



OHIO AUDITOR OF STATE  
**KEITH FABER**





HIGHLAND LOCAL SCHOOL DISTRICT  
MEDINA COUNTY

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**HIGHLAND LOCAL SCHOOL DISTRICT  
MEDINA COUNTY**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2022**

<b>Federal Grantor/ Pass Through Grantor/ Program Title</b>	<b>Federal Assistance Listing Number</b>	<b>Expenditures</b>
<b><u>U.S. DEPARTMENT OF EDUCATION</u></b>		
<i>Passed Through the Ohio Department of Education:</i>		
Title I Grants to Local Educational Agencies	84.010	\$16,471
		<u>106,652</u>
Total Title I Grants to Local Educational Agencies		123,123
Supporting Effective Instruction State Grant (formerly Improving Teacher Quality State Grants)	84.367	8,919
		<u>46,965</u>
Total Supporting Effective Instruction State Grant		55,884
<u>Special Education Cluster</u>		
Special Education - Grants to States	84.027	108,712
		<u>511,108</u>
Total Special Education -Grants to States		619,820
Special Education - Preschool Grants	84.173	15,165
		<u>634,985</u>
Total Special Education Cluster		634,985
Student Support and Academic Enrichment Program	84.424	10,615
COVID-19 Education Stabilization Fund	84.425D	136,209
		<u>368,791</u>
Total Education Stabilization Fund		505,000
<i>Passed through the Educational Service Center of Northeast Ohio</i>		
English Language Acquisition State Grants	84.365	96
		<u>2,583</u>
Total English Language Acquisition State Grants		2,679
<b>Total U.S. Department of Education</b>		<b><u>1,332,286</u></b>
<b><u>U.S. DEPARTMENT OF AGRICULTURE</u></b>		
<i>Passed Through the Ohio Department of Education:</i>		
<u>Child Nutrition Cluster:</u>		
National School Lunch Program	10.555	1,209,934
COVID-19 - National School Lunch Program		77,875
Non-Cash Assistance		<u>78,889</u>
Total National School Lunch Program		1,366,698
School Breakfast Program	10.553	164,991
Summer Food Service Program for Children	10.559	126,469
		<u>1,658,158</u>
Total Child Nutrition Cluster		1,658,158
COVID-19 State Pandemic Electronic Benefit Transfer Administrative Costs Grants	10.649	614
		<u>1,658,772</u>
<b>Total U.S. Department of Agriculture</b>		<b>1,658,772</b>
<b>Total</b>		<b><u><u>\$2,991,058</u></u></b>

The accompanying notes are an integral part of this schedule.

**HIGHLAND LOCAL SCHOOL DISTRICT  
MEDINA COUNTY**

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
2 CFR 200.510(b)(6)  
FOR THE YEAR ENDED JUNE 30, 2022**

**NOTE A – BASIS OF PRESENTATION**

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of Highland Local School District (the District) under programs of the federal government for the year ended June 30, 2022. 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 or changes in net position of the District.

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

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

**NOTE C – INDIRECT COST RATE**

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

**NOTE D - CHILD NUTRITION CLUSTER**

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

**NOTE E – FOOD DONATION PROGRAM**

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

# 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

Highland Local School District  
Medina County  
3880 Ridge Road  
Medina, Ohio 44256

To the Board of Education:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Highland Local School District, Medina County, Ohio (the District) as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated January 31, 2023, wherein we noted the financial impact of COVID-19 and the continuing emergency measures which may impact subsequent periods of the District.

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

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

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

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

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***Report on Compliance and Other Matters***

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

***Purpose of This Report***

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



Keith Faber  
Auditor of State  
Columbus, Ohio

January 31, 2023



# OHIO AUDITOR OF STATE KEITH FABER



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

Highland Local School District  
Medina County  
3880 Ridge Road  
Medina, Ohio 44256

To the Board of Education:

### Report on Compliance for Each Major Federal Program

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

We have audited Highland Local School District's, Medina County, Ohio, (the District) compliance with the types of compliance requirements identified as subject to audit in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could have a direct and material effect on each of Highland Local School District's major federal programs for the year ended June 30, 2022. Highland Local School District's major federal programs are identified in the *Summary of Auditor's Results* section of the accompanying schedule of findings.

In our opinion, Highland Local School District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2022.

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

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

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

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

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

### ***Auditor's Responsibilities for the Audit of Compliance***

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

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

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

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

### **Report on Internal Control Over Compliance**

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

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

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

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

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

We have audited the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Highland Local School District, Medina County, Ohio (the District) as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements. We issued our (unmodified) report thereon dated January 31, 2023 wherein we noted the financial impact of COVID-19 and the continuing emergency measures which may impact subsequent periods of the District. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. The schedule is the responsibility of management and was derived from and relates directly to the underlying accounting and other records management used to prepare the basic financial statements. We subjected this schedule to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this schedule directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.



Keith Faber  
Auditor of State  
Columbus, Ohio

January 31, 2023

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**HIGHLAND LOCAL SCHOOL DISTRICT  
MEDINA COUNTY**

**SCHEDULE OF FINDINGS  
2 CFR § 200.515  
JUNE 30, 2022**

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

<b>(d)(1)(i)</b>	<b>Type of Financial Statement Opinion</b>	Unmodified
<b>(d)(1)(ii)</b>	<b>Were there any material weaknesses in internal control reported at the financial statement level (GAGAS)?</b>	No
<b>(d)(1)(ii)</b>	<b>Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?</b>	No
<b>(d)(1)(iii)</b>	<b>Was there any reported material noncompliance at the financial statement level (GAGAS)?</b>	No
<b>(d)(1)(iv)</b>	<b>Were there any material weaknesses in internal control reported for major federal programs?</b>	No
<b>(d)(1)(iv)</b>	<b>Were there any significant deficiencies in internal control reported for major federal programs?</b>	No
<b>(d)(1)(v)</b>	<b>Type of Major Programs' Compliance Opinion</b>	Unmodified
<b>(d)(1)(vi)</b>	<b>Are there any reportable findings under 2 CFR § 200.516(a)?</b>	No
<b>(d)(1)(vii)</b>	<b>Major Programs (list):</b>	<ul style="list-style-type: none"> <li>• Education Stabilization Fund, AL 84.425</li> <li>• Title I Grants to Local Educational Agencies, AL 84.010</li> </ul>
<b>(d)(1)(viii)</b>	<b>Dollar Threshold: Type A/B Programs</b>	Type A: > \$ 750,000 Type B: all others
<b>(d)(1)(ix)</b>	<b>Low Risk Auditee under 2 CFR § 200.520?</b>	Yes

