	2014
0.22239429%	0.22537280%	0.24237750%	0.25051680%	0.25571000%	0.25571000%
\$12,736,933	\$13,465,527	\$17,739,798	\$14,294,732	\$12,941,338	\$15,206,253
\$7,302,281	\$7,406,293	\$7,546,493	\$7,548,877	\$7,861,656	\$7,327,176
174.42%	181.81%	235.07%	189.36%	164.61%	207.53%
71.36%	69.50%	62.98%	69.16%	71.70%	65.52%

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

	2021	2020	2019	2018	2017
School District's Proportion of the Net OPEB Liability (Asset)	0.20970186%	0.20933451%	0.21229566%	0.21425302%	0.21953378%
School District's Proportionate Share of the Net OPEB Liability (Asset)	(\$3,685,506)	(\$3,467,081)	(\$3,411,376)	\$8,359,362	\$11,740,724
School District's Covered Payroll	\$25,223,629	\$24,516,729	\$24,740,529	\$23,662,200	\$23,057,507
School District's Proportionate Share of the Net OPEB Liability (Asset) as a Percentage OPEB of its Covered Payroll	-14.61%	-14.14%	-13.79%	35.33%	50.92%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	182.10%	174.70%	176.00%	47.10%	37.30%

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

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

See accompanying notes to the required supplementary information

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

	2021	2020	2019	2018	2017
School District's Proportion of the Net OPEB Liability	0.23088223%	0.23049394%	0.22526172%	0.22845940%	0.24533190%
School District's Proportionate Share of the Net OPEB Liability	\$5,017,826	\$5,796,439	\$6,249,368	\$6,131,250	\$6,992,867
School District's Covered Payroll	\$7,827,393	\$7,672,896	\$7,302,281	\$7,406,293	\$7,546,493
School District's Proportionate Share of the Net OPEB Liability as a Percentage OPEB of its Covered Payroll	64.11%	75.54%	85.58%	82.78%	92.66%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	18.17%	15.57%	13.57%	12.46%	11.49%

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

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

See accompanying notes to the required supplementary information

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

	2021	2020	2019	2018
Net Pension Liability				
Contractually Required Contribution	\$3,604,523	\$3,531,308	\$3,432,342	\$3,463,674
Contributions in Relation to the Contractually Required Contribution	<u>(3,604,523)</u>	<u>(3,531,308)</u>	<u>(3,432,342)</u>	<u>(3,463,674)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
School District Covered Payroll (1)	\$25,746,593	\$25,223,629	\$24,516,729	\$24,740,529
Pension Contributions as a Percentage of Covered Payroll	<u>14.00%</u>	<u>14.00%</u>	<u>14.00%</u>	<u>14.00%</u>
Net OPEB Liability (Asset)				
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

2017	2016	2015	2014	2013	2012
\$3,312,708	\$3,228,051	\$3,221,485	\$2,978,567	\$3,040,526	\$3,103,574
(3,312,708)	(3,228,051)	(3,221,485)	(2,978,567)	(3,040,526)	(3,103,574)
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$23,662,200	\$23,057,507	\$23,010,607	\$22,912,050	\$23,388,662	\$23,873,646
<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	\$229,120	\$233,887	\$238,736
0	0	0	(229,120)	(233,887)	(238,736)
<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>

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

	2021	2020	2019	2018
Net Pension Liability				
Contractually Required Contribution	\$1,002,852	\$1,095,835	\$1,035,841	\$985,808
Contributions in Relation to the Contractually Required Contribution	<u>(1,002,852)</u>	<u>(1,095,835)</u>	<u>(1,035,841)</u>	<u>(985,808)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
School District Covered Payroll (1)	\$7,163,229	\$7,827,393	\$7,672,896	\$7,302,281
Pension Contributions as a Percentage of Covered Payroll	<u>14.00%</u>	<u>14.00%</u>	<u>13.50%</u>	<u>13.50%</u>
Net OPEB Liability				
Contractually Required Contribution (2)	\$135,054	\$127,809	\$180,637	\$156,620
Contributions in Relation to the Contractually Required Contribution	<u>(135,054)</u>	<u>(127,809)</u>	<u>(180,637)</u>	<u>(156,620)</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>1.89%</u>	<u>1.63%</u>	<u>2.35%</u>	<u>2.14%</u>
Total Contributions as a Percentage of Covered Payroll (2)	<u>15.89%</u>	<u>15.63%</u>	<u>15.85%</u>	<u>15.64%</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

2017	2016	2015	2014	2013	2012
\$1,036,881	\$1,056,509	\$994,942	\$1,089,626	\$1,014,081	\$923,208
(1,036,881)	(1,056,509)	(994,942)	(1,089,626)	(1,014,081)	(923,208)
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$7,406,293	\$7,546,493	\$7,548,877	\$7,861,656	\$7,327,176	\$6,864,000
<u>14.00%</u>	<u>14.00%</u>	<u>13.18%</u>	<u>13.86%</u>	<u>13.84%</u>	<u>13.45%</u>
\$123,397	\$122,890	\$192,836	\$139,104	\$115,754	\$142,678
(123,397)	(122,890)	(192,836)	(139,104)	(115,754)	(142,678)
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<u>1.67%</u>	<u>1.63%</u>	<u>2.55%</u>	<u>1.77%</u>	<u>1.58%</u>	<u>2.08%</u>
<u>15.67%</u>	<u>15.63%</u>	<u>15.73%</u>	<u>15.63%</u>	<u>15.42%</u>	<u>15.53%</u>

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

Net Pension Liability

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 as follows:

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

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

Changes in 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 as follows:

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

	<u>Beginning in Fiscal Year 2017</u>	<u>Fiscal Year 2016 and Prior</u>
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.

Net OPEB Liability (Asset)

Changes in Assumptions – STRS

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

For fiscal year 2019, the discount rate was increased from the blended rate of 4.13 percent to the long-term expected rate of return of 7.45 percent.

Changes in Benefit Terms – STRS

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

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

Changes in Assumptions – SERS

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

Municipal Bond Index Rate:	
Fiscal year 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

**Combining and Individual
Fund Statements and Schedules**

Combining and Individual Fund Statements and Schedules

Combining Statements – Nonmajor Governmental Funds

Nonmajor Special Revenue Funds

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

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

Scholarship Fund – To account for and report committed assets held by the School District for individuals and/or private organizations which benefit the student body or the local community. This fund did not have any budgetary activity in fiscal year 2021; therefore, budgetary information is not provided.

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

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

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

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

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

Student Wellness and Success Fund – To account for and report restricted grant monies from the State appropriated for mental health counseling, wraparound services, mentoring, and after-school programs.

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

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

Coronavirus Relief Fund – This fund accounts for and reports restricted Federal and State grant monies to assist the School District in areas affected by the impact of COVID-19.

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

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

(continued)

Combining Statements – Nonmajor Governmental Funds (continued)

Nonmajor Special Revenue Funds (continued)

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

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

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

Miscellaneous Federal Grants Fund – This fund accounts for and reports restricted monies received through State agencies from the Federal government or directly from the Federal government which are not classified elsewhere.

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

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

Nonmajor Capital Projects Fund

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

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

North Royalton City School District
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2021

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Fund	Total Nonmajor Governmental Funds
Assets			
Equity in Pooled Cash and Cash Equivalents	\$1,468,954	\$2,854,935	\$4,323,889
Property Taxes Receivable	0	1,615,859	1,615,859
Intergovernmental Receivable	727,209	0	727,209
Prepaid Items	650	0	650
Inventory Held for Resale	9,889	0	9,889
Materials and Supplies Inventory	3,301	0	3,301
<i>Total Assets</i>	<u>\$2,210,003</u>	<u>\$4,470,794</u>	<u>\$6,680,797</u>
Liabilities			
Accounts Payable	\$549,762	\$13,436	\$563,198
Accrued Wages and Benefits	246,538	0	246,538
Contracts Payable	0	167,497	167,497
Interfund Payable	662,041	0	662,041
Intergovernmental Payable	39,681	0	39,681
<i>Total Liabilities</i>	<u>1,498,022</u>	<u>180,933</u>	<u>1,678,955</u>
Deferred Inflows of Resources			
Property Taxes	0	1,433,464	1,433,464
Unavailable Revenue	485,462	52,806	538,268
<i>Total Deferred Inflows of Resources</i>	<u>485,462</u>	<u>1,486,270</u>	<u>1,971,732</u>
Fund Balances			
Nonspendable	3,951	0	3,951
Restricted	687,142	2,803,591	3,490,733
Committed	1,200	0	1,200
Unassigned (Deficit)	(465,774)	0	(465,774)
<i>Total Fund Balances</i>	<u>226,519</u>	<u>2,803,591</u>	<u>3,030,110</u>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i>	<u>\$2,210,003</u>	<u>\$4,470,794</u>	<u>\$6,680,797</u>

North Royalton City School District
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Fiscal Year Ended June 30, 2021

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Fund	Total Nonmajor Governmental Funds
Revenues			
Property Taxes	\$0	\$1,647,961	\$1,647,961
Intergovernmental	3,980,438	153,475	4,133,913
Interest	1,052	0	1,052
Extracurricular Activities	192,032	0	192,032
Contributions and Donations	91,626	0	91,626
Charges for Services	41,081	0	41,081
Rentals	73,997	0	73,997
<i>Total Revenues</i>	<u>4,380,226</u>	<u>1,801,436</u>	<u>6,181,662</u>
Expenditures			
Current:			
Instruction:			
Regular	757,677	13,977	771,654
Special	1,266,984	0	1,266,984
Support Services:			
Pupil	261,063	0	261,063
Instructional Staff	108,058	0	108,058
Fiscal	0	21,591	21,591
Operation and Maintenance of Plant	45,355	60,783	106,138
Pupil Transportation	11,113	838,825	849,938
Operation of Non-Instructional Services	1,072,657	0	1,072,657
Operation of Food Services	942,621	0	942,621
Extracurricular Activities	341,695	0	341,695
Capital Outlay	1,545	225,205	226,750
Debt Service:			
Principal Retirement	0	95,000	95,000
Interest and Fiscal Charges	0	69,022	69,022
<i>Total Expenditures</i>	<u>4,808,768</u>	<u>1,324,403</u>	<u>6,133,171</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(428,542)	477,033	48,491
Other Financing Sources			
Transfers In	55,000	0	55,000
<i>Net Change in Fund Balances</i>	(373,542)	477,033	103,491
<i>Fund Balances Beginning of Year</i>	<u>600,061</u>	<u>2,326,558</u>	<u>2,926,619</u>
<i>Fund Balances End of Year</i>	<u><u>\$226,519</u></u>	<u><u>\$2,803,591</u></u>	<u><u>\$3,030,110</u></u>

North Royalton City School District
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2021

	Food Service	Scholarship	Local Grants	Student Activities	Athletics and Music	Auxiliary Services	Student Wellness and Success
Assets							
Equity in Pooled Cash and Cash Equivalents	\$185,713	\$1,200	\$261,965	\$123,841	\$100,560	\$127,011	\$62,176
Intergovernmental Receivable	0	0	0	0	0	0	0
Prepaid Items	650	0	0	0	0	0	0
Inventory Held for Resale	9,889	0	0	0	0	0	0
Materials and Supplies Inventory	3,301	0	0	0	0	0	0
<i>Total Assets</i>	<u>\$199,553</u>	<u>\$1,200</u>	<u>\$261,965</u>	<u>\$123,841</u>	<u>\$100,560</u>	<u>\$127,011</u>	<u>\$62,176</u>
Liabilities							
Accounts Payable	\$0	\$0	\$3,169	\$836	\$20,465	\$63,116	\$0
Accrued Wages and Benefits	37,921	0	0	0	0	0	33,602
Interfund Payable	0	0	0	0	0	0	0
Intergovernmental Payable	25,272	0	0	0	0	0	5,139
<i>Total Liabilities</i>	<u>63,193</u>	<u>0</u>	<u>3,169</u>	<u>836</u>	<u>20,465</u>	<u>63,116</u>	<u>38,741</u>
Deferred Inflows of Resources							
Unavailable Revenue	0	0	0	0	0	0	0
Fund Balances							
Nonspendable	3,951	0	0	0	0	0	0
Restricted	132,409	0	258,796	123,005	80,095	63,895	23,435
Committed	0	1,200	0	0	0	0	0
Unassigned (Deficit)	0	0	0	0	0	0	0
<i>Total Fund Balances (Deficit)</i>	<u>136,360</u>	<u>1,200</u>	<u>258,796</u>	<u>123,005</u>	<u>80,095</u>	<u>63,895</u>	<u>23,435</u>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i>	<u>\$199,553</u>	<u>\$1,200</u>	<u>\$261,965</u>	<u>\$123,841</u>	<u>\$100,560</u>	<u>\$127,011</u>	<u>\$62,176</u>

Miscellaneous State Grants	Elementary and Secondary School Emergency Relief	Title VI-B	Immigrant Education	Title I	Preschool Grant	Class Size Reduction Grant	Miscellaneous Federal Grants	Total Nonmajor Special Revenue Funds
\$150	\$592,117	\$6,396	\$0	\$3,212	\$0	\$4,613	\$0	\$1,468,954
0	460,202	173,982	4,455	74,314	1,536	12,675	45	727,209
0	0	0	0	0	0	0	0	650
0	0	0	0	0	0	0	0	9,889
0	0	0	0	0	0	0	0	3,301
<u>\$150</u>	<u>\$1,052,319</u>	<u>\$180,378</u>	<u>\$4,455</u>	<u>\$77,526</u>	<u>\$1,536</u>	<u>\$17,288</u>	<u>\$45</u>	<u>\$2,210,003</u>
\$0	\$453,840	\$6,396	\$0	\$1,940	\$0	\$0	\$0	\$549,762
0	0	134,144	743	38,187	0	1,941	0	246,538
0	598,479	39,874	743	14,630	0	8,315	0	662,041
0	0	1,945	11	5,842	0	1,472	0	39,681
0	1,052,319	182,359	1,497	60,599	0	11,728	0	1,498,022
0	426,729	26,793	742	27,198	1,536	2,419	45	485,462
0	0	0	0	0	0	0	0	3,951
150	0	0	2,216	0	0	3,141	0	687,142
0	0	0	0	0	0	0	0	1,200
0	(426,729)	(28,774)	0	(10,271)	0	0	0	(465,774)
150	(426,729)	(28,774)	2,216	(10,271)	0	3,141	0	226,519
<u>\$150</u>	<u>\$1,052,319</u>	<u>\$180,378</u>	<u>\$4,455</u>	<u>\$77,526</u>	<u>\$1,536</u>	<u>\$17,288</u>	<u>\$45</u>	<u>\$2,210,003</u>