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

None

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

None



# Annual Comprehensive Financial Report

*Fiscal Year Ended June 30, 2022*

**HIGHLAND LOCAL SCHOOLS**



3880 Ridge Road  
Medina, OH 44256

[HIGHLANDSCHOOLS.ORG](http://HIGHLANDSCHOOLS.ORG)

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# *Highland Local School District*

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Medina, Ohio

Annual Comprehensive Financial Report

Fiscal Year Ended June 30, 2022

Prepared By:  
Neil Barnes, CPA, Treasurer and  
Treasurer's Office Staff

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**Highland Local School District**  
**Annual Comprehensive Financial Report**  
**For the fiscal year ended June 30, 2022**

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**For the fiscal year ended June 30, 2022**

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**Highland Local School District**  
**Annual Comprehensive Financial Report**  
**For the fiscal year ended June 30, 2022**

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## INTRODUCTORY SECTION

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## ADMINISTRATIVE OFFICES

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Phone: 330-239-1901 / Fax: 330-239-7344  
Akron: 330-686-1901 / Cleveland/Hinckley: 330-278-2727  
[www.highlandschools.org](http://www.highlandschools.org)



January 31, 2023

Highland Board of Education Members and  
The Citizens of the Highland Local School District:

The Annual Comprehensive Financial Report (ACFR) of the Highland Local School District (the “School District”) is hereby submitted for the fiscal year ended June 30, 2022. This report, prepared by the Treasurer’s Office, includes financial statements, supplemental schedules, and other financial and statistical information to provide complete and full disclosure of all material financial aspects of the School District for fiscal year 2022.

The responsibility for both the accuracy of the data presented and the completeness and fairness of the presentation, including all disclosures, rests with the School District's management. To the best of our knowledge and belief, this ACFR and the enclosed data are accurate in all material respects and are reported in a manner designed to present fairly the financial position and results of operations of the various funds as well as the School District as a whole.

This ACFR, which includes an opinion from the Ohio Auditor of State, conforms to generally accepted accounting principles as set forth by the Governmental Accounting Standards Board (GASB), and is representative of the School District’s commitment to provide meaningful information to the citizens of the Highland Local School District.

Copies of this report will be distributed to Board of Education members, School District administrators, Financial Rating Services, and other interested parties upon request.

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.

## DESCRIPTION OF THE SCHOOL DISTRICT

Nestled among the rolling hills and extensive park system of Medina County, the School District’s stated mission is to guarantee that each learner reaches maximum potential by providing, in partnership with the community, a quality, progressive, educational program in a safe and dynamic life-long learning environment.

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**Catherine Aukerman, Superintendent**

Neil Barnes, CPA, Treasurer

Laurie Boedicker, Director of Curriculum & Instruction

Deborah Yorke, Director of Pupil Services

Dawn Marzano, Director of Communications

The sprawling 78-square mile School District is situated in the eastern portion of Medina County with a very small portion located in Summit County. The majority of the students educated by the School District reside in Granger, Hinckley, Sharon, and Montville Townships. The School District's boundaries also include small segments located in the City of Wadsworth, Copley Township, Medina Township, and Brunswick Hills Township. Interstates 71 and 271 and State Routes 18 and 94 provide easy access to the area. Major hospitals, Cleveland Hopkins International Airport, Akron-Canton Airport, and numerous institutions of higher learning are located within a forty-five minute drive. The School District's communities are predominantly rural residential. The socioeconomic status of residents generally ranges from middle to upper.

The Highland Local School District's core townships are rich in history. The lands were part of the Connecticut Western Reserve. Granger and Sharon Townships were laid out in 1816; Hinckley Township was formed in 1819. Each township was quick to recognize the importance of education to its children. The people agreed that the schoolhouse was a "thing of necessity."

Granger became a centralized school district in 1900, meaning that the one-room schoolhouses were abandoned for one central school. Granger continued to have a single township school district until 1950 when the Granger and Sharon Districts merged. In 1952, Hinckley was added to create the Highland Local School District.

The original Sharon, Granger, and Hinckley Elementary School buildings were constructed in 1922, 1929, and 1949, respectively. The 2020-2021 school year represented the final year of service for these buildings. In November 2017, the voters of the School District passed a \$63 million bond issue to construct three new elementary buildings and partially renovate the middle school. The new elementary buildings opened in September 2021 with the start of the 2021-2022 school year. The Highland Middle School building was constructed in 1958. Renovations and additions have been made to this building throughout the years in order to modernize and boost classroom space as enrollment increased. The award winning Highland High School building was opened in the fall of 2004. The building received the Outstanding Design award from the Council of Educational Facility Planners International and School Planning & Management magazine.

The School District provides a wide array of programs and services to students including instruction, support services, non-instructional services, and extracurricular activities. The instructional programs provide regular instruction from preschool through twelfth grade, special education for students with learning and other disabilities, and vocational education. Support services include pupil and staff support, school administration, fiscal and business services, maintenance of buildings and grounds, and pupil transportation. Non-instructional services include a food service operation for pupils, a latchkey program for before and after school child care, and community education activities. The extracurricular activities are designed to enhance the instructional experience for pupils and include student organizations and athletic activities.

As of June 30, 2022, the School District had 3,415 students enrolled in its five school buildings: Sharon Elementary, Granger Elementary, Hinckley Elementary, Highland Middle School housing grades 6 through 8, and Highland High School housing grades 9 through 12.

The School District also operates a bus garage, maintenance facility, and athletic facilities. In the summer of 2015, the School District opened a brand-new, state-of-the-art athletic complex that includes a field with all-purpose synthetic turf, eight lane running track, grandstands with a combined seating capacity of 5,000, field house, locker rooms, concessions, tennis courts, storage buildings, and expanded parking facilities.

Beginning in the early 1990's through 2007, the School District experienced significant increases in annual enrollment. From 2008 through 2017, the trend of relatively fewer new housing starts and increased alternative public school choice options led to a steadier, slightly decreasing student population. More recently, enrollment is trending upwards once again particularly in the southern portion of the School District where several large tracts of land in Sharon Township have been annexed into the City of Wadsworth allowing for higher density housing developments. It is anticipated that enrollment will continue to increase in the future as development continues.

### *A Legacy of Excellence*

Through the 2011-2012 school year, the School District had been rated "Excellent with Distinction" or "Excellent" by the Ohio Department of Education on its local report card for 13 consecutive years.

The Ohio Department of Education unveiled a revamped local report card format beginning with the 2012-2013 school year. Under this reporting system, school districts received letter grades on specified components. These components included achievement, progress, gap closing, graduation rate, K-3 literacy, and prepared for success (i.e. college and career readiness). These report cards continued to evidence that Highland's students achieve at a high level. For the 2018-2019 school year, the School District was one of only 31 districts in the entire State of Ohio to receive an overall letter grade of "A". The School District's performance index score placed it 26<sup>th</sup> out of Ohio's 608 public school districts. The 2019-2020 and 2020-2021 state report cards did not include grades or ratings due to the pandemic.

The Ohio Department of Education again modified the local report card format beginning with the 2021-2022 school year. The new report card includes a star rating system analyzing six areas: achievement, progress, early literacy, gap closing, graduation, and college, career, workforce, and military readiness. For 2021-2022, Highland was one of only 12 school districts in the State of Ohio to receive the highest score of 5 stars across all rated areas.

For the 10<sup>th</sup> consecutive year, Highland High School was recognized in the annual Best High Schools Rankings published by *US News & World Report*. For the 2021-2022 school year, Highland ranked an impressive 41<sup>st</sup> among Ohio's 750 high schools and 1,155<sup>th</sup> nationally out of nearly 18,000 high schools. The rankings are primarily based upon state proficiency test results, graduation rates, and college readiness. The School District's other buildings also scored highly in *US News & World Report's* first-ever ranking of public elementary and middle schools. Highland Middle School ranked 69<sup>th</sup> out of 1,224 middle schools in the State of Ohio while Hinckley, Granger, and Sharon Elementary Schools ranked 30<sup>th</sup>, 67<sup>th</sup>, and 148<sup>th</sup>, respectively, out of the 1,637 K-5 schools statewide.

Approximately 85% of Highland High School's most recent graduating class enrolled in either a four-year or a two-year college. Highland also boasts an average SAT score of 1110 and an average ACT score of 23.9, which are both above the national mean scores. Highland High School offers 43 Advanced Placement, Honors, and Third/Fourth Year World Language courses. Over 79% of participating Highland students scored a 3 or better on Advanced Placement tests during the 2021-2022 school year. College readiness for Highland High School graduates remains consistently high.

In December 2019, the School District's "Little Hornets" Preschool Program once again received the Five-Star Step Up to Quality Award from the State of Ohio ~ the highest rating attainable. Step Up to Quality is Ohio's rating system for learning and development programs. Participating programs can earn a one to five-star rating. Star ratings are awarded only to learning and development programs that exceed licensing standards and are committed to continuous improvement, the continuing education of teachers, the use of learning and development standards to support children's learning, as well as relationship-building with families and communities.

## **ORGANIZATION OF THE SCHOOL DISTRICT**

The Board of Education (the “Board”) of the School District is comprised of five members elected at large by the citizens of the School District. The Board serves as the taxing authority, contracting body, and policy maker for the School District. The Board is responsible for the adoption of the tax budget and the annual operating budget of the School District. The Board is a body politic and corporate, as defined by Section 3313.02 of the Ohio Revised Code, and has only those powers and authority conferred upon it by the Ohio Revised Code. Current members include Dr. Norman Christopher, President, Mr. Christopher Wolny, Vice President, Mr. Robert Kelly, Mr. Mike Houska, and Mrs. Melissa Schreiner.

The Superintendent is the chief executive officer of the School District and is responsible directly to the Board for all operations within the School District. Mrs. Catherine Aukerman was appointed Superintendent of the School District on August 1, 2008. She is currently employed under a five-year contract, which ends on July 31, 2026.

The Treasurer is the chief financial officer of the School District and is responsible directly to the Board for all financial operations, including but not limited to budgeting, investments, debt management, risk management, and capital asset inventory. The Treasurer also serves as Secretary to the Board. Mr. Neil Barnes was appointed to serve as the Treasurer effective August 1, 2010. He is currently employed under a five-year contract, which ends on July 31, 2024.

All other School District employees, with the exception of the Treasurer’s department, are responsible to the Superintendent and are employed by the Board upon the recommendation of the Superintendent.

## **REPORTING ENTITY**

The School District has reviewed its reporting entity definition in order to ensure conformance with applicable Governmental Accounting Standards Board (GASB) requirements. In evaluating how to define the School District for financial reporting purposes, management has considered all boards, funds, agencies, departments and organizations making up the Highland Local School District (the primary government).

Other governmental entities (i.e. Townships of Granger, Hinckley, Sharon, Montville, Brunswick Hills, Copley, and Medina and the City of Wadsworth) conducting business activities within School District boundaries are excluded from the accompanying financial statements. The School District’s Board does not appoint the boards/councils of those entities, nor are they fiscally dependent on the School District. The School District cannot legally access their resources, has no obligation to finance deficits or provide financial support, and is not obligated for their debts.

A complete discussion of the School District’s reporting entity is provided in Note 1 to the basic financial statements.

## **FINANCIAL INFORMATION**

The School District is required by Ohio law to complete a five-year financial forecast annually. This document is updated regularly and serves as a financial roadmap for the School District. The forecast is designed to provide the administration, Board of Education and the public a general indication of the probable future financial position of the School District based on information currently available to the School District. The forecast is a critical planning document for the School District. It is a necessary tool focusing discussion and attention on future financial needs while facilitating management’s strategic planning.

### ***Internal Accounting and Budgetary Control***

The School District's accounting system is organized on a "fund" basis. Each fund is a distinct self-balancing accounting entity. Reports for general governmental operations are presented on the modified accrual basis whereby revenues are recognized when measurable and available, and expenditures are recognized when goods and services are received.

The School District is responsible for establishing and maintaining an internal control structure designed to protect its assets from loss, theft or misuse. Furthermore, the accounting system must be adequate to allow for the preparation of basic financial statements in conformity with generally accepted accounting principles. In developing the School District's accounting system much consideration was given to the adequacy of internal accounting controls. Internal accounting controls are designed to provide reasonable, but not absolute, assurance regarding the safeguarding of assets against loss from unauthorized use or disposition and the reliability of financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance is based on the assumption that the cost of internal accounting controls should not exceed the benefits expected to be derived from their implementation. The valuation of costs and benefits requires estimates and judgments by management. As an additional safeguard, all employees are covered under an employee dishonesty provision of the School District's insurance policy and certain individuals in policy-making roles are covered by separate, higher limit performance and/or position bonds.

The School District utilizes a fully automated accounting system as well as an automated system for payroll. These systems, coupled with the manual auditing of receipts and each voucher prior to payment, help ensure that the financial information generated is both accurate and reliable.