North Royalton City School District
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2021

	Food Service	Scholarship	Local Grants	Student Activities	Athletics and Music	Auxiliary Services	Network Connectivity	Student Wellness and Success
Revenues								
Intergovernmental	\$856,866	\$0	\$10,000	\$0	\$0	\$946,875	\$9,000	\$208,235
Interest	594	0	0	0	0	458	0	0
Extracurricular Activities	0	0	0	76,968	115,064	0	0	0
Contributions and Donations	0	0	42,445	29,685	19,496	0	0	0
Charges for Services	41,081	0	0	0	0	0	0	0
Rentals	0	0	73,516	0	0	0	0	0
<i>Total Revenues</i>	<u>898,541</u>	<u>0</u>	<u>125,961</u>	<u>106,653</u>	<u>134,560</u>	<u>947,333</u>	<u>9,000</u>	<u>208,235</u>
Expenditures								
Current:								
Instruction:								
Regular	0	0	0	0	0	0	9,000	6,354
Special	0	0	0	0	0	0	0	0
Support Services:								
Pupil	0	0	330	0	0	0	0	260,251
Instructional Staff	0	0	0	0	0	0	0	0
Operation and Maintenance of Plant	306	0	45,049	0	0	0	0	0
Pupil Transportation	0	0	0	0	0	0	0	0
Operation of Non-Instructional Services	0	0	0	0	0	944,652	0	0
Operation of Food Services	942,621	0	0	0	0	0	0	0
Extracurricular Activities	0	0	0	109,371	232,324	0	0	0
Capital Outlay	0	0	1,545	0	0	0	0	0
<i>Total Expenditures</i>	<u>942,927</u>	<u>0</u>	<u>46,924</u>	<u>109,371</u>	<u>232,324</u>	<u>944,652</u>	<u>9,000</u>	<u>266,605</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(44,386)</u>	<u>0</u>	<u>79,037</u>	<u>(2,718)</u>	<u>(97,764)</u>	<u>2,681</u>	<u>0</u>	<u>(58,370)</u>
Other Financing Sources								
Transfers In	0	0	0	0	55,000	0	0	0
<i>Net Change in Fund Balances</i>	<u>(44,386)</u>	<u>0</u>	<u>79,037</u>	<u>(2,718)</u>	<u>(42,764)</u>	<u>2,681</u>	<u>0</u>	<u>(58,370)</u>
<i>Fund Balances (Deficit) Beginning of Year</i>	<u>180,746</u>	<u>1,200</u>	<u>179,759</u>	<u>125,723</u>	<u>122,859</u>	<u>61,214</u>	<u>0</u>	<u>81,805</u>
<i>Fund Balances (Deficit) End of Year</i>	<u>\$136,360</u>	<u>\$1,200</u>	<u>\$258,796</u>	<u>\$123,005</u>	<u>\$80,095</u>	<u>\$63,895</u>	<u>\$0</u>	<u>\$23,435</u>

Miscellaneous State Grants	Elementary and Secondary School Emergency Relief	Coronavirus Relief	Title VI-B	Immigrant Education	Title I	Preschool Grant	Class Size Reduction Grant	Miscellaneous Federal Grants	Total Nonmajor Special Revenue Funds
\$11,112	\$161,813	\$206,167	\$1,041,021	\$27,117	\$347,000	\$21,406	\$104,637	\$29,189	\$3,980,438
0	0	0	0	0	0	0	0	0	1,052
0	0	0	0	0	0	0	0	0	192,032
0	0	0	0	0	0	0	0	0	91,626
0	0	0	0	0	0	0	0	0	41,081
481	0	0	0	0	0	0	0	0	73,997
11,593	161,813	206,167	1,041,021	27,117	347,000	21,406	104,637	29,189	4,380,226
0	459,354	206,167	0	0	0	0	76,802	0	757,677
2,400	6,787	0	855,145	20,989	338,193	20,733	0	22,737	1,266,984
482	0	0	0	0	0	0	0	0	261,063
0	106,058	0	0	2,000	0	0	0	0	108,058
0	0	0	0	0	0	0	0	0	45,355
11,113	0	0	0	0	0	0	0	0	11,113
0	16,343	0	72,207	0	16,698	0	16,305	6,452	1,072,657
0	0	0	0	0	0	0	0	0	942,621
0	0	0	0	0	0	0	0	0	341,695
0	0	0	0	0	0	0	0	0	1,545
13,995	588,542	206,167	927,352	22,989	354,891	20,733	93,107	29,189	4,808,768
(2,402)	(426,729)	0	113,669	4,128	(7,891)	673	11,530	0	(428,542)
0	0	0	0	0	0	0	0	0	55,000
(2,402)	(426,729)	0	113,669	4,128	(7,891)	673	11,530	0	(373,542)
2,552	0	0	(142,443)	(1,912)	(2,380)	(673)	(8,389)	0	600,061
\$150	(\$426,729)	\$0	(\$28,774)	\$2,216	(\$10,271)	\$0	\$3,141	\$0	\$226,519

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

North Roylton City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund
For the Fiscal Year Ended June 30, 2021

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Property Taxes	\$39,041,738	\$38,464,785	\$38,464,785	\$0
Intergovernmental	11,254,510	11,572,619	11,572,619	0
Interest	350,000	201,041	202,362	1,321
Tuition and Fees	859,500	430,843	431,216	373
Extracurricular Activities	169,800	90,621	90,299	(322)
Contributions and Donations	2,500	4,025	4,025	0
Charges for Services	30,000	30,000	30,000	0
Rentals	47,500	9,783	9,783	0
Miscellaneous	163,000	774,448	775,395	947
<i>Total Revenues</i>	<i>51,918,548</i>	<i>51,578,165</i>	<i>51,580,484</i>	<i>2,319</i>
Expenditures				
Current:				
Instruction:				
Regular:				
Salaries and Wages	18,753,425	17,708,271	17,708,271	0
Fringe Benefits	7,127,076	7,112,805	7,112,805	0
Purchased Services	1,087,327	1,267,648	1,267,648	0
Materials and Supplies	720,584	388,828	388,827	1
Capital Outlay	94,965	189,971	189,971	0
Other	1,187	4,025	4,025	0
Total Regular	27,784,564	26,671,548	26,671,547	1
Special:				
Salaries and Wages	2,409,131	2,419,462	2,419,462	0
Fringe Benefits	1,044,275	993,687	993,687	0
Purchased Services	2,246,067	2,072,300	2,072,300	0
Materials and Supplies	18,303	24,503	24,503	0
Capital Outlay	16,308	23,307	23,306	1
Total Special	5,734,084	5,533,259	5,533,258	1
Vocational:				
Fringe Benefits	50,828	48,366	48,366	0
Total Instruction	\$33,569,476	\$32,253,173	\$32,253,171	\$2

(continued)

North Royalton City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund (continued)
For the Fiscal Year Ended June 30, 2021

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Support Services:				
Pupil:				
Salaries and Wages	\$2,165,376	\$1,954,105	\$1,954,105	\$0
Fringe Benefits	741,272	701,459	701,459	0
Purchased Services	757,866	699,696	699,696	0
Materials and Supplies	27,563	21,551	21,551	0
Capital Outlay	6,118	2,229	2,229	0
Other	215	384	384	0
Total Pupil	3,698,410	3,379,424	3,379,424	0
Instructional Staff:				
Salaries and Wages	1,661,547	1,428,743	1,428,743	0
Fringe Benefits	821,800	755,259	755,259	0
Purchased Services	300,323	334,727	334,727	0
Materials and Supplies	30,294	37,840	37,840	0
Capital Outlay	27,644	64,993	64,993	0
Other	153	1,253	1,253	0
Total Instructional Staff	2,841,761	2,622,815	2,622,815	0
Board of Education:				
Salaries and Wages	20,462	17,655	17,655	0
Fringe Benefits	4,133	4,059	4,059	0
Purchased Services	9,095	3,713	3,713	0
Materials and Supplies	82	0	0	0
Other	10,569	10,665	10,665	0
Total Board of Education	44,341	36,092	36,092	0
Administration:				
Salaries and Wages	2,118,957	2,011,537	2,011,537	0
Fringe Benefits	1,117,161	1,059,910	1,059,910	0
Purchased Services	242,282	204,395	204,395	0
Materials and Supplies	25,496	27,635	27,635	0
Capital Outlay	10,159	14,311	14,311	0
Other	13,024	12,851	12,851	0
Total Administration	3,527,079	3,330,639	3,330,639	0
Fiscal:				
Salaries and Wages	411,197	391,002	391,002	0
Fringe Benefits	191,188	186,979	186,979	0
Purchased Services	35,062	22,253	22,253	0
Materials and Supplies	2,609	1,667	1,667	0
Capital Outlay	3,417	18,840	18,840	0
Other	633,802	598,120	598,120	0
Total Fiscal	\$1,277,275	\$1,218,861	\$1,218,861	\$0

North Roylton City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund (continued)
For the Fiscal Year Ended June 30, 2021

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Business:				
Salaries and Wages	\$243,868	\$238,220	\$238,220	\$0
Fringe Benefits	124,718	122,422	122,422	0
Purchased Services	6,824	3,226	3,226	0
Materials and Supplies	951	1,298	1,298	0
Capital Outlay	859	0	0	0
Other	1,545	1,430	1,430	0
Total Business	378,765	366,596	366,596	0
Operation and Maintenance of Plant:				
Salaries and Wages	1,697,590	1,498,088	1,498,088	0
Fringe Benefits	828,041	770,929	770,929	0
Purchased Services	892,599	747,410	747,410	0
Materials and Supplies	224,316	202,325	202,324	1
Capital Outlay	26,345	77,940	77,940	0
Total Operation and Maintenance of Plant	3,668,891	3,296,692	3,296,691	1
Pupil Transportation:				
Salaries and Wages	1,842,145	1,532,969	1,532,969	0
Fringe Benefits	726,999	675,449	675,449	0
Purchased Services	612,514	417,389	417,389	0
Materials and Supplies	424,579	350,748	350,748	0
Capital Outlay	21,045	65,527	65,527	0
Total Pupil Transportation	3,627,282	3,042,082	3,042,082	0
Central:				
Salaries and Wages	174,358	167,993	167,993	0
Fringe Benefits	50,081	49,160	49,160	0
Purchased Services	9,494	4,976	4,976	0
Materials and Supplies	82	0	0	0
Capital Outlay	0	650	650	0
Other	26,498	26,325	26,325	0
Total Central	260,513	249,104	249,104	0
Total Support Services	19,324,317	17,542,305	17,542,304	1
Operation of Non-Instructional Services:				
Community Services:				
Purchased Services	18,835	37,830	37,830	0
Materials and Supplies	1,136	44	44	0
Total Operation of Non-Instructional Services	\$19,971	\$37,874	\$37,874	\$0

(continued)

North Royaltan City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund (continued)
For the Fiscal Year Ended June 30, 2021

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Extracurricular Activities:				
Academic Oriented Activities:				
Salaries and Wages	\$225,237	\$214,241	\$214,241	\$0
Fringe Benefits	79,240	87,825	87,825	0
Total Academic Oriented Activities	304,477	302,066	302,066	0
Sport Oriented Activities:				
Salaries and Wages	594,487	567,744	567,744	0
Fringe Benefits	87,894	81,227	81,227	0
Purchased Services	20,554	20,250	20,250	0
Other	3,179	473	473	0
Total Sport Oriented Activities	706,114	669,694	669,694	0
Total Extracurricular Activities	1,010,591	971,760	971,760	0
<i>Total Expenditures</i>	53,924,355	50,805,112	50,805,109	3
<i>Excess of Revenues Over (Under) Expenditures</i>	(2,005,807)	773,053	775,375	2,322
Other Financing Sources (Uses)				
Sale of Capital Assets	50,540	30,024	30,024	0
Advances In	275,000	51,184	51,184	0
Advances Out	(662,041)	(662,041)	(662,041)	0
Transfers Out	(55,000)	(55,000)	(55,000)	0
<i>Total Other Financing Sources (Uses)</i>	(391,501)	(635,833)	(635,833)	0
<i>Net Change in Fund Balance</i>	(2,397,308)	137,220	139,542	2,322
<i>Fund Balance Beginning of Year</i>	16,964,992	16,964,992	16,964,992	0
Prior Year Encumbrances Appropriated	149,348	149,348	149,348	0
<i>Fund Balance End of Year</i>	\$14,717,032	\$17,251,560	\$17,253,882	\$2,322

North Royalton City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Bond Retirement Fund
For the Fiscal Year Ended June 30, 2021

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Property Taxes	\$5,013,248	\$5,138,232	\$5,138,232	\$0
Intergovernmental	191,000	94,961	94,961	0
<i>Total Revenues</i>	<u>5,204,248</u>	<u>5,233,193</u>	<u>5,233,193</u>	<u>0</u>
Expenditures				
Current:				
Support Services:				
Fiscal:				
Other	67,700	71,071	71,071	0
Debt Service:				
Principal Retirement	1,705,000	1,705,000	1,705,000	0
Interest and Fiscal Charges	3,790,875	3,790,875	3,790,875	0
Total Debt Service	<u>5,495,875</u>	<u>5,495,875</u>	<u>5,495,875</u>	<u>0</u>
<i>Total Expenditures</i>	<u>5,563,575</u>	<u>5,566,946</u>	<u>5,566,946</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	(359,327)	(333,753)	(333,753)	0
<i>Fund Balance Beginning of Year</i>	<u>8,279,977</u>	<u>8,279,977</u>	<u>8,279,977</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$7,920,650</u></u>	<u><u>\$7,946,224</u></u>	<u><u>\$7,946,224</u></u>	<u><u>\$0</u></u>

North Royalton City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Building Fund
For the Fiscal Year Ended June 30, 2021