At the beginning of each fiscal year, the Board of Education adopts either a temporary appropriation measure or a permanent appropriation measure for that fiscal year. If a temporary appropriation measure is first adopted on or about July 1<sup>st</sup>, then a permanent appropriation measure must subsequently be adopted by October 1<sup>st</sup> of the fiscal year. The permanent appropriation measure may be amended by the Board throughout the fiscal year as necessary.

Annual appropriations may not exceed the County Budget Commission's official estimate of resources. The County Auditor must certify that the Board of Education's appropriation measures, including any supplements or amendments, do not exceed the amount set forth in the latest of those official estimates.

All disbursements and transfers of cash between funds require appropriation authority from the Board. Budgets are controlled at the fund level for all funds. All purchase order requests must be approved by the Superintendent and certified by the Treasurer. Following approval and certification, the necessary funds are then encumbered and purchase orders are released to vendors. Those requests that exceed the available appropriation are rejected until additional appropriations are secured.

The accounting system used by the School District provides interim financial reports which detail year-to-date expenditures and encumbrances versus the original appropriation plus any additional appropriations made to date. Administrators are furnished with monthly reports showing the status of the budget accounts for which they are responsible. In addition, an on-line inquiry system is available at each cost center site.

The basis of accounting and the various funds utilized by the Highland Local School District are fully described in Note 1 of the financial statements. Additional information on the School District's budgetary accounting can also be found in Note 3.

## **ECONOMIC CONDITION AND FUTURE OUTLOOK**

For the future, the School District's overall focus will be to continue to improve the educational program for the benefit of students, parents and community residents. The process involves assessing current programs, identifying strengths and weaknesses, developing and implementing new courses of action, and evaluating the results.

Easily accessible via interstate highways between the metropolitan areas of Akron and Cleveland, the School District offers a wealth of opportunity for cultural, social and economic resources for its residents. Three major state universities, The University of Akron, Kent State University and Cleveland State University, and numerous other small colleges and universities are within reasonable traveling distance from the community.

The townships within the School District offer an excellent opportunity for business growth. There exists a healthy, favorable environment with a relatively low tax rate for business establishments. The School District works cooperatively with the Medina County Economic Development Corporation to attract new businesses to the area. In recent years, the School District has realized increased activity in commercial development and new residential housing starts continue to occur each year. School District officials will continue to monitor the impact of the aforementioned annexation on its southern boundary and the resulting potential for enrollment increases.

In May 2011, the Highland community passed a 10-year Emergency Levy that generated in excess of \$4.6 million annually. This levy greatly contributed to the financial stability of the School District for a decade. In May 2021, voters approved a Substitute Levy that will replace the Emergency Levy for a continuous period of time. The new Substitute Levy generates the same amount of revenue in the initial year of collection, but also provides the opportunity for increased revenues in the future as new construction occurs within the School District.

As previously mentioned, in November 2017, voters approved a \$63 million bond levy to construct three new elementary schools and partially renovate the middle school. The School District issued school improvement notes totaling \$5.9 million in December 2017. These notes were paid off in June 2018. The School District then issued school improvement bonds totaling \$63 million in April and May 2018. Moody's Investors Service assigned a rating of Aa2 in relation to these debt issuances. The newly opened elementary buildings will make the District an even more attractive location for individuals and businesses.

In March 2020, the School District executed a refunding transaction in relation to the aforementioned school improvement bonds taking advantage of historically low interest rates. This transaction reduces debt service requirements by nearly \$21 million over the remaining term of the bonds.

The Board and school administration are committed to containing costs and maximizing revenues in an effort to extend the levy cycle as long as possible.

## **OTHER INFORMATION**

### *Independent Audit*

Provisions of state statute require the School District's financial statements to be subjected to a biannual examination by the Ohio Auditor of State unless an annual Single Audit is required, which is the case for the School District. The Ohio Auditor of State performed the audit of the School District for the year ended June 30, 2022. The auditor's unmodified opinion rendered on the School District's basic financial statements is included in the financial section of this Annual Comprehensive Financial Report.

### 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 the School District for its Annual Comprehensive Financial Report for the fiscal year ended June 30, 2021. The School District has submitted this report for consideration to the GFOA. The Certificate of Achievement is a prestigious national award, recognizing conformance with the highest standards for preparation of state and local government financial reports.

In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized Annual Comprehensive Financial Report, the contents of which conform to program standards. The ACFR 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 will conform to the high standards required by the Certificate of Achievement program.

### Additional Information

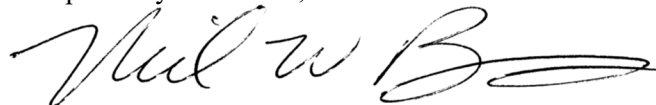
For a more in depth discussion of the financial condition of the Highland Local School District, please refer to the Management's Discussion and Analysis and the Notes to the Basic Financial Statements of the Annual Comprehensive Financial Report.

### Acknowledgments

My sincere appreciation and thanks are extended to the many individuals who made the preparation and publication of this Annual Comprehensive Financial Report a reality. This accomplishment would not have been possible without the support and efforts of the staff in the Treasurer's office and many other dedicated employees of the School District. In addition, sincere thanks are extended to the Medina County Auditor's office staff and other outside agencies whose efforts contributed to the fair presentation of the statistical data.

I would also like to extend my appreciation to the members of the Highland Board of Education for their leadership, commitment to excellence, and support. It is with great pride that the Highland Local School District presents the 2022 Annual Comprehensive Financial Report to the citizens and taxpayers of the School District.

Respectfully Submitted,

A handwritten signature in black ink, appearing to read "Neil W. Barnes". The signature is fluid and cursive, with a long horizontal stroke at the end.

Neil W. Barnes, CPA  
Treasurer

**Highland Local School District**  
**Public Officials Roster**  
**For the Fiscal Year Ended June 30, 2022**

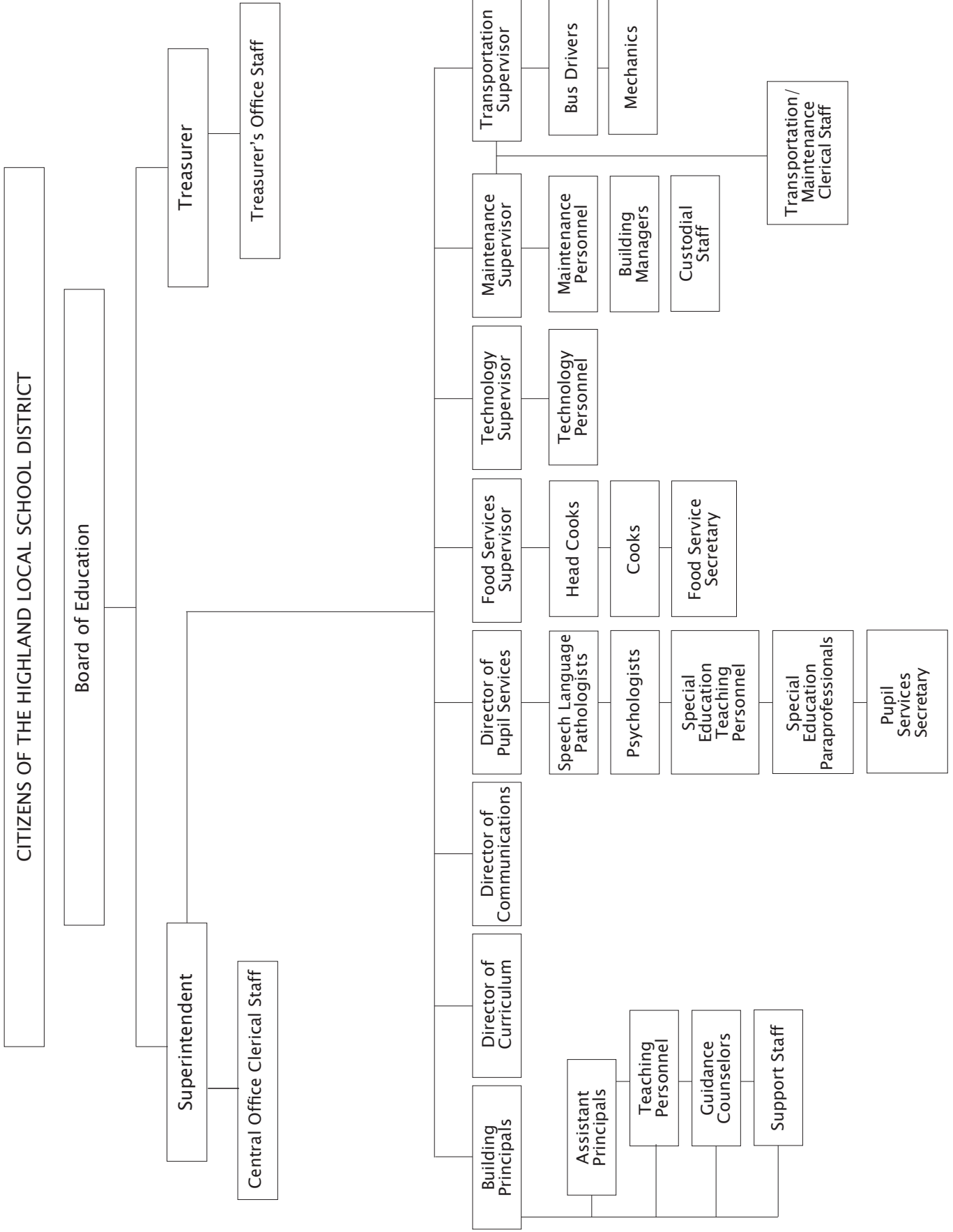
**Board of Education**

Dr. Norman Christopher	Board Member, President
Christopher Wolny	Board Member, Vice President
Robert Kelly	Board Member
Michael Houska	Board Member
Melissa Schreiner	Board Member

**Administration**

Catherine Aukerman	Superintendent
Neil Barnes, CPA	Treasurer
Deborah Yorko	Director of Pupil Services
Laurie Boedicker	Director of Curriculum and Instruction
Dawn Marzano	Director of Communications
Carrie Knapp	Highland High School Principal
Josh Backo	Highland High School Assistant Principal
Nick Ranallo	Highland High School Assistant Principal/Athletic Administrator
Rob Henry	Highland Middle School Principal
Michael James	Highland Middle School Assistant Principal
LeAnn Gausman	Granger Elementary School Principal
James Carpenter	Hinckley Elementary School Principal
Kathryn Kowza	Sharon Elementary School Principal
Beth Hall	Sharon Elementary School Assistant Principal
Evelyn Makarek	Food Services Supervisor
Roger Saffle	Technology Supervisor
Tod Davis	Maintenance Supervisor
Frank Lawrence	Transportation Supervisor







Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**Highland Local School District  
Ohio**

For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

June 30, 2021

*Christopher P. Morill*

Executive Director/CEO

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## FINANCIAL SECTION

**H**

# OHIO AUDITOR OF STATE KEITH FABER



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

## INDEPENDENT AUDITOR'S REPORT

Highland Local School District  
Medina County  
3880 Ridge Road  
Medina, Ohio 44256

To the Board of Education:

### Report on the Audit of the Financial Statements

#### ***Opinions***

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Highland Local School District, Medina County, Ohio (the District), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Highland Local School District, Medina County, Ohio as of June 30, 2022, and the respective changes in financial position thereof and the budgetary comparison for the General Fund for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

#### ***Basis for Opinions***

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

#### ***Emphasis of Matter***

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

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

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

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

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

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

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

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

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

***Required Supplementary Information***

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

***Supplementary information***

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

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

***Other Information***

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

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

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

In accordance with *Government Auditing Standards*, we will also issue our report dated January 31, 2023, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.



Keith Faber  
Auditor of State  
Columbus, Ohio

January 31, 2023



## ***Highland Local School District***

Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2022  
Unaudited

This discussion and analysis of Highland Local School District's (the "School District") financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2022. 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 letter of transmittal, 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 2022 are as follows:

- Net position of governmental activities decreased \$1,651,125 representing a 16.32 percent decrease from 2021.
- General revenues accounted for \$40,179,012 in revenue or 87.6 percent of all revenues. Program revenues in the form of charges for services and operating grants, contributions and interest accounted for \$5,678,077 or 12.4 percent of total revenues of \$45,857,089.
- The School District had \$47,508,214 in expenses related to governmental activities. Of this amount, \$5,678,077 was offset by program specific revenues. General revenues of \$40,179,012 were not adequate to provide for these programs.
- At the end of the current fiscal year, the governmental funds reported a combined ending fund balance of \$33,663,409 which is a decrease of \$17,522,081 from the prior fiscal year.

### **Using this Annual Financial Report**

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

The statement of net position and statement of activities provide information about the activities of the whole School District, presenting both an aggregate view of the School District's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements present 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 School District, the general fund, the debt service fund, and the building fund are the most significant funds.