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Interest	\$500,000	\$405,869	\$405,869	\$0
Contributions and Donations	0	5,000	5,000	0
<i>Total Revenues</i>	<u>500,000</u>	<u>410,869</u>	<u>410,869</u>	<u>0</u>
Expenditures				
Current:				
Instruction:				
Regular:				
Capital Outlay	72,486	72,486	72,486	0
Support Services:				
Fiscal:				
Other	45,000	16,638	16,638	0
Operation and Maintenance of Plant:				
Purchased Services	35,000	54,135	54,135	0
Total Support Services	<u>80,000</u>	<u>70,773</u>	<u>70,773</u>	<u>0</u>
Capital Outlay:				
Architecture and Engineering Services:				
Purchased Services	100,000	1,448,666	1,448,666	0
Building Acquisition and Construction Services:				
Purchased Services	16,000	33,943	33,943	0
Materials and Supplies	450	450	450	0
Capital Outlay	24,987,275	24,721,239	24,721,238	1
Total Building Acquisition and Construction Services	<u>25,003,725</u>	<u>24,755,632</u>	<u>24,755,631</u>	<u>1</u>
Building Improvement Services:				
Purchased Services	0	3,370	3,370	0
Capital Outlay	20,014,827	19,496,803	19,496,803	0
Total Building Improvement Services	<u>20,014,827</u>	<u>19,500,173</u>	<u>19,500,173</u>	<u>0</u>
Total Capital Outlay	<u>45,118,552</u>	<u>45,704,471</u>	<u>45,704,470</u>	<u>1</u>
<i>Total Expenditures</i>	<u>45,271,038</u>	<u>45,847,730</u>	<u>45,847,729</u>	<u>1</u>
<i>Net Change in Fund Balance</i>	(44,771,038)	(45,436,861)	(45,436,860)	1
<i>Fund Balance Beginning of Year</i>	3,392,359	3,392,359	3,392,359	0
Prior Year Encumbrances Appropriated	<u>42,063,891</u>	<u>42,063,891</u>	<u>42,063,891</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$685,212</u>	<u>\$19,389</u>	<u>\$19,390</u>	<u>\$1</u>

North Royalton City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Food Service Fund
For the Fiscal Year Ended June 30, 2021

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Intergovernmental	\$784,661	\$784,661	\$0
Interest	594	594	0
Charges for Services	41,081	41,081	0
<i>Total Revenues</i>	<u>826,336</u>	<u>826,336</u>	<u>0</u>
Expenditures			
Current:			
Support Services:			
Operation and Maintenance of Plant:			
Purchased Services	306	306	0
Operation of Food Services:			
Salaries and Wages	342,155	342,155	0
Fringe Benefits	222,469	222,469	0
Purchased Services	12,269	12,269	0
Materials and Supplies	291,040	291,040	0
Capital Outlay	300	300	0
Total Operation of Food Services	<u>868,233</u>	<u>868,233</u>	<u>0</u>
<i>Total Expenditures</i>	<u>868,539</u>	<u>868,539</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	(42,203)	(42,203)	0
<i>Fund Balance Beginning of Year</i>	<u>227,916</u>	<u>227,916</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$185,713</u>	<u>\$185,713</u>	<u>\$0</u>

North Royalton City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Local Grants Fund
For the Fiscal Year Ended June 30, 2021

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Intergovernmental	\$10,000	\$10,000	\$0
Contributions and Donations	42,445	42,445	0
Rentals	73,516	73,516	0
<i>Total Revenues</i>	<u>125,961</u>	<u>125,961</u>	<u>0</u>
Expenditures			
Current:			
Support Services:			
Pupil:			
Materials and Supplies	330	330	0
Operation and Maintenance of Plant:			
Purchased Services	46,168	46,168	0
Materials and Supplies	15,899	15,899	0
Capital Outlay	19,122	19,122	0
Total Operation and Maintenance of Plant	<u>81,189</u>	<u>81,189</u>	<u>0</u>
Total Support Services	81,519	81,519	0
Capital Outlay:			
Site Improvement Services:			
Capital Outlay	1,545	1,545	0
<i>Total Expenditures</i>	<u>83,064</u>	<u>83,064</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	42,897	42,897	0
<i>Fund Balance Beginning of Year</i>	178,847	178,847	0
Prior Year Encumbrances Appropriated	992	992	0
<i>Fund Balance End of Year</i>	<u><u>\$222,736</u></u>	<u><u>\$222,736</u></u>	<u><u>\$0</u></u>

North Royalton City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Student Activities Fund
For the Fiscal Year Ended June 30, 2021

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Extracurricular Activities	\$76,968	\$76,968	\$0
Contributions and Donations	29,685	29,685	0
<i>Total Revenues</i>	<u>106,653</u>	<u>106,653</u>	<u>0</u>
Expenditures			
Current:			
Extracurricular Activities:			
Academic Oriented Activities:			
Other	13,521	13,521	0
Sport Oriented Activities:			
Other	5,443	5,443	0
School and Public Service Co-Curricular Activities:			
Other	94,112	94,112	0
<i>Total Expenditures</i>	<u>113,076</u>	<u>113,076</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	(6,423)	(6,423)	0
<i>Fund Balance Beginning of Year</i>	116,059	116,059	0
Prior Year Encumbrances Appropriated	<u>10,652</u>	<u>10,652</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$120,288</u></u>	<u><u>\$120,288</u></u>	<u><u>\$0</u></u>

North Royalton City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Athletics and Music Fund
For the Fiscal Year Ended June 30, 2021

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Extracurricular Activities	\$115,065	\$115,064	(\$1)
Contributions and Donations	19,496	19,496	0
<i>Total Revenues</i>	<u>134,561</u>	<u>134,560</u>	<u>(1)</u>
Expenditures			
Current:			
Extracurricular Activities:			
Occupation Oriented Activities:			
Other	200	200	0
Sport Oriented Activities:			
Purchased Services	32,705	32,705	0
Materials and Supplies	5,830	5,830	0
Capital Outlay	4,376	4,376	0
Other	202,134	202,131	3
Total Sport Oriented Activities	<u>245,045</u>	<u>245,042</u>	<u>3</u>
School and Public Service Co-Curricular Activities:			
Other	68	68	0
<i>Total Expenditures</i>	<u>245,313</u>	<u>245,310</u>	<u>3</u>
<i>Excess of Revenues Under Expenditures</i>	(110,752)	(110,750)	2
Other Financing Sources			
Transfers In	55,000	55,000	0
<i>Net Change in Fund Balance</i>	(55,752)	(55,750)	2
<i>Fund Balance Beginning of Year</i>	87,733	87,733	0
Prior Year Encumbrances Appropriated	35,774	35,774	0
<i>Fund Balance End of Year</i>	<u>\$67,755</u>	<u>\$67,757</u>	<u>\$2</u>

North Royalton City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Auxiliary Services Fund
For the Fiscal Year Ended June 30, 2021

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Intergovernmental	\$946,875	\$946,875	\$0
Interest	458	458	0
<i>Total Revenues</i>	<u>947,333</u>	<u>947,333</u>	<u>0</u>
Expenditures			
Current:			
Operation of Non-Instructional Services:			
Community Services:			
Purchased Services	711,256	711,256	0
Materials and Supplies	135,299	135,299	0
Capital Outlay	118,765	118,765	0
Other	37,893	37,893	0
<i>Total Expenditures</i>	<u>1,003,213</u>	<u>1,003,213</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	(55,880)	(55,880)	0
<i>Fund Balance Beginning of Year</i>	57,573	57,573	0
Prior Year Encumbrances Appropriated	<u>5,777</u>	<u>5,777</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$7,470</u></u>	<u><u>\$7,470</u></u>	<u><u>\$0</u></u>

North Royalton City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Network Connectivity Fund
For the Fiscal Year Ended June 30, 2021

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Intergovernmental	\$9,000	\$9,000	\$0
Expenditures			
Current:			
Instruction:			
Regular:			
Purchased Services	9,000	9,000	0
<i>Net Change in Fund Balance</i>	0	0	0
<i>Fund Balance Beginning of Year</i>	0	0	0
<i>Fund Balance End of Year</i>	\$0	\$0	\$0

North Royalton City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Student Wellness and Success Fund
For the Fiscal Year Ended June 30, 2021

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Intergovernmental	\$208,235	\$208,235	\$0
Expenditures			
Current:			
Instruction:			
Regular:			
Materials and Supplies	6,354	6,354	0
Support Services:			
Pupil:			
Salaries and Wages	147,847	147,847	0
Fringe Benefits	9,409	9,409	0
Purchased Services	64,605	64,605	0
Total Support Services	221,861	221,861	0
<i>Total Expenditures</i>	228,215	228,215	0
<i>Net Change in Fund Balance</i>	(19,980)	(19,980)	0
<i>Fund Balance Beginning of Year</i>	82,156	82,156	0
<i>Fund Balance End of Year</i>	\$62,176	\$62,176	\$0

North Royalton City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Miscellaneous State Grants Fund
For the Fiscal Year Ended June 30, 2021

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Intergovernmental	\$11,112	\$11,112	\$0
Rentals	481	481	0
<i>Total Revenues</i>	<u>11,593</u>	<u>11,593</u>	<u>0</u>
Expenditures			
Current:			
Instruction:			
Special:			
Purchased Services	2,400	2,400	0
Support Services:			
Pupil:			
Purchased Services	482	482	0
Pupil Transportation:			
Capital Outlay	11,113	11,113	0
Total Support Services	<u>11,595</u>	<u>11,595</u>	<u>0</u>
<i>Total Expenditures</i>	<u>13,995</u>	<u>13,995</u>	<u>0</u>
<i>Excess of Revenues Under Expenditures</i>	(2,402)	(2,402)	0
Other Financing Uses			
Advances Out	(11,112)	(11,112)	0
<i>Net Change in Fund Balance</i>	(13,514)	(13,514)	0
<i>Fund Balance Beginning of Year</i>	2,552	2,552	0
Prior Year Encumbrances Appropriated	<u>11,112</u>	<u>11,112</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$150</u></u>	<u><u>\$150</u></u>	<u><u>\$0</u></u>

North Royalton City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Elementary and Secondary School Emergency Relief Fund
For the Fiscal Year Ended June 30, 2021

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Intergovernmental	\$128,340	\$128,340	\$0
Expenditures			
Current:			
Instruction:			
Regular:			
Salaries and Wages	5,513	5,513	0
Purchased Services	47,023	47,023	0
Materials and Supplies	541,195	541,195	0
Total Regular	593,731	593,731	0
Special:			
Purchased Services	6,787	6,787	0
Total Instruction	600,518	600,518	0
Support Services:			
Instructional Staff:			
Purchased Services	3,900	3,900	0
Capital Outlay	106,058	106,058	0
Total Support Services	109,958	109,958	0
Operation of Non-Instructional Services:			
Community Services:			
Purchased Services	3,690	3,690	0
Materials and Supplies	316	316	0
Capital Outlay	12,337	12,337	0
Total Operation of Non-Instructional Services	16,343	16,343	0
<i>Total Expenditures</i>	726,819	726,819	0
<i>Excess of Revenues Under Expenditures</i>	(598,479)	(598,479)	0
Other Financing Sources			
Advances In	598,479	598,479	0
<i>Net Change in Fund Balance</i>	0	0	0
<i>Fund Balance Beginning of Year</i>	0	0	0
<i>Fund Balance End of Year</i>	\$0	\$0	\$0

North Royalton City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Coronavirus Relief Fund
For the Fiscal Year Ended June 30, 2021

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Intergovernmental	\$206,167	\$206,167	\$0
Expenditures			
Current:			
Instruction:			
Regular:			
Materials and Supplies	154,625	154,625	0
Capital Outlay	51,542	51,542	0
<i>Total Expenditures</i>	206,167	206,167	0
<i>Net Change in Fund Balance</i>	0	0	0
<i>Fund Balance Beginning of Year</i>	0	0	0
<i>Fund Balance End of Year</i>	\$0	\$0	\$0

North Royalton City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Title VI-B Fund
For the Fiscal Year Ended June 30, 2021

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Intergovernmental	\$893,833	\$893,832	(\$1)
Expenditures			
Current:			
Instruction:			
Special:			
Salaries and Wages	832,229	832,229	0
Operation of Non-Instructional Services:			
Community Services:			
Purchased Services	62,888	62,887	1
Materials and Supplies	9,320	9,320	0
Total Operation of Non-Instructional Services	72,208	72,207	1
<i>Total Expenditures</i>	904,437	904,436	1
<i>Excess of Revenues Under Expenditures</i>	(10,604)	(10,604)	0
Other Financing Sources (Uses)			
Advances In	39,874	39,874	0
Advances Out	(30,727)	(30,727)	0
<i>Total Other Financing Sources (Uses)</i>	9,147	9,147	0
<i>Net Change in Fund Balance</i>	(1,457)	(1,457)	0
<i>Fund Balance Beginning of Year</i>	0	0	0
Prior Year Encumbrances Appropriated	1,457	1,457	0
<i>Fund Balance End of Year</i>	\$0	\$0	\$0

North Royalton City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Immigrant Education Fund
For the Fiscal Year Ended June 30, 2021

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Intergovernmental	\$23,404	\$23,404	\$0
Expenditures			
Current:			
Instruction:			
Special:			
Salaries and Wages	19,247	19,247	0
Purchased Services	1,810	1,810	0
Materials and Supplies	362	362	0
Total Instruction	21,419	21,419	0
Support Services:			
Instructional Staff:			
Purchased Services	2,000	2,000	0
<i>Total Expenditures</i>	23,419	23,419	0
<i>Excess of Revenues Under Expenditures</i>	(15)	(15)	0
Other Financing Sources (Uses)			
Advances In	743	743	0
Advances Out	(728)	(728)	0
<i>Total Other Financing Sources (Uses)</i>	15	15	0
<i>Net Change in Fund Balance</i>	0	0	0
<i>Fund Balance Beginning of Year</i>	0	0	0
<i>Fund Balance End of Year</i>	\$0	\$0	\$0

North Royalton City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Title I Fund
For the Fiscal Year Ended June 30, 2021

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Intergovernmental	\$299,884	\$299,884	\$0
Expenditures			
Current:			
Instruction:			
Special:			
Salaries and Wages	251,701	251,701	0
Fringe Benefits	35,238	35,238	0
Purchased Services	7,739	7,739	0
Capital Outlay	705	705	0
Total Instruction	295,383	295,383	0
Operation of Non-Instructional Services:			
Community Services:			
Purchased Services	17,970	17,970	0
<i>Total Expenditures</i>	313,353	313,353	0
<i>Excess of Revenues Under Expenditures</i>	(13,469)	(13,469)	0
Other Financing Sources (Uses)			
Advances In	14,630	14,630	0
Advances Out	(3,125)	(3,125)	0
<i>Total Other Financing Sources (Uses)</i>	11,505	11,505	0
<i>Net Change in Fund Balance</i>	(1,964)	(1,964)	0
<i>Fund Balance Beginning of Year</i>	0	0	0
Prior Year Encumbrances Appropriated	1,964	1,964	0
<i>Fund Balance End of Year</i>	\$0	\$0	\$0