## ***Highland Local School District***

Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2022  
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 helps answer the question, "How did we do financially during 2022?" The statement of net position and the statement of activities are designed to answer this question. These statements include all non-fiduciary assets, liabilities, deferred outflows of resources and deferred inflows of resources using the accrual basis of accounting similar to the accounting method used by most private-sector companies. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

These two statements report the School District's net position and changes in that position. This change in net position is important because it tells the reader the extent to which the financial position of the School District as a whole 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, the School District's activities are considered to be all Governmental Activities.

Governmental Activities - Most of the School District's programs and services are reported here including instruction, support services, operation of non-instructional services and extracurricular activities.

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

#### *Fund Financial Statements*

The analysis of the School District's major funds begins on page 11. 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. Fund financial reports provide detailed information about the general fund, the debt service fund, and the building fund, which are considered major funds. Data from the other funds is combined into a single, aggregated presentation.

**Highland Local School District**

Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2022  
Unaudited

**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 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.

**The School District as a Whole**

Recall that the statement of net position provides the perspective of the School District as a whole. Over time, net position can serve as a useful indicator of a government's financial position. For the fiscal year ended June 30, 2022, the School District had a decrease in net position of \$1,651,125.

Net investment in capital assets on the government-wide statements represents a large portion of the School District's net position for fiscal year 2022 amounting to \$11,756,833. Capital assets, which include land, construction in progress, land improvements, buildings and building improvements, furniture, fixtures, and equipment, and vehicles, are used to provide services to students and are not available for future spending. Although the School District's investment in capital assets is reported net of related debt, it should be noted that the resources to repay the debt must be provided from other sources, since capital assets may not be used to liquidate these liabilities.

A portion of the School District's net position, \$14,708,401, represents resources that are subject to external restrictions on how the funds may be used. Of the total restricted assets, \$8,683,443 or 59.0 percent is restricted for debt service payments; \$4,541,273 or 30.9 percent is restricted for capital projects; \$1,072,565 or 7.3 percent is restricted for food service; \$278,204 or 1.9 percent is restricted for extracurricular; \$44,720 or 0.3 percent is restricted for scholarships; and \$88,196 or 0.6 percent is restricted for other purposes. Restricted for other purposes for the School District are net positions restricted for special revenue funds which are used for educational services.

The remaining significant balance of government-wide unrestricted net position is a deficit of \$(18,001,921).

Table 1 provides a summary of the School District's net position for 2022 and 2021:

**Highland Local School District**  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2022  
Unaudited

**Table 1**  
**Net Position**

	<u>Governmental Activities</u>	
	<u>2022</u>	<u>2021</u>
<b>Assets</b>		
Current and other assets	\$ 66,534,802	\$ 88,072,879
Net OPEB asset	2,868,756	2,371,228
Capital assets, net of depreciation	<u>102,059,741</u>	<u>93,802,732</u>
Total assets	<u>171,463,299</u>	<u>184,246,839</u>
<b>Deferred outflows of resources</b>		
Deferred charge on refunding	1,878,869	1,969,042
Pension	9,177,404	7,774,267
OPEB	<u>1,140,913</u>	<u>1,387,433</u>
Total deferred outflows of resources	<u>12,197,186</u>	<u>11,130,742</u>
<b>Liabilities</b>		
Current and other liabilities	5,104,353	8,651,787
Long-term liabilities:		
Due within one year	4,070,513	3,967,067
Due in more than one year:		
Net pension liability	22,704,618	42,393,618
Net OPEB liability	2,808,467	3,322,928
Other amounts due in more than one year	<u>90,579,099</u>	<u>94,920,319</u>
Total liabilities	<u>125,267,050</u>	<u>153,255,719</u>
<b>Deferred inflows of resources</b>		
Property taxes	26,670,972	27,059,556
Pension	18,106,570	208,749
OPEB	5,021,094	4,545,703
Deferred amount from refunding	<u>131,486</u>	<u>193,416</u>
Total deferred inflows of resources	<u>49,930,122</u>	<u>32,007,424</u>
<b>Net Position</b>		
Net investment in capital assets	11,756,833	4,826,918
Restricted	14,708,401	24,377,417
Unrestricted	<u>(18,001,921)</u>	<u>(19,089,897)</u>
Total net position	<u>\$ 8,463,313</u>	<u>\$ 10,114,438</u>

**Highland Local School District**

Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2022  
Unaudited

The School District's statements prepared on an accrual basis of accounting include an annual pension expense and an annual OPEB expense equal to its proportionate share of each plan's change in net pension liability and net OPEB liability or asset, respectively, not accounted for as deferred inflows/outflows.

As a result of implementing the accounting standard for pension and OPEB, the School District is reporting a significant net pension liability, net OPEB liability, related deferred inflows of resources and an increase in pension expense for the fiscal year which have a negative effect on net position. In addition, the School District is reporting a net OPEB asset, deferred outflows of resources and a decrease in expenses related to OPEB, which have a positive impact on net position. The increase and decrease in pension and OPEB expense is the difference between the contractually required contributions and the pension and OPEB expense resulting from the change in the liability or asset that is not reported as deferred inflows or outflows. These amounts can be found in the reconciliation of the statement of revenues, expenditures and changes in fund balances of governmental funds to the statement of activities. To further explain the impact of these accounting standards on the School District's net position, additional information is presented below.

	<u>2022</u>	<u>2021</u>
Deferred outflows - pension	\$ 9,177,404	\$ 7,774,267
Deferred outflows - OPEB	1,140,913	1,387,433
Deferred inflows - pension	(18,106,570)	(208,749)
Deferred inflows - OPEB	(5,021,094)	(4,545,703)
Net pension liability	(22,704,618)	(42,393,618)
Net OPEB liability	(2,808,467)	(3,322,928)
Net OPEB asset	2,868,756	2,371,228
Impact of GASB 68 and GASB 75 on net position	<u>\$ (35,453,676)</u>	<u>\$ (38,938,070)</u>

Table 2 shows change in net position for fiscal years 2022 and 2021.