North Royalton City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Preschool Grant Fund
For the Fiscal Year Ended June 30, 2021

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Intergovernmental	\$21,406	\$21,406	\$0
Expenditures			
Current:			
Instruction:			
Special:			
Salaries and Wages	20,739	20,739	0
<i>Excess of Revenues Over Expenditures</i>	667	667	0
Other Financing Uses			
Advances Out	(667)	(667)	0
<i>Net Change in Fund Balance</i>	0	0	0
<i>Fund Balance Beginning of Year</i>	0	0	0
<i>Fund Balance End of Year</i>	\$0	\$0	\$0

North Royalton City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Class Size Reduction Grant Fund
For the Fiscal Year Ended June 30, 2021

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Intergovernmental	\$94,381	\$94,381	\$0
Expenditures			
Current:			
Instruction:			
Regular:			
Salaries and Wages	76,953	76,953	0
Operation of Non-Instructional Services:			
Community Services:			
Purchased Services	20,918	20,918	0
<i>Total Expenditures</i>	<u>97,871</u>	<u>97,871</u>	<u>0</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(3,490)</u>	<u>(3,490)</u>	<u>0</u>
Other Financing Sources (Uses)			
Advances In	8,315	8,315	0
Advances Out	<u>(4,825)</u>	<u>(4,825)</u>	<u>0</u>
<i>Total Other Financing Sources (Uses)</i>	<u>3,490</u>	<u>3,490</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	0	0	0
<i>Fund Balance Beginning of Year</i>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>

North Royalton City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Miscellaneous Federal Grants Fund
For the Fiscal Year Ended June 30, 2021

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Intergovernmental	\$29,189	\$29,189	\$0
Expenditures			
Current:			
Instruction:			
Special:			
Purchased Services	22,737	22,737	0
Operation of Non-Instructional Services:			
Community Services:			
Purchased Services	2,138	2,138	0
Materials and Supplies	4,314	4,314	0
Total Operation of Non-Instructional Services	6,452	6,452	0
<i>Total Expenditures</i>	29,189	29,189	0
<i>Net Change in Fund Balance</i>	0	0	0
<i>Fund Balance Beginning of Year</i>	0	0	0
<i>Fund Balance End of Year</i>	\$0	\$0	\$0

North Royalton City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Adult Education Fund
For the Fiscal Year Ended June 30, 2021

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Tuition and Fees	\$12,790	\$12,790	\$0
Miscellaneous	5,653	5,653	0
<i>Total Revenues</i>	<u>18,443</u>	<u>18,443</u>	<u>0</u>
Expenditures			
Current:			
Instruction:			
Student Intervention Services:			
Salaries and Wages	5,889	5,888	1
Fringe Benefits	871	871	0
Materials and Supplies	849	849	0
<i>Total Expenditures</i>	<u>7,609</u>	<u>7,608</u>	<u>1</u>
<i>Net Change in Fund Balance</i>	10,834	10,835	1
<i>Fund Balance Beginning of Year</i>	<u>5,636</u>	<u>5,636</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$16,470</u></u>	<u><u>\$16,471</u></u>	<u><u>\$1</u></u>

North Royalton City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Public School Support Fund
For the Fiscal Year Ended June 30, 2021

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Contributions and Donations	\$86	\$86	\$0
Miscellaneous	31,256	31,256	0
<i>Total Revenues</i>	31,342	31,342	0
Expenditures			
Current:			
Instruction:			
Regular:			
Materials and Supplies	4,301	4,301	0
Other	36,571	36,571	0
<i>Total Expenditures</i>	40,872	40,872	0
<i>Net Change in Fund Balance</i>	(9,530)	(9,530)	0
<i>Fund Balance Beginning of Year</i>	154,619	154,619	0
Prior Year Encumbrances Appropriated	2,543	2,543	0
<i>Fund Balance End of Year</i>	\$147,632	\$147,632	\$0

North Royalton City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Permanent Improvement Fund
For the Fiscal Year Ended June 30, 2021

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Property Taxes	\$1,575,579	\$1,575,579	\$0
Intergovernmental	153,475	153,475	0
<i>Total Revenues</i>	<u>1,729,054</u>	<u>1,729,054</u>	<u>0</u>
Expenditures			
Current:			
Instruction:			
Regular:			
Capital Outlay	13,977	13,977	0
Support Services:			
Fiscal:			
Other	21,591	21,591	0
Operation and Maintenance of Plant:			
Purchased Services	10,888	10,888	0
Capital Outlay	58,293	58,293	0
Total Operation and Maintenance of Plant	<u>69,181</u>	<u>69,181</u>	<u>0</u>
Pupil Transportation:			
Capital Outlay	838,825	838,825	0
Total Support Services	<u>\$929,597</u>	<u>\$929,597</u>	<u>\$0</u>

(continued)

North Royalton City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Permanent Improvement Fund (continued)
For the Fiscal Year Ended June 30, 2021

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Capital Outlay:			
Site Improvement Services:			
Capital Outlay	\$4,680	\$4,680	\$0
Architecture and Engineering Services:			
Purchased Services	103,547	103,547	0
Building Acquisition and Construction Services:			
Purchased Services	4,254	4,254	0
Capital Outlay	142,121	142,121	0
Total Building Acquisition and Construction Services	146,375	146,375	0
Building Improvement Services:			
Purchased Services	144,184	144,184	0
Capital Outlay	87,698	87,698	0
Total Building Improvement Services	231,882	231,882	0
Total Capital Outlay	486,484	486,484	0
Debt Service:			
Principal Retirement	95,000	95,000	0
Interest and Fiscal Charges	69,022	69,022	0
Total Debt Service	164,022	164,022	0
<i>Total Expenditures</i>	1,594,080	1,594,080	0
<i>Net Change in Fund Balance</i>	134,974	134,974	0
<i>Fund Balance Beginning of Year</i>	1,404,136	1,404,136	0
Prior Year Encumbrances Appropriated	869,895	869,895	0
<i>Fund Balance End of Year</i>	\$2,409,005	\$2,409,005	\$0

North Royalton City School District
Schedule of Revenues, Expenses and Changes
In Fund Equity - Budget (Non-GAAP Basis) and Actual
Self Insurance Fund
For the Fiscal Year Ended June 30, 2021

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Charges for Services	\$124,115	\$124,115	\$0
Expenses			
Purchased Services	25,886	25,886	0
Claims	94,795	94,795	0
<i>Total Expenses</i>	120,681	120,681	0
<i>Net Change in Fund Equity</i>	3,434	3,434	0
<i>Fund Equity Beginning of Year</i>	228,715	228,715	0
<i>Fund Equity End of Year</i>	\$232,149	\$232,149	\$0

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**STATISTICAL
SECTION**

Statistical Section

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

Contents	Pages(s)
<i>Financial Trends</i>	<i>S2 – S9</i>
These schedules contain trend information to help the reader understand how the School District’s financial performance and well-being have changed over time.	
<i>Revenue Capacity</i>	<i>S10 – S18</i>
These schedules contain information to help the reader assess the School District’s most significant local revenue, the property tax.	
<i>Debt Capacity</i>	<i>S19 – S23</i>
These schedules present information to help the reader assess the affordability of the School District’s current levels of outstanding debt and the School District’s ability to issue additional debt in the future.	
<i>Demographic and Economic Information</i>	<i>S24 – S26</i>
These schedules offer demographic and economic indicators to help the reader understand the environment within which the School District’s financial activities take place.	
<i>Operating Information</i>	<i>S27 – S36</i>
These schedules contain service and infrastructure data to help the reader understand how the information in the School District’s financial report relates to the services the School District provides and the activities it performs.	

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

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

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018 (3)</u>
Net Investment in Capital Assets	\$15,592,516	\$17,188,168	\$16,856,586	\$13,935,005
Restricted for:				
Debt Service	0	0	34,410	967,188
Capital Projects	7,887,036	6,799,736	4,125,494	1,757,960
Other Purposes	641,288	700,011	683,691	580,618
Unrestricted (Deficit)	<u>(51,374,065)</u>	<u>(51,350,543)</u>	<u>(41,911,857)</u>	<u>(54,129,739)</u>
Total Net Position	<u><u>(\$27,253,225)</u></u>	<u><u>(\$26,662,628)</u></u>	<u><u>(\$20,211,676)</u></u>	<u><u>(\$36,888,968)</u></u>

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

<u>2017 (2)</u>	<u>2016</u>	<u>2015</u>	<u>2014 (1)</u>	<u>2013</u>	<u>2012</u>
\$13,734,097	\$12,484,935	\$11,191,033	\$10,606,317	\$10,136,598	\$9,926,872
3,201,292	3,690,758	3,918,623	3,783,910	3,755,928	3,775,292
1,200,437	1,061,137	1,189,218	1,187,413	1,005,491	1,082,942
532,623	411,212	373,005	625,876	575,421	657,122
<u>(80,657,522)</u>	<u>(56,008,183)</u>	<u>(59,908,693)</u>	<u>(65,513,642)</u>	<u>8,424,035</u>	<u>8,567,542</u>
<u>(\$61,989,073)</u>	<u>(\$38,360,141)</u>	<u>(\$43,236,814)</u>	<u>(\$49,310,126)</u>	<u>\$23,897,473</u>	<u>\$24,009,770</u>

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

	2021	2020	2019 (3)	2018 (2)
Expenses				
Regular Instruction	\$32,036,002	\$29,616,586	\$23,082,870	\$9,755,518
Special Instruction	7,213,008	7,174,942	5,301,069	3,382,960
Vocational Instruction	47,960	48,583	47,937	49,795
Student Intervention Services	7,608	9,386	11,958	6,146
Pupil Support	3,792,196	3,711,659	3,153,347	1,647,982
Instructional Staff Support	2,782,428	3,037,562	2,559,704	1,895,200
Board of Education	36,307	41,866	41,262	37,086
Administration	3,453,438	3,591,907	2,856,334	1,997,142
Fiscal	1,366,854	1,386,440	1,300,536	1,275,276
Business	397,908	381,657	298,930	185,435
Operation and Maintenance of Plant	4,378,824	3,930,175	3,455,609	3,292,862
Pupil Transportation	3,418,185	4,255,246	2,860,533	4,661,082
Central	266,995	262,772	225,996	119,071
Operation of Non-Instructional Services	1,160,763	1,015,064	1,033,742	1,116,513
Operation of Food Services	935,109	1,056,558	1,091,905	1,080,529
Extracurricular Activities	1,354,772	1,460,280	1,362,941	667,264
Interest and Fiscal Charges	3,530,446	3,604,691	3,661,635	3,580,611
<i>Total Expenses</i>	<u>66,178,803</u>	<u>64,585,374</u>	<u>52,346,308</u>	<u>34,750,472</u>
Program Revenues				
Charges for Services and Sales:				
Regular Instruction	283,882	488,469	636,640	586,565
Special Instruction	83,913	89,196	84,725	96,037
Vocational Instruction	349	634	1,917	3,059
Student Intervention Services	10,936	100	7,379	3,936
Pupil Support	25,267	46,574	62,940	69,286
Instructional Staff Support	18,947	36,798	46,769	49,646
Board of Education	260	548	719	799
Administration	24,240	45,387	55,172	65,195
Fiscal	8,998	15,995	20,411	25,170
Business	2,804	4,874	5,836	6,605
Operation and Maintenance of Plant	96,822	108,797	116,531	104,074
Pupil Transportation	22,218	44,988	58,529	83,559
Central	1,878	3,311	4,422	4,612
Operation of Non-Instructional Services	211	298	232	195
Operation of Food Services	41,081	639,360	796,997	728,094
Extracurricular Activities	296,415	576,366	691,385	433,385
Operating Grants and Contributions	4,915,649	3,663,924	3,419,118	3,492,591
Capital Grants and Contributions	5,000	10,000	300	2,550
<i>Total Program Revenues</i>	<u>5,838,870</u>	<u>5,775,619</u>	<u>6,010,022</u>	<u>5,755,358</u>
Net Expense	<u>(60,339,933)</u>	<u>(58,809,755)</u>	<u>(46,336,286)</u>	<u>(28,995,114)</u>
General Revenues				
Property Taxes Levied for:				
General Purposes	40,362,043	33,160,037	40,853,477	36,027,462
Debt Service	5,433,713	4,119,917	5,036,793	3,675,355
Capital Outlay	1,663,862	1,302,812	1,623,166	1,304,825
Grants and Entitlements not				
Restricted to Specific Programs	11,258,975	10,972,734	11,965,289	11,504,698
Unrestricted Contributions	4,025	2,500	509	5,264
Investment Earnings	128,247	2,330,429	3,064,409	1,294,984
Gain on Sale of Capital Assets	0	0	0	2,580
Gain on Disposal of Capital Assets	0	0	0	17,579
Miscellaneous	898,471	470,374	469,935	262,472
<i>Total General Revenues</i>	<u>59,749,336</u>	<u>52,358,803</u>	<u>63,013,578</u>	<u>54,095,219</u>
<i>Change in Net Position</i>	<u>(\$590,597)</u>	<u>(\$6,450,952)</u>	<u>\$16,677,292</u>	<u>\$25,100,105</u>