**Highland Local School District**  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2022  
Unaudited

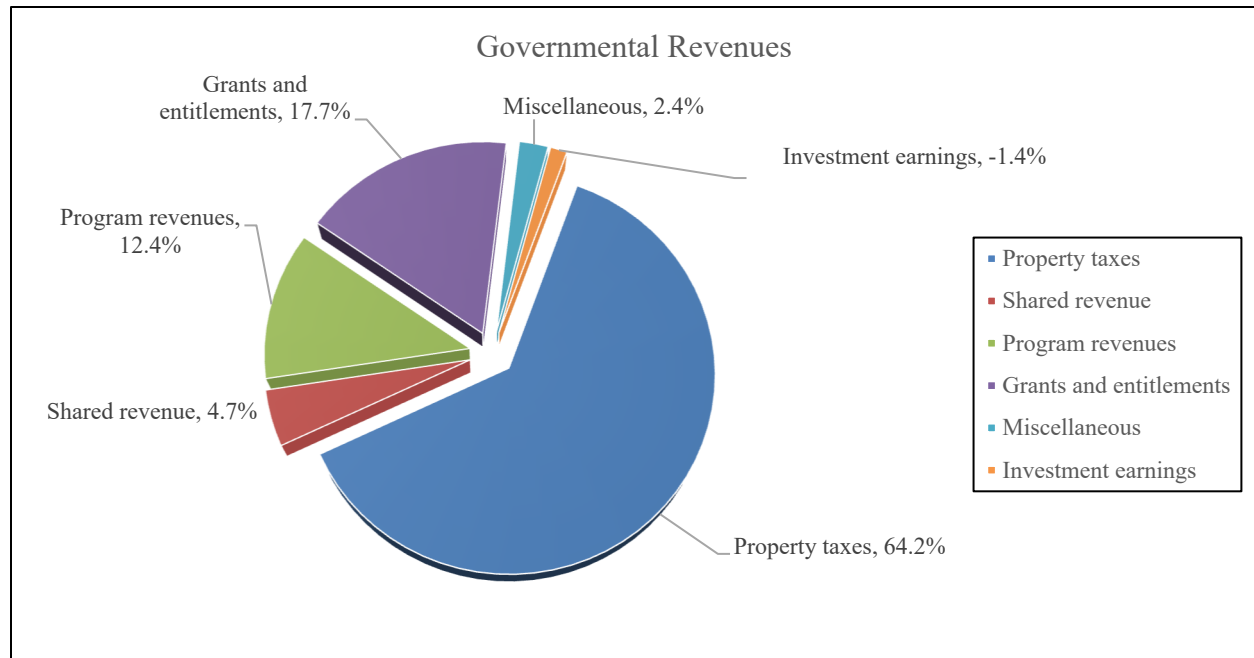
**Table 2**  
**Change in Net Position**

	<u>Governmental Activities</u>	
	<u>2022</u>	<u>2021</u>
<b><u>Revenues:</u></b>		
Program revenues:		
Charges for services	\$ 1,579,478	\$ 1,084,049
Operating grants, contributions and interest	4,098,599	3,257,215
General revenues:		
Property taxes	29,432,131	29,227,745
Shared revenue	2,156,969	1,870,555
Grants and entitlements	8,120,713	8,823,970
Investment earnings	251,277	485,682
Increase (decrease) in fair value of investments	(902,362)	(160,584)
Miscellaneous	<u>1,120,284</u>	<u>191,935</u>
Total revenues	<u>45,857,089</u>	<u>44,780,567</u>
<b><u>Program Expenses:</u></b>		
Instruction:		
Regular	13,799,242	16,688,227
Special	8,837,678	8,501,579
Vocational	3,415	3,415
Other	214,569	281,435
Support services:		
Pupils	2,748,249	2,654,135
Instructional staff	1,040,528	788,658
Board of education	31,133	24,435
Administration	2,281,376	2,488,433
Fiscal	883,446	942,916
Business	8,015	13,377
Operation and maintenance of plant	8,314,174	3,474,140
Pupil transportation	2,307,155	2,324,706
Central	265,694	292,522
Operation non-instructional services		
Food service operations	1,753,213	1,318,714
Community services	277,409	209,818
Extracurricular activities	2,401,591	2,329,774
Interest and fiscal charges	<u>2,341,327</u>	<u>2,271,040</u>
Total expenses	<u>47,508,214</u>	<u>44,607,324</u>
Increase (decrease) in net position	(1,651,125)	173,243
Net position at beginning of year	<u>10,114,438</u>	<u>9,941,195</u>
Net position at end of year	<u>\$ 8,463,313</u>	<u>\$ 10,114,438</u>

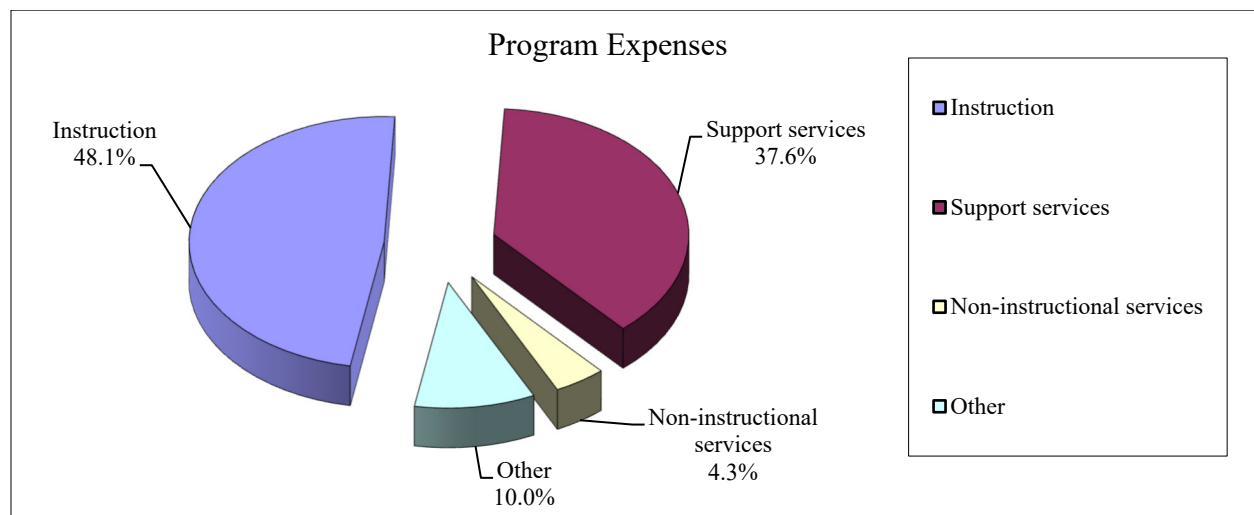
**Highland Local School District**

Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2022  
Unaudited

Governmental Activities - The School District has carefully planned for its financial future by forecasting its revenues and expenses over the next five years. The School District's revenue growth is mostly dependent upon property tax collections. Property taxes made up 64.2 percent of revenues for governmental activities for the School District in fiscal year 2022. Although the School District relies heavily upon local property taxes to support its operations, the School District does actively solicit and receive additional grant and entitlement funds to help offset some operating costs.