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

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

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

2017	2016	2015 (1)	2014	2013	2012
\$28,831,613	\$26,985,023	\$26,912,810	\$26,652,053	\$25,854,788	\$26,138,639
5,934,743	4,407,306	4,355,817	4,653,937	3,515,628	3,273,352
41,317	37,843	36,343	30,544	117,329	208,167
15,226	20,907	23,091	45,732	1,137,695	1,191,607
3,576,887	3,256,056	3,057,304	3,098,915	3,022,582	2,841,655
2,625,927	2,535,429	2,544,147	2,443,880	2,591,553	2,698,007
40,693	41,913	40,636	38,560	42,802	37,533
3,416,118	2,801,195	3,054,105	3,154,290	3,451,156	4,371,516
1,281,149	1,192,822	1,203,684	1,291,997	1,268,445	1,323,210
342,845	312,910	318,551	366,020	350,442	357,023
3,834,145	3,479,009	3,750,164	3,695,103	4,027,974	3,931,841
3,637,259	3,807,147	3,490,995	4,009,801	3,631,902	3,527,949
269,742	254,125	252,706	201,333	601,508	580,206
1,161,383	965,031	1,021,672	944,531	1,070,930	818,483
1,216,332	1,195,333	1,144,599	1,285,407	1,141,926	1,254,636
1,321,659	1,262,856	1,292,022	1,214,962	1,191,528	1,063,664
248,064	307,139	284,657	564,948	834,421	502,662
<u>57,795,102</u>	<u>52,862,044</u>	<u>52,783,303</u>	<u>53,692,013</u>	<u>53,852,609</u>	<u>54,120,150</u>
631,988	425,475	408,673	372,506	699,589	672,384
97,568	46,062	44,966	54,571	0	0
881	539	530	367	0	0
9,050	8,246	12,360	9,501	27,423	29,332
75,609	47,767	45,610	44,924	0	0
54,595	36,193	37,024	34,597	0	0
868	596	592	568	0	0
70,739	41,301	50,182	43,843	1,048	9,934
27,342	17,362	18,186	18,303	0	0
7,032	4,502	4,742	5,324	0	0
101,809	67,197	54,464	51,467	98,567	84,265
124,146	71,360	80,879	50,593	31,378	8,977
5,599	3,649	3,551	2,766	0	0
798	286	1,138	1,122	0	0
756,710	782,419	712,874	741,654	819,618	1,011,191
521,434	486,218	543,172	616,651	447,404	249,864
3,537,144	3,421,958	3,433,827	3,803,100	2,683,068	2,681,759
6,530	73,288	72,290	77,351	314,693	208,179
<u>6,029,842</u>	<u>5,534,418</u>	<u>5,525,060</u>	<u>5,929,208</u>	<u>5,122,788</u>	<u>4,955,885</u>
<u>(51,765,260)</u>	<u>(47,327,626)</u>	<u>(47,258,243)</u>	<u>(47,762,805)</u>	<u>(48,729,821)</u>	<u>(49,164,265)</u>
32,253,885	37,531,228	39,017,348	37,029,906	35,512,106	36,765,860
1,467,558	1,722,896	1,764,951	1,685,638	1,643,245	1,769,762
815,653	942,496	1,001,292	938,428	919,978	957,318
11,613,878	11,484,587	11,043,079	10,646,928	10,352,797	10,755,927
10,078	3,639	2,700	3,304	0	0
188,609	172,427	88,315	103,857	2,574	62,955
0	11,400	175,000	8,322	0	0
0	0	0	0	0	0
232,352	335,626	238,870	278,948	186,824	177,206
<u>46,582,013</u>	<u>52,204,299</u>	<u>53,331,555</u>	<u>50,695,331</u>	<u>48,617,524</u>	<u>50,489,028</u>
<u>(\$5,183,247)</u>	<u>\$4,876,673</u>	<u>\$6,073,312</u>	<u>\$2,932,526</u>	<u>(\$112,297)</u>	<u>\$1,324,763</u>

North Royalton City School District

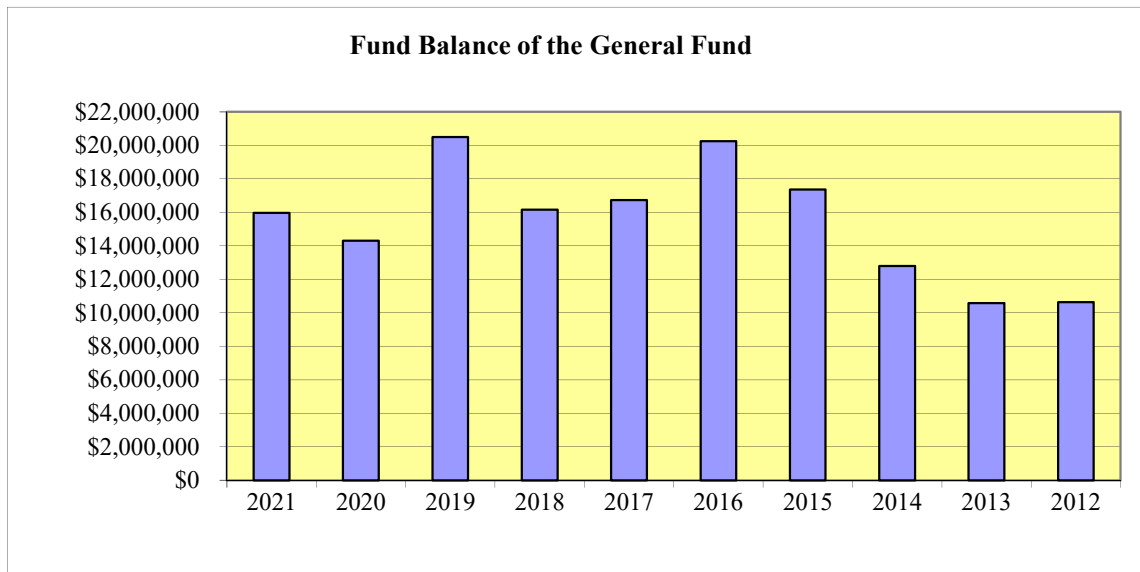
Fund Balances, Governmental Funds

Last Ten Fiscal Years

(Modified Accrual Basis of Accounting)

	2021	2020	2019	2018 (1)
General Fund				
Nonspendable	\$216,151	\$170,605	\$194,234	\$158,280
Assigned	445,860	2,483,910	681,023	1,437,773
Unassigned	15,294,289	11,648,575	19,609,371	14,555,009
Total General Fund	15,956,300	14,303,090	20,484,628	16,151,062
All Other Governmental Funds				
Nonspendable	3,951	3,553	3,629	3,389
Restricted	18,473,079	52,385,313	92,779,663	100,864,695
Committed	1,200	1,200	1,200	1,200
Unassigned (Deficit)	(465,774)	(155,797)	(177,523)	(215,625)
Total All Other Governmental Funds	18,012,456	52,234,269	92,606,969	100,653,659
Total Governmental Funds	\$33,968,756	\$66,537,359	\$113,091,597	\$116,804,721

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



2017	2016	2015	2014	2013	2012
\$73,916	\$76,927	\$77,054	\$81,437	\$74,520	\$75,296
689,495	1,133,848	311,778	870,004	1,928,311	1,922,864
15,966,053	19,038,191	16,963,381	11,834,935	8,568,401	8,634,130
16,729,464	20,248,966	17,352,213	12,786,376	10,571,232	10,632,290
3,074	3,229	2,547	2,732	100,318	81,441
4,950,060	5,174,934	5,528,463	5,609,076	5,255,079	5,450,520
1,200	1,200	1,200	1,200	1,200	1,200
(2,687)	(123,260)	(4,042)	(76,759)	(187,283)	(229,556)
4,951,647	5,056,103	5,528,168	5,536,249	5,169,314	5,303,605
\$21,681,111	\$25,305,069	\$22,880,381	\$18,322,625	\$15,740,546	\$15,935,895

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

	2021	2020	2019 (1)	2018
Revenues				
Property Taxes	\$47,202,972	\$38,673,927	\$47,409,313	\$40,942,405
Intergovernmental	15,771,433	14,584,261	15,366,008	14,690,430
Interest	128,841	2,337,374	3,072,606	1,299,916
Tuition and Fees	443,156	724,874	779,530	991,962
Extracurricular Activities	282,331	595,750	814,619	432,054
Contributions and Donations	100,737	95,354	61,330	69,918
Charges for Services	71,081	669,615	827,157	728,094
Rentals	81,032	92,937	106,248	106,544
Miscellaneous	898,471	573,081	367,228	262,472
<i>Total Revenues</i>	<u>64,980,054</u>	<u>58,347,173</u>	<u>68,804,039</u>	<u>59,523,795</u>
Expenditures				
Current:				
Instruction:				
Regular	28,018,230	27,231,116	27,007,053	26,588,717
Special	6,843,154	6,930,734	6,202,546	6,147,492
Vocational	47,982	48,621	47,984	49,834
Student Intervention Services	7,608	9,386	11,958	6,146
Support Services:				
Pupil	3,636,010	3,603,014	3,658,608	3,419,479
Instructional Staff	2,706,658	2,981,364	2,775,873	2,552,174
Board of Education	35,714	42,077	42,489	41,466
Administration	3,358,240	3,424,168	3,230,930	3,238,354
Fiscal	1,338,071	1,342,549	1,331,603	1,365,519
Business	371,533	365,439	410,767	324,943
Operation and Maintenance of Plant	3,425,191	3,767,538	3,635,364	3,680,558
Pupil Transportation	3,848,152	3,898,043	3,961,407	3,965,669
Central	254,991	251,754	256,520	234,602
Operation of Non-Instructional Services	1,101,708	1,012,612	1,050,033	1,116,513
Operation of Food Services	942,621	1,048,344	1,121,724	1,179,692
Extracurricular Activities	1,311,533	1,432,218	1,582,297	1,223,531
Capital Outlay	34,710,738	41,821,872	9,461,462	1,934,647
Debt Service:				
Principal Retirement	1,800,000	1,755,000	2,725,000	2,140,000
Interest and Fiscal Charges	3,859,897	3,935,562	4,017,625	3,293,309
Issuance Costs	0	58,860	0	584,930
<i>Total Expenditures</i>	<u>97,618,031</u>	<u>104,960,271</u>	<u>72,531,243</u>	<u>63,087,575</u>
<i>Excess of Revenue Over (Under) Expenditures</i>	<u>(32,637,977)</u>	<u>(46,613,098)</u>	<u>(3,727,204)</u>	<u>(3,563,780)</u>
Other Financing Sources (Uses):				
Sale of Capital Assets	69,374	0	0	2,580
Insurance Recoveries	0	0	14,080	17,579
General Obligation Bonds Issued	0	0	0	88,900,000
Refunding Certificate of Participation Issued	0	2,615,000	0	0
Premium on General Obligation Bonds Issued	0	0	0	9,767,231
Transfers In	55,000	56,930	71,848	97,431
Payment to Refunded Bond Escrow Agent	0	(2,556,140)	0	0
Transfers Out	(55,000)	(56,930)	(71,848)	(97,431)
<i>Total Other Financing Sources (Uses)</i>	<u>69,374</u>	<u>58,860</u>	<u>14,080</u>	<u>98,687,390</u>
<i>Net Change in Fund Balances</i>	<u>(\$32,568,603)</u>	<u>(\$46,554,238)</u>	<u>(\$3,713,124)</u>	<u>\$95,123,610</u>
<i>Debt Service as a Percentage of Noncapital Expenditures</i>	8.98%	9.04%	10.93%	8.72%

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

2017	2016	2015	2014	2013	2012
\$34,570,277	\$39,877,443	\$42,166,327	\$39,969,046	\$38,278,727	\$37,940,035
15,179,830	14,771,525	14,452,010	14,260,159	13,075,221	13,314,136
191,765	173,709	89,085	104,428	2,574	62,955
995,675	682,055	706,202	714,953	634,336	438,848
507,408	464,464	457,561	492,952	567,866	515,033
62,607	128,267	179,525	171,504	275,337	331,729
816,710	782,419	712,874	742,054	823,515	1,016,198
160,758	110,234	142,306	111,096	99,194	92,960
232,352	335,626	238,870	278,948	186,824	177,206
<u>52,717,382</u>	<u>57,325,742</u>	<u>59,144,760</u>	<u>56,845,140</u>	<u>53,943,594</u>	<u>53,889,100</u>
26,428,354	26,311,599	26,493,485	26,101,347	24,728,691	24,403,267
5,707,085	4,533,472	4,433,602	4,592,162	3,395,416	3,207,668
41,339	37,890	35,997	39,895	128,772	197,782
15,226	20,907	22,858	45,732	1,233,551	1,189,179
3,391,703	3,283,007	3,107,734	3,019,297	2,969,569	2,833,344
2,539,109	2,553,044	2,522,964	2,415,954	2,553,383	2,713,289
40,693	41,913	40,226	38,560	42,802	37,533
3,135,576	2,861,573	3,100,923	3,040,446	3,338,971	3,655,960
1,231,813	1,201,265	1,194,216	1,303,512	1,258,659	1,229,812
327,050	318,723	330,600	359,745	344,756	354,056
3,529,074	3,507,713	3,671,432	3,572,784	3,837,123	3,488,977
3,728,741	3,715,188	3,557,356	3,857,486	3,744,611	3,273,926
261,428	254,781	216,843	225,832	577,848	563,885
1,161,401	966,969	1,013,720	894,381	987,494	749,770
1,177,508	1,210,629	1,146,550	1,286,438	1,144,729	1,251,036
1,271,286	1,269,098	1,283,287	1,197,235	1,139,803	1,041,968
150,685	457,989	542,590	208,234	662,371	3,497,902
2,085,000	2,025,000	1,730,000	1,490,000	1,435,000	1,380,000
282,778	341,694	319,153	582,343	633,194	519,911
0	0	53,375	0	0	0
<u>56,505,849</u>	<u>54,912,454</u>	<u>54,816,911</u>	<u>54,271,383</u>	<u>54,156,743</u>	<u>55,589,265</u>
<u>(3,788,467)</u>	<u>2,413,288</u>	<u>4,327,849</u>	<u>2,573,757</u>	<u>(213,149)</u>	<u>(1,700,165)</u>
0	11,400	175,000	8,322	17,800	0
0	0	0	0	0	0
0	0	8,375,000	0	0	0
0	0	0	0	0	0
0	0	258,482	0	0	0
30,000	60,000	116,480	118,000	118,000	118,000
0	0	(8,578,575)	0	0	0
<u>(30,000)</u>	<u>(60,000)</u>	<u>(116,480)</u>	<u>(118,000)</u>	<u>(118,000)</u>	<u>(118,000)</u>
0	11,400	229,907	8,322	17,800	0
<u>(\$3,788,467)</u>	<u>\$2,424,688</u>	<u>\$4,557,756</u>	<u>\$2,582,079</u>	<u>(\$195,349)</u>	<u>(\$1,700,165)</u>
4.23%	4.36%	3.76%	3.85%	3.85%	3.51%

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

Real Property				
Collection Year	Assessed Value			Estimated Actual Value
	Residential/ Agricultural	Commercial/ Industrial	Total	
2021	\$1,008,393,110	\$168,608,620	\$1,177,001,730	\$3,362,862,086
2020	1,004,644,410	170,376,430	1,175,020,840	3,357,202,400
2019	998,071,280	170,905,740	1,168,977,020	3,339,934,343
2018	905,176,150	147,442,070	1,052,618,220	3,007,480,629
2017	900,907,390	144,093,270	1,045,000,660	2,985,716,171
2016	896,397,400	139,499,910	1,035,897,310	2,959,706,600
2015	877,428,500	143,485,140	1,020,913,640	2,916,896,114
2014	871,126,480	142,923,040	1,014,049,520	2,897,284,343
2013	867,571,890	142,989,250	1,010,561,140	2,887,317,543
2012	890,386,710	149,838,910	1,040,225,620	2,972,073,200

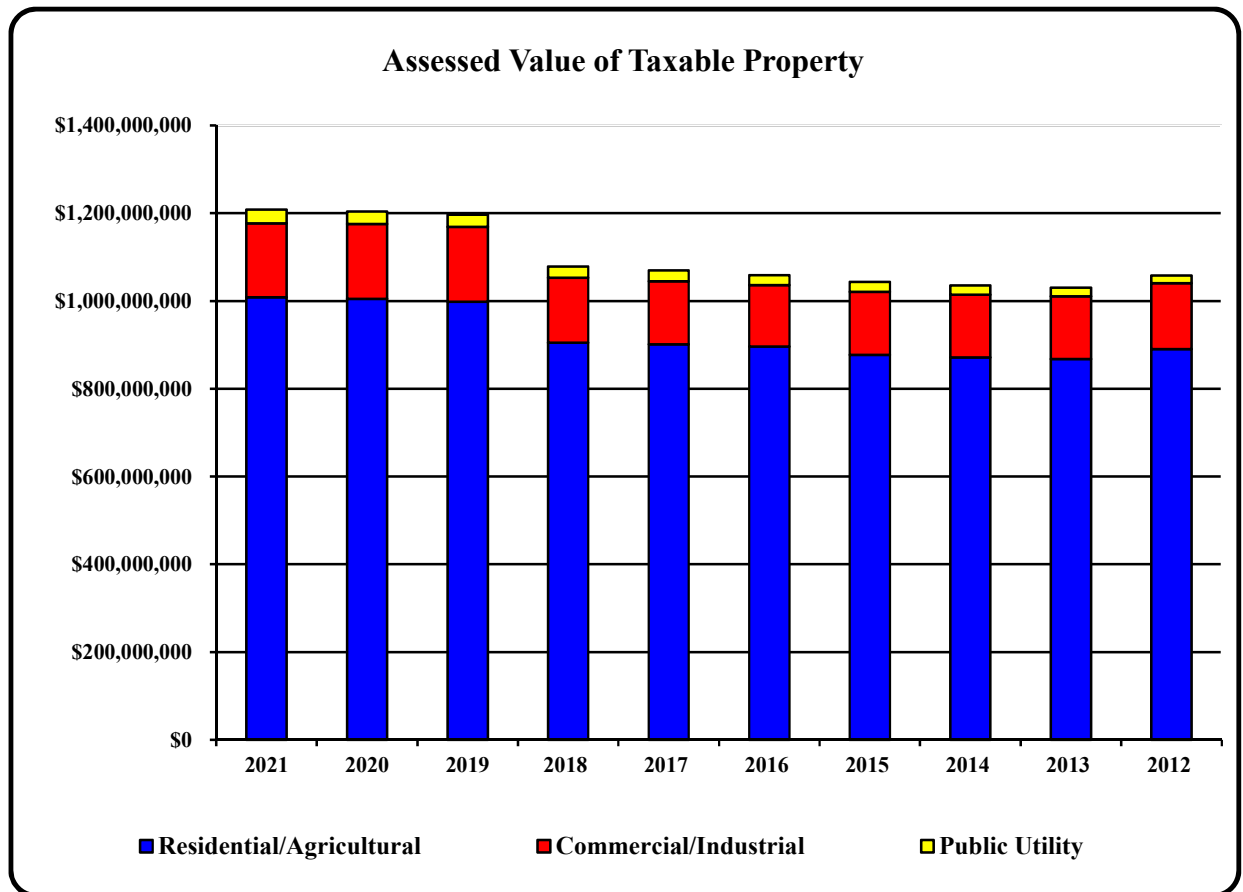
Real property is reappraised every six years with a State mandated update of the current market value in the third year following each reappraisal.

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

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

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

Tangible Personal Property		Total		Total Tax Rate	Weighted Average Tax Rate
Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value		
	Public Utility				
\$31,089,320	\$35,328,773	\$1,208,091,050	\$3,398,190,859	\$66.700000	\$42.243651
29,075,240	33,040,045	1,204,096,080	3,390,242,445	67.000000	42.476750
27,295,140	31,017,205	1,196,272,160	3,370,951,548	68.500000	43.925719
26,107,970	29,668,148	1,078,726,190	3,037,148,777	68.500000	45.033736
24,467,500	27,803,977	1,069,468,160	3,013,520,148	65.700000	42.211751
22,972,440	26,105,045	1,058,869,750	2,985,811,645	65.700000	42.195713
22,479,140	25,544,477	1,043,392,780	2,942,440,591	65.700000	42.355541
21,388,440	24,305,045	1,035,437,960	2,921,589,388	65.700000	42.304627
19,486,420	22,143,659	1,030,047,560	2,909,461,202	65.700000	42.255660
17,900,300	20,341,250	1,058,125,920	2,992,414,450	65.700000	41.726218



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

	2021	2020	2019	2018
Unvoted Millage				
Operating	\$5.000000	\$5.000000	\$5.000000	\$5.000000
Voted Millage by Levy				
Permanent Improvement	\$1.000000	\$1.000000	\$1.000000	\$1.000000
1976 Operating - continuing				
Effective Millage Rates				
Residential/Agricultural	13.176861	13.176608	13.176175	14.076834
Commercial/Industrial	13.225415	13.060871	12.954918	13.852689
Tangible/Public Utility Personal	36.100000	36.100000	36.100000	36.100000
1977 Operating - continuing				
Effective Millage Rates				
Residential/Agricultural	1.033390	1.033462	1.033587	1.110157
Commercial/Industrial	1.133802	1.119697	1.110615	1.211530
Tangible/Public Utility Personal	2.500000	2.500000	2.500000	2.500000
1988 Operating - continuing				
Effective Millage Rates				
Residential/Agricultural	0.789769	0.789939	0.790239	0.856120
Commercial/Industrial	0.953983	0.942115	0.934473	1.043682
Tangible/Public Utility Personal	1.500000	1.500000	1.500000	1.500000
1994 Bond (\$24,000,000)	0.000000	0.000000	1.800000	1.800000
2007 Emergency (\$4,395,000)	0.000000	0.000000	0.000000	4.300000
2009 Emergency (\$6,700,000)	0.000000	0.000000	0.000000	6.600000
2010 Emergency (\$6,695,000)	0.000000	0.000000	0.000000	6.600000
2017 Bond (\$88,900,000)	4.400000	4.400000	2.600000	2.600000
2017 Permanent Improvement				
Effective Millage Rates				
Residential/Agricultural	0.454212	0.454423	0.454796	0.500000
Commercial/Industrial	0.444196	0.438670	0.435112	0.496566
Tangible/Public Utility Personal	0.500000	0.500000	0.500000	0.500000
2018 Emergency (\$17,790,000)	15.700000	16.000000	17.500000	0.000000
Total Effective Voted Millage by Type of Property				
Residential/Agricultural	\$36.554232	\$36.854432	\$38.354797	\$39.443111
Commercial/Industrial	36.857396	36.961353	38.335118	39.504467
Tangible/Public Utility Personal	61.700000	62.000000	63.500000	63.500000
Total Effective Millage by Type of Property				
Residential/Agricultural	\$41.554232	\$41.854432	\$43.354797	\$44.443111
Commercial/Industrial	41.857396	41.961353	43.335118	44.504467
Tangible/Public Utility Personal	66.700000	67.000000	68.500000	68.500000
Total Weighted Average Tax Rate	\$42.243651	\$42.476750	\$43.925719	\$45.033736

2017	2016	2015	2014	2013	2012
<u>\$5.000000</u>	<u>\$5.000000</u>	<u>\$5.000000</u>	<u>\$5.000000</u>	<u>\$5.000000</u>	<u>\$5.000000</u>
\$1.000000	\$1.000000	\$1.000000	\$1.000000	\$1.000000	\$1.000000
14.071130	14.074704	14.281300	14.278813	14.260113	13.830000
13.948462	14.010662	13.785300	13.615800	13.682405	13.267700
36.100000	36.100000	36.100000	36.100000	36.100000	36.100000
1.109710	1.109990	1.126300	1.126087	1.124612	1.090700
1.219907	1.225347	1.205600	1.190812	1.196637	1.160400
2.500000	2.500000	2.500000	2.500000	2.500000	2.500000
0.855775	0.855991	0.868600	0.868405	0.867268	0.841100
1.050898	1.055584	1.038600	1.025835	1.030854	0.999600
1.500000	1.500000	1.500000	1.500000	1.500000	1.500000
1.800000	1.800000	1.800000	1.800000	1.800000	1.800000
4.400000	4.400000	4.400000	4.400000	4.400000	4.400000
6.700000	6.700000	6.700000	6.700000	6.700000	6.700000
6.700000	6.700000	6.700000	6.700000	6.700000	6.700000
0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
\$36.636615	\$36.640685	\$36.876200	\$36.873305	\$36.851993	\$36.361800
36.819267	36.891593	36.629500	36.432447	36.509896	36.027700
<u>60.700000</u>	<u>60.700000</u>	<u>60.700000</u>	<u>60.700000</u>	<u>60.700000</u>	<u>60.700000</u>
\$41.636615	\$41.640685	\$41.876200	\$41.873305	\$41.851993	\$41.361800
41.819267	41.891593	41.629500	41.432447	41.509896	41.027700
<u>65.700000</u>	<u>65.700000</u>	<u>65.700000</u>	<u>65.700000</u>	<u>65.700000</u>	<u>65.700000</u>
<u>\$42.211751</u>	<u>\$42.195713</u>	<u>\$42.355541</u>	<u>\$42.304627</u>	<u>\$42.255660</u>	<u>\$41.726218</u>

(continued)

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

	2021	2020	2019	2018
Overlapping Rates by Taxing District				
City of North Royalton				
Effective Millage Rates				
Residential/Agricultural	\$6.425633	\$6.427938	\$6.428721	\$6.837788
Commercial/Industrial	6.865908	6.803637	6.768702	7.346033
Tangible/Public Utility Personal	8.200000	8.200000	8.200000	8.200000
City of Broadview Heights				
Effective Millage Rates				
Residential/Agricultural	9.859300	9.858712	9.860572	9.296033
Commercial/Industrial	10.215645	10.269764	10.249413	9.716059
Tangible/Public Utility Personal	12.520000	12.520000	12.520000	11.820000
Cuyahoga County				
Effective Millage Rates				
Residential/Agricultural	14.006317	12.801150	12.797318	13.914095
Commercial/Industrial	14.303665	13.230331	13.077038	14.006049
Tangible/Public Utility Personal	14.850000	14.050000	14.050000	14.050000
Cuyahoga County Public Library				
Effective Millage Rates				
Residential/Agricultural	3.263570	2.259417	2.259610	2.475507
Commercial/Industrial	3.390252	2.379825	2.369117	2.498725
Tangible/Public Utility Personal	3.500000	2.500000	2.500000	2.500000
Cuyahoga Valley Career Center				
Effective Millage Rates				
Residential/Agricultural	2.000000	2.000000	2.000000	2.000000
Commercial/Industrial	2.000000	2.000000	2.000000	2.000000
Tangible/Public Utility Personal	2.000000	2.000000	2.000000	2.000000
Cleveland Metro Parks				
Effective Millage Rates				
Residential/Agricultural	2.484851	2.479656	2.482653	2.718302
Commercial/Industrial	2.580795	2.574669	2.541737	2.740335
Tangible/Public Utility Personal	2.750000	2.750000	2.750000	2.750000
Cuyahoga Community College				
Effective Millage Rates				
Residential/Agricultural	4.512099	4.503539	4.102322	4.456854
Commercial/Industrial	4.648810	4.639787	4.191122	4.486046
Tangible/Public Utility Personal	4.900000	4.900000	4.500000	4.500000
Cuyahoga County Port Authority				
Effective Millage Rates				
Residential/Agricultural	0.103225	0.102981	0.102946	0.113078
Commercial/Industrial	0.110169	0.109904	0.108473	0.117141
Tangible/Public Utility Personal	0.130000	0.130000	0.130000	0.130000

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

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

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

Source: Ohio Department of Taxation

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

N/A - Information not available

2017	2016	2015	2014	2013	2012
\$6.020467	\$6.019556	\$6.051800	\$6.049129	\$6.045118	\$5.917500
6.847350	6.857472	6.813000	6.748199	6.769300	6.621800
8.200000	8.200000	8.200000	8.200000	8.200000	8.200000
9.295401	9.295845	7.908300	7.326583	7.325470	6.316400
9.704730	9.757407	8.308200	7.791766	7.796454	6.786000
11.820000	11.820000	10.400000	10.400000	10.400000	9.400000
13.880201	13.869781	14.050000	14.050000	13.220000	13.118200
14.012362	14.050000	14.019500	13.949465	12.996761	12.784600
14.050000	14.050000	14.050000	14.050000	13.220000	13.220000
2.470717	2.469462	2.500000	2.500000	2.500000	2.500000
2.496887	2.500000	2.500000	2.500000	2.500000	2.500000
2.500000	2.500000	2.500000	2.500000	2.500000	2.500000
2.000000	2.000000	2.000000	2.000000	2.000000	2.000000
2.000000	2.000000	2.000000	2.000000	2.000000	2.000000
2.000000	2.000000	2.000000	2.000000	2.000000	2.000000
2.711249	2.711903	2.750000	2.750000	1.850000	1.818800
2.741624	2.750000	2.736800	2.704560	1.791705	1.735400
2.750000	2.750000	2.750000	2.750000	1.850000	1.850000
3.946094	3.942787	4.000000	3.100000	3.100000	3.082000
3.988050	4.000000	3.990600	3.069066	3.060605	3.023200
4.000000	4.000000	4.000000	3.100000	3.100000	3.100000
0.112770	0.112676	0.114300	0.113900	0.113492	0.103300
0.117200	0.117551	0.112700	0.110629	0.109828	0.106300
0.130000	0.130000	0.130000	0.130000	0.130000	0.130000

North Royalton City School District

Property Tax Levies and Collections (1)

Last Ten Years

Collection Year	Current Tax Levy	Current Tax Collections	Percent of Current Tax Collections to Current Tax Levy	Delinquent Tax Collections (2)(3)	Total Tax Collections	Percent of Total Tax Collections to Current Tax Levy
2021	\$51,275,915	\$50,194,628	97.89%	\$940,196	\$51,134,824	99.72%
2020	51,107,505	49,963,256	97.76	791,339	50,754,595	99.31
2019	52,428,366	51,500,435	98.23	877,437	52,377,872	99.90
2018	48,647,803	47,773,043	98.20	854,830	48,627,873	99.96
2017	45,173,479	44,282,165	98.03	812,202	45,094,367	99.82
2016	44,784,797	43,937,400	98.11	747,917	44,685,317	99.78
2015	44,318,981	42,961,440	96.94	1,030,408	43,991,848	99.26
2014	43,938,040	42,329,613	96.34	893,328	43,222,941	98.37
2013	43,594,921	42,101,571	96.57	907,281	43,008,852	98.66
2012	44,113,787	42,901,802	97.25	938,240	43,840,042	99.38

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

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

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

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

North Royalton City School District

Principal Taxpayers

Real Estate Tax

2021 and 2012

Name of Taxpayer	2021	
	Assessed Value	Percent of Real Property Assessed Value
MYM Apartments	\$14,694,200	1.25 %
Spruce Lake, LTD	8,652,080	0.74
Hampton Club, LTD	7,931,320	0.67
Royalton Place	6,165,150	0.52
I&J Associates, LTD	4,298,910	0.37
Pine Forest Apartments	3,785,570	0.32
Deer Creek Apartments, LTD	3,784,410	0.32
Oak Brook Garden Apartments	3,747,080	0.32
Broadview Heights Senior Living, LLC	3,607,590	0.31
MCI Telecommunications Corporation	3,327,390	0.28
Total	\$59,993,700	5.10 %
Total Real Estate Assessed Valuation	\$1,177,001,730	

Name of Taxpayer	2012	
	Assessed Value	Percent of Real Property Assessed Value
Spruce Lake, LTD	\$7,629,760	0.73 %
Hampton Club, LTD	7,163,330	0.69
JVM Royal Oaks Apartments, LLC	6,557,600	0.63
JVM Dover Farms Apartments, LLC	5,565,010	0.54
I&J Associates, LTD	3,539,870	0.34
Deer Creek Apartments, LTD	3,360,010	0.32
Oak Brook Garden Apartments	3,243,600	0.31
Diplomate Land Holdings	3,213,010	0.31
Pine Forest Apartments	3,202,500	0.31
Shadow Creek Enterprises, LTD	2,819,540	0.27
Total	\$46,294,230	4.45 %
Total Real Estate Assessed Valuation	\$1,040,225,620	

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

North Royalton City School District

Principal Taxpayers

Public Utilities Tax

2021 and 2012

Name of Taxpayer	2021	
	Assessed Value	Percent of Public Utility Assessed Value
Cleveland Electric Illuminating Company	\$18,235,840	58.66 %
American Transmission System	7,314,900	23.53
Columbia Gas of Ohio, Incorporated	3,795,950	12.21
Ohio Edison Company	1,080,270	3.47
East Ohio Gas Company	654,690	2.11
Knox Energy Cooperative Association, Incorporated	7,670	0.02
Total	\$31,089,320	100.00 %
Total Public Utility Valuation	\$31,089,320	
Name of Taxpayer	2012	
	Assessed Value	Percent of Public Utility Assessed Value
Cleveland Electric Illuminating Company	\$13,277,470	74.18 %
Columbia Gas of Ohio, Incorporated	2,237,230	12.50
American Transmission System	118,580	0.66
Total	\$15,633,280	87.34 %
Total Public Utility Valuation	\$17,900,300	

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

North Royalton City School District

Computation of Direct and Overlapping

Governmental Activities Debt

June 30, 2021

	<u>Governmental Activities Debt Outstanding</u>	<u>Percentage Applicable to School District (1)</u>	<u>Amount of Direct and Overlapping Debt</u>
Direct:			
North Royalton City School District:			
General Obligation Bonds	\$93,780,508	100.00%	\$93,780,508
Certificates of Participation	<u>2,520,000</u>	100.00	<u>2,520,000</u>
Total Direct	<u>96,300,508</u>	100.00	<u>96,300,508</u>
Overlapping:			
City of North Royalton:			
General Obligation Bonds	11,464,058	98.79	11,325,343
Special Assessment Bonds	605,000	98.79	597,680
Energy Conservation Bonds	2,750,000	98.56	2,710,400
OPWC Loans	1,446,183	98.79	1,428,684
Police and Fire Pension	85,290	98.79	84,258
Capital Lease Obligations	1,110,966	98.79	1,097,523
City of Broadview Heights:			
General Obligation Bonds	13,605,273	34.97	4,757,764
Special Assessment Bonds	1,350,265	34.97	472,188
OWDA Loans	26,887	34.97	9,402
OPWC Loans	3,190,258	34.97	1,115,633
Capital Lease Obligations	565,322	34.97	197,693
Cuyahoga County:			
General Obligation Bonds	279,060,534	3.51	9,795,025
Revenue Bonds	496,276,119	3.51	17,419,292
Certificates of Participation	210,750,127	3.51	7,397,329
OPWC Loans	1,285,374	3.51	45,117
Capital Lease Obligations	279,007,698	3.51	9,793,170
Regional Transit Authority:			
Revenue Bonds	<u>125,563,677</u>	3.51	<u>4,407,285</u>
Total Overlapping	<u>1,428,143,031</u>		<u>72,653,786</u>
Total	<u>\$1,524,443,539</u>		<u>\$168,954,294</u>

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

(1) Percentages were determined by dividing the assessed valuation of the political subdivision located within the boundaries of the School District by the total assessed valuation of the subdivision. The valuations used were for the 2020 collection year.

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

Fiscal Year	General Bonded Debt			Other	Total Debt
	Gross Bonded Debt (1)	Ratio of Bonded Debt to Estimated Actual Value (2)	Bonded Debt per Capita (3)	Certificates of Participation	
2021	\$93,780,508	2.76 %	\$2,994	\$2,520,000	\$96,300,508
2020	95,811,082	2.83	3,147	2,615,000	98,426,082
2019	97,816,657	2.90	3,213	2,587,172	100,403,829
2018	100,849,636	3.32	3,313	2,655,680	103,505,316
2017	4,322,025	0.14	142	2,719,188	7,041,213
2016	6,401,646	0.21	210	2,787,696	9,189,342
2015	8,426,266	0.29	277	2,851,203	11,277,469
2014	10,555,354	0.36	347	2,909,711	13,465,065
2013	12,135,528	0.42	399	2,973,219	15,108,747
2012	12,768,835	0.43	419	3,026,727	15,795,562

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

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

(3) The population can be found on S24

(4) The personal income can be found on S24

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

Ratio of General Debt to Personal Income (4)	General Debt per Capita (3)
7.45 %	\$3,075
10.13	3,233
10.34	3,298
10.66	3,400
0.73	231
0.95	302
1.16	370
1.39	442
1.56	496
1.63	519

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

	2021	2020	2019	2018
Residential/Agricultural Real Property	\$1,008,393,110	\$1,004,644,410	\$998,071,280	\$905,176,150
Commercial/Industrial Real Property	168,608,620	170,376,430	170,905,740	147,442,070
Public Utility Tangible	31,089,320	29,075,240	27,295,140	26,107,970
Assessed Valuation	<u>\$1,208,091,050</u>	<u>\$1,204,096,080</u>	<u>\$1,196,272,160</u>	<u>\$1,078,726,190</u>
Debt Limit - 9% of Assessed Value (2)	\$108,728,195	\$108,368,647	\$107,664,494	\$97,085,357
Amount of Debt Outstanding				
Certificates of Participation	2,520,000	2,615,000	2,620,000	2,690,000
General Obligation Bonds	84,990,000	86,695,000	88,375,000	91,030,000
Less Amount Available in Debt Service	<u>(8,338,263)</u>	<u>(8,452,998)</u>	<u>(9,666,012)</u>	<u>(10,977,047)</u>
Total	79,171,737	80,857,002	81,328,988	82,742,953
Exemptions:				
Certificates of Participation	<u>(2,520,000)</u>	<u>(2,615,000)</u>	<u>(2,620,000)</u>	<u>(2,690,000)</u>
Amount of Debt Subject to Limit	<u>76,651,737</u>	<u>78,242,002</u>	<u>78,708,988</u>	<u>80,052,953</u>
Overall Debt Margin	<u>\$32,076,458</u>	<u>\$30,126,645</u>	<u>\$28,955,506</u>	<u>\$17,032,404</u>
Legal Debt Margin as a Percentage of Debt Limit	29.50%	27.80%	26.89%	17.54%
Unvoted Legal Debt Limit - .10% of Assessed Value (2)	\$1,208,091	\$1,204,096	\$1,196,272	\$1,078,726
Amount of Debt Subject to Limit	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Unvoted Debt Margin	<u>\$1,208,091</u>	<u>\$1,204,096</u>	<u>\$1,196,272</u>	<u>\$1,078,726</u>
Unvoted Legal Debt Margin as a Percentage of the Unvoted Debt Limitation	100.00%	100.00%	100.00%	100.00%

Source: Cuyahoga County Fiscal Officer and School District Financial Records

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

2017	2016	2015	2014	2013	2012
\$900,907,390	\$896,397,400	\$877,428,500	\$871,126,480	\$867,571,890	\$890,386,710
144,093,270	139,499,910	143,485,140	142,923,040	142,989,250	149,838,910
24,467,500	22,972,440	22,479,140	21,388,440	19,486,420	17,900,300
<u>\$1,069,468,160</u>	<u>\$1,058,869,750</u>	<u>\$1,043,392,780</u>	<u>\$1,035,437,960</u>	<u>\$1,030,047,560</u>	<u>\$1,058,125,920</u>
\$96,252,134	\$95,298,278	\$93,905,350	\$93,189,416	\$92,704,280	\$95,231,333
2,755,000	2,825,000	2,890,000	2,950,000	3,015,000	3,070,000
4,205,000	6,220,000	8,180,000	9,870,000	11,295,000	12,675,000
(3,172,156)	(3,665,280)	(3,920,663)	(3,775,408)	(3,728,727)	(3,747,744)
3,787,844	5,379,720	7,149,337	9,044,592	10,581,273	11,997,256
(2,755,000)	(2,825,000)	(2,890,000)	(2,950,000)	(3,015,000)	(3,070,000)
1,032,844	2,554,720	4,259,337	6,094,592	7,566,273	8,927,256
<u>\$95,219,290</u>	<u>\$92,743,558</u>	<u>\$89,646,013</u>	<u>\$87,094,824</u>	<u>\$85,138,007</u>	<u>\$86,304,077</u>
98.93%	97.32%	95.46%	93.46%	91.84%	90.63%
\$1,069,468	\$1,058,870	\$1,043,393	\$1,035,438	\$1,030,048	\$1,058,126
0	0	0	0	0	0
<u>\$1,069,468</u>	<u>\$1,058,870</u>	<u>\$1,043,393</u>	<u>\$1,035,438</u>	<u>\$1,030,048</u>	<u>\$1,058,126</u>
100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

North Royalton City School District

Demographic and Economic Statistics

Last Ten Years

<u>Year</u>	<u>Estimated Population</u>	<u>Total Personal Income</u>	<u>Personal Income Per Capita</u>	<u>Median Household Income</u>	<u>Median Age</u>
2021	31,322	\$1,291,969,856	\$41,248	\$70,665	43.60
2020	30,444	971,194,044	31,901	61,954	38.60
2019	30,444	971,194,044	31,901	61,954	38.60
2018	30,444	971,194,044	31,901	61,954	38.60
2017	30,444	971,194,044	31,901	61,954	38.60
2016	30,444	971,194,044	31,901	61,954	38.60
2015	30,444	971,194,044	31,901	61,954	38.60
2014	30,444	971,194,044	31,901	61,954	38.60
2013	30,444	971,194,044	31,901	61,954	38.60
2012	30,444	971,194,044	31,901	61,954	38.60

Source: U.S. Census Bureau
2021, 2020 Census
2012-2020, 2010 Census

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

Median Value of Residential Property	Cuyahoga County Unemployment Rate	Total Assessed Property Value
\$208,600	7.1 %	\$1,208,091,050
199,200	15.2	1,204,096,080
199,200	4.1	1,196,272,160
199,200	4.9	1,078,726,190
199,200	5.4	1,069,468,160
199,200	5.6	1,058,869,750
199,200	6.7	1,043,392,780
199,200	7.9	1,035,437,960
199,200	8.0	1,030,047,560
199,200	8.2	1,058,125,920

North Royalton City School District

Principal Employers

June 30, 2021 and December 31, 2012

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

2012		
Employer	Nature of Business or Activity	Percentage of Income Tax Withholding
North Royalton City School District	Public Education	4.61 %
City of North Royalton	Municipal Government	2.10
NCC Solutions, Incorporated	Developmental Learning Center	0.73
Riser Foods Company/DBA	Grocery Store	0.71
Diplomate Healthcare, LLC	Rehabilitation Center	0.69
I & MJ Gross Company	Owner Developer	0.62
Valley Tool and Die	Machine Fasteners	0.58
Cuyahoga County Fiscal Office	County Government	0.52
Laszeray Technology, Incorporated	Advanced Manufacturing	0.52
Royal Wire Products	Manufacturer	0.45
Total		<u>11.53 %</u>
Total Employment within the School District		<u>N/A</u>

Source: City of North Royalton, Ohio

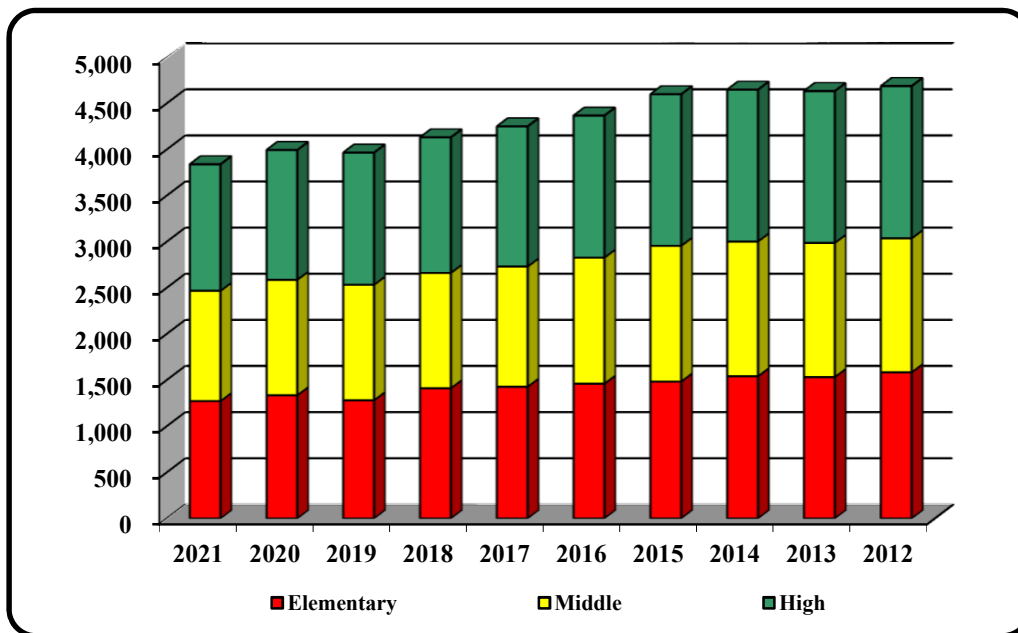
N/A - Information not available

North Royalton City School District

Enrollment Statistics

Last Ten Fiscal Years

Fiscal Year	Elementary Schools (1)	Middle School	High School	Total
2021	1,271	1,195	1,372	3,838
2020	1,334	1,252	1,407	3,993
2019	1,280	1,252	1,433	3,965
2018	1,410	1,250	1,470	4,130
2017	1,426	1,303	1,520	4,249
2016	1,459	1,367	1,540	4,366
2015	1,482	1,472	1,643	4,597
2014	1,539	1,462	1,646	4,647
2013	1,531	1,455	1,646	4,632
2012	1,583	1,453	1,651	4,687



Source: North Royalton City School Records

(1) Enrollment includes Kindergarten students

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

	2021	2020	2019	2018
Albion Elementary School				
Constructed in 1955				
Total Building Square Footage	45,405	45,405	45,405	45,405
Enrollment Grades K - 4	474	490	477	484
Student Capacity	476	476	476	476
Regular Instruction Classrooms	20	20	20	20
Regular Instruction Teachers	25	26	22	22
Special Instruction Classrooms	2	2	2	2
Special Instruction Teachers	4	4	4	4
Royal View Elementary School				
Constructed in 1965				
Total Building Square Footage	48,460	48,460	48,460	48,460
Enrollment Grades K - 4	400	426	405	500
Student Capacity	525	525	525	525
Regular Instruction Classrooms	17	17	17	17
Regular Instruction Teachers	22	21	20	20
Special Instruction Classrooms	2	2	2	2
Special Instruction Teachers	10	10	10	10
Valley Vista Elementary School				
Constructed in 1959				
Total Building Square Footage	42,536	42,536	42,536	42,536
Enrollment Grades K - 4	397	418	398	426
Student Capacity	426	426	426	426
Regular Instruction Classrooms	17	17	17	17
Regular Instruction Teachers	22	22	23	23
Special Instruction Classrooms	2	2	2	2
Special Instruction Teachers	2	2	2	2
North Royalton Middle School				
Constructed in 1996				
Total Building Square Footage	242,400	242,400	242,400	242,400
Enrollment Grades 5 - 8	1,195	1,252	1,252	1,250
Student Capacity	1,300	1,300	1,300	1,300
Regular Instruction Classrooms	64	64	64	64
Regular Instruction Teachers	71	70	76	76
Special Instruction Classrooms	11	11	11	11
Special Instruction Teachers	12	11	11	11
High School				
Constructed in 1950				
Total Building Square Footage	260,900	260,900	260,900	260,900
Enrollment Grades 9 - 12	1,372	1,407	1,433	1,470
Student Capacity	1,480	1,480	1,480	1,480
Regular Instruction Classrooms	66	66	66	66
Regular Instruction Teachers	66	66	72	72
Special Instruction Classrooms	10	10	10	10
Special Instruction Teachers	11	11	10	10

Source: North Royalton City School District Records

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

2017	2016	2015 (1)	2014	2013	2012
45,405	45,405	45,405	45,405	45,405	45,405
496	479	408	391	382	437
476	476	476	476	476	476
20	20	18	18	18	18
20	20	18	18	18	18
2	2	3	3	3	3
3	3	3	3	3	3
48,460	48,460	48,460	48,460	48,460	48,460
494	529	397	392	414	441
525	525	525	525	525	525
17	17	25	25	25	25
17	17	25	25	25	25
2	2	3	3	3	3
4	4	3	3	3	3
42,536	42,536	42,536	42,536	42,536	42,536
436	451	401	406	421	390
426	426	426	426	426	426
17	17	18	18	18	18
17	17	18	18	18	18
2	2	2	2	2	2
2	2	2	2	2	2
242,400	242,400	242,400	242,400	242,400	242,400
1,303	1,367	1,472	1,462	1,455	1,453
1,300	1,300	1,300	1,300	1,300	1,300
54	54	64	64	64	64
54	54	64	64	64	64
4	4	10	10	10	10
8	8	10	10	10	10
260,900	260,900	260,900	260,900	260,900	260,900
1,520	1,540	1,643	1,646	1,646	1,651
1,480	1,480	1,480	1,480	1,480	1,480
66	66	64	64	64	64
72	72	64	64	64	64
9	9	9	9	9	9
10	10	9	9	9	9

North Royalton City School District

Per Pupil Cost

Last Ten Fiscal Years

Fiscal Year	Student Enrollment		General Governmental	
	Average Enrollment	Percentage of Change	Total Expenditures (1)	Per Pupil Cost
2021	3,838	(3.88) %	\$91,958,134	\$23,960
2020	3,993	0.71	99,210,849	24,846
2019	3,965	(4.00)	65,788,618	16,592
2018	4,130	(2.80)	57,069,336	13,818
2017	4,249	(2.68)	54,138,071	12,741
2016	4,366	(5.03)	52,545,760	12,035
2015	4,597	(1.08)	52,714,383	11,467
2014	4,647	0.32	52,199,040	11,233
2013	4,632	(1.17)	52,088,549	11,245
2012	4,687	0.77	53,689,354	11,455

Source: School District Records
Ohio Department of Education

(1) Debt Service totals have been excluded.

Governmental Activities		Food Service Operations	
Total Expenses (1)	Per Pupil Cost	Number of Students Receiving Free or Reduced Lunch	Percentage of Free or Reduced Lunches to Total Enrollment
\$62,648,357	\$16,323	3,838	100.00 %
60,980,683	15,272	603	15.10
48,684,673	12,279	572	14.43
31,169,861	7,547	614	14.87
57,547,038	13,544	663	15.60
52,554,905	12,037	738	16.90
52,498,646	11,420	775	16.86
53,127,065	11,433	729	15.69
53,018,188	11,446	752	16.23
53,617,488	11,440	831	17.73

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

Function/Program	2021	2020	2019	2018
Regular Instruction				
Elementary Classroom Teachers	69	70	71	70
Middle School Classroom Teachers	71	70	72	76
High School Classroom Teachers	66	66	69	72
Special Instruction				
Small Group Instructors	5	5	5	6
Elementary Classroom Teachers	16	16	16	16
Gifted Education Teachers	3	3	3	3
Middle School Classroom Teachers	12	11	11	11
High School Classroom Teachers	11	11	10	10
Vocational Instruction				
High School Classroom Teachers	0	0	0	0
Pupil Support Services				
Guidance Counselors	11	10	11	11
Media Specialists	2	2	2	2
Psychologists	6	6	6	5
Speech and Language Pathologists	5	5	5	5
Administrators				
Elementary	4	3	3	3
Middle School	4	4	4	4
High School	4	4	4	4
Districtwide	7	8	7	7
Total Certificated Staff	296	294	299	305
Support Staff				
Elementary Schools	51	55	57	56
Middle School	42	44	44	47
High School	43	46	48	49
Districtwide	85	83	81	80
Total Support Staff	221	228	230	232
Total Staffing	517	522	529	537

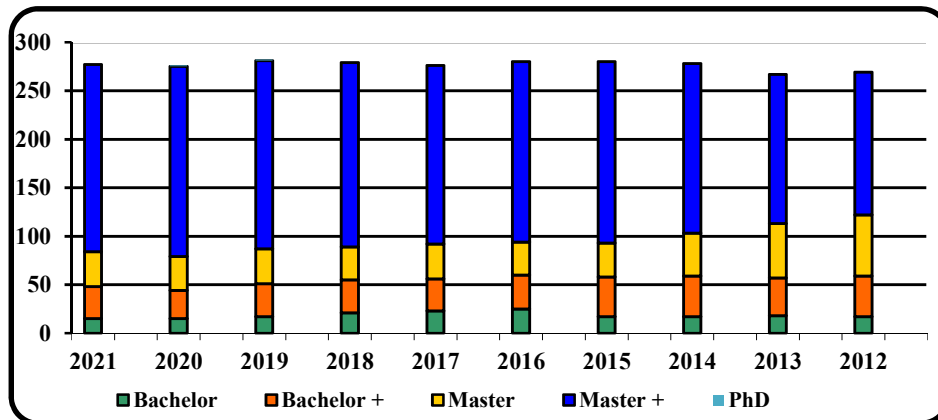
Method: Using 1.0 for each full-time employee at fiscal year end.

Source: North Royalton City School District Records

2017	2016	2015	2014	2013	2012
71	71	75	75	79	81
76	74	73	74	76	76
73	73	76	75	72	73
6	7	8	8	8	7
15	14	14	14	14	14
3	3	3	3	3	3
11	11	11	11	11	10
10	10	9	9	9	10
0	0	0	0	2	2
11	11	11	11	11	11
2	2	2	2	1	2
5	5	5	5	5	5
5	5	5	5	5	5
3	3	4	4	4	4
4	4	4	3	3	3
4	4	4	4	4	4
7	7	6	7	6	6
<u>306</u>	<u>304</u>	<u>310</u>	<u>310</u>	<u>313</u>	<u>316</u>
57	57	65	66	66	66
50	50	50	49	48	48
53	53	51	50	49	52
82	82	82	83	84	84
<u>242</u>	<u>242</u>	<u>248</u>	<u>248</u>	<u>247</u>	<u>250</u>
<u>548</u>	<u>546</u>	<u>558</u>	<u>558</u>	<u>560</u>	<u>566</u>

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

Degree	2021	2020	2019	2018
Bachelor	15	15	17	21
Bachelor +6	8	7	7	5
Bachelor +12	8	4	6	7
Bachelor +18	2	4	3	2
Bachelor +24	3	3	4	4
Bachelor +30	12	11	14	16
Master	36	35	36	34
Master +6	15	17	30	38
Master +12	53	58	53	49
Master +18	49	46	47	42
Master +24	27	29	22	19
Master +30	16	12	9	9
Master +36	5	8	7	6
Master +42	7	8	7	7
Master +48	21	18	19	20
PhD	0	0	0	0
Total	277	275	281	279

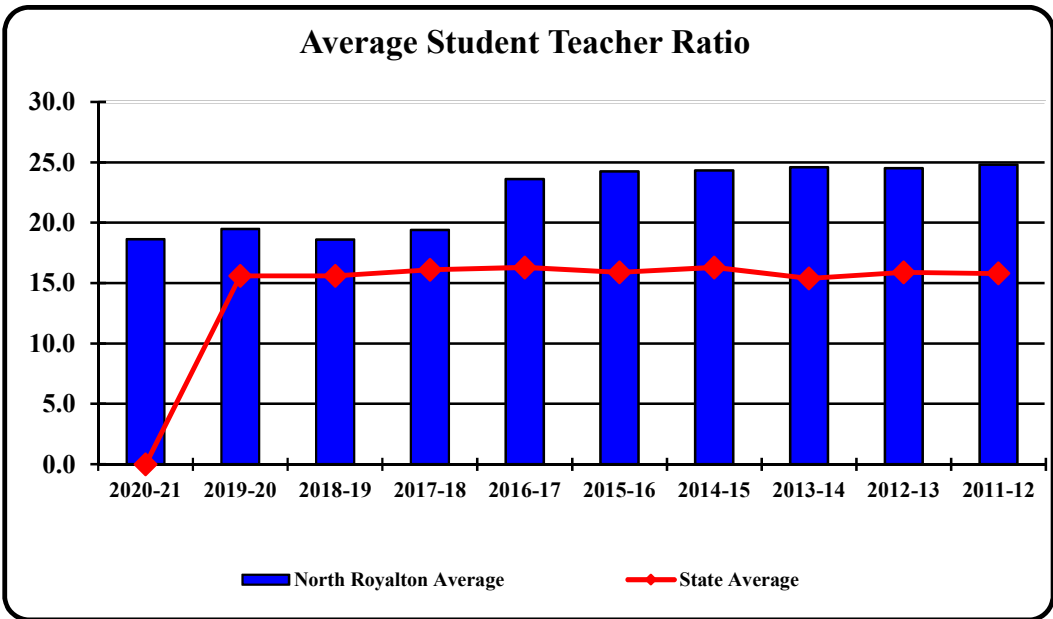


Source: School District Records

2017	2016	2015	2014	2013	2012
23	25	17	17	18	17
7	4	6	6	5	6
4	8	6	8	4	3
1	1	2	4	4	8
5	4	5	4	4	3
16	18	22	20	22	22
36	34	35	44	56	63
34	34	41	53	50	47
55	62	63	44	38	39
40	36	33	30	27	26
15	12	11	9	11	9
8	9	8	12	6	8
8	8	9	6	8	5
5	7	6	5	4	5
19	18	16	16	10	8
0	0	0	0	1	1
<u>276</u>	<u>280</u>	<u>280</u>	<u>278</u>	<u>268</u>	<u>270</u>

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

Fiscal Year	North Royalton Average	State Average
2021	18.6	N/A
2020	19.5	15.6
2019	18.6	15.6
2018	19.4	16.1
2017	23.6	16.3
2016	24.3	15.9
2015	24.3	16.3
2014	24.6	15.4
2013	24.5	15.9
2012	24.8	15.8



Source: School District Records

N/A: Not Available

OHIO AUDITOR OF STATE KEITH FABER



NORTH ROYALTON CITY SCHOOL DISTRICT

CUYAHOGA COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

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



Certified for Release 1/18/2022

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