Instruction comprises 48.1 percent of governmental program expenses. Additional supporting services, including but not limited to those for pupils, staff, administration, fiscal, operation and maintenance of plant, and pupil transportation, encompassed an additional 37.6 percent. The remaining 14.3 percent of program expenses is used for other obligations of the School District such as non-instructional services, extracurricular activities and interest and fiscal charges.



**Highland Local School District**

Management’s Discussion and Analysis  
For the Fiscal Year Ended June 30, 2022  
Unaudited

**The School District’s Funds**

The School District’s governmental funds are accounted for using the modified accrual basis of accounting. The total revenues and other financing sources for governmental funds were \$45,965,149 and total expenditures and other financing uses were \$63,487,230. The total net change in fund balance across all governmental funds was a decrease of \$17,522,081. The decrease in fund balance was most significant in the building fund, amounting to \$16,020,805. This decrease was the result of increased capital expenditures related to the final phase for construction of three new elementary school buildings and renovations to the middle school during the fiscal year.

The net change in the general fund was a decrease of \$2,101,398 or 9.59 percent. This decrease was primarily due to significantly increased expenditures driven by additional hiring and expanded purchased services for mental health and nursing. The net change in the debt service fund was a decrease of \$267,611 or 2.93 percent. This decrease was primarily due to a reduction of the bond levy millage enacted by the County. The net change in fund balance in the other governmental funds was an increase of \$867,733 or 37.89 percent. This change was the result of an increase in intergovernmental revenues including pandemic related federal relief grants and programs.

Table 3 shows fiscal year 2022 fund balances compared to fiscal year 2021.

**Table 3  
Fund Balances**

	<u>Fund Balance</u> <u>June 30, 2022</u>	<u>Fund Balance</u> <u>June 30, 2021</u>	<u>Increase/</u> <u>(Decrease)</u>	<u>Percent</u> <u>Change</u>
General	\$ 19,803,239	\$ 21,904,637	\$ (2,101,398)	(9.6%)
Debt service	8,872,898	9,140,509	(267,611)	(2.9%)
Building	1,829,427	17,850,232	(16,020,805)	(89.8%)
Other governmental	<u>3,157,845</u>	<u>2,290,112</u>	<u>867,733</u>	<u>37.9%</u>
Total	<u>\$ 33,663,409</u>	<u>\$ 51,185,490</u>	<u>\$(17,522,081)</u>	<u>(34.2%)</u>

**General Fund**

The School District’s general fund balance decreased \$2,101,398 during the fiscal year. The following table assists in illustrating the change in revenues of the general fund.



**Highland Local School District**  
 Management's Discussion and Analysis  
 For the Fiscal Year Ended June 30, 2022  
 Unaudited

**Table 4**  
**General Fund - Change in Revenue**

	<u>2022</u>	<u>2021</u>	<u>Percent</u> <u>Change</u>
Taxes	\$ 24,661,799	\$ 23,479,685	5.0%
Intergovernmental	8,351,639	8,620,289	(3.1%)
Interest	242,073	155,846	55.3%
Increase (decrease) in fair value of investments	(902,362)	(104,818)	760.9%
Tuition and fees	523,845	398,771	31.4%
Extracurricular activities	478,539	353,353	35.4%
Gifts and donations	12,650	26,027	(51.4%)
Rent	13,927	2,323	499.5%
Miscellaneous	624,281	84,587	638.0%
Total revenues	<u>\$ 34,006,391</u>	<u>\$ 33,016,063</u>	

General fund revenues increased \$990,328 or 3.0 percent. The main reasons for the overall incline were increases in property tax revenues and miscellaneous income in the form of refunds and dividends from the Bureau of Workers Compensation.

The following table assists in illustrating the change in expenditures of the general fund.

**Table 5**  
**General Fund - Change in Expenditures by Type**

<u>Expenditures</u>	<u>2022</u>	<u>2021</u>	<u>Percent</u> <u>Change</u>
Instruction	\$ 21,902,312	\$ 21,542,371	1.7%
Support services	12,632,726	10,754,495	17.5%
Extracurricular activities	1,236,826	1,185,753	4.3%
Operation of non-instructional services	302,910	198,034	53.0%
Capital outlay	23,015	-	n/a
Total	<u>\$ 36,097,789</u>	<u>\$ 33,680,653</u>	

General fund expenditures increased \$2,417,136 or 7.2 percent from the previous year. The overall rise in expenditures over the prior year was primarily attributable to increased compensation and benefit costs associated with contractual obligations and additional staffing coupled with increased expenditures for support services such as mental health and nursing.

**General Fund Budgeting Highlights**

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

During fiscal year 2022, the School District amended its general fund budget; however, not significantly. Budget revisions are presented to the Board of Education for approval.

**Highland Local School District**

Management’s Discussion and Analysis  
For the Fiscal Year Ended June 30, 2022  
Unaudited

For the general fund, the final budget basis revenues and other financing sources estimate was \$33,973,228, which was higher than the original budget estimate of \$33,334,112. The \$639,116 difference was most notably the result of significant, unexpected dividends and rebates provided by the State of Ohio Bureau of Workers’ Compensation. The actual revenues and other sources received were \$35,126,559, which was \$1,792,447 more than originally anticipated.

The original expenditures and other financing uses estimate of \$37,234,983 was revised over the course of the fiscal year. The final budgeted expenditures and other financing uses were \$37,331,236, which was an increase of \$96,253 or 0.26 percent over the original budget. This was not attributable to any single item. Actual expenditures, including encumbrances and other financing uses, were under budget by \$759,532 or 2.03 percent. This favorable variance was also not attributable to any one specific budget line item or event.

**Capital Assets and Debt Administration**

**Capital Assets**

At the end of fiscal year 2022, the School District had \$102,059,741 invested in capital assets. Table 6 shows fiscal year 2022 balances compared to fiscal year 2021:

**Table 6**  
**Capital Assets, at Fiscal Year End**  
**(Net of Depreciation)**

	<u>Governmental Activities</u>	
	<u>2022</u>	<u>2021</u>
Land and construction in progress	\$ 3,972,386	\$ 58,394,302
Land improvements	8,543,413	5,647,961
Buildings and building improvements	86,053,394	26,572,551
Furniture, fixtures and equipment	2,674,261	2,158,154
Vehicles	<u>816,287</u>	<u>1,029,764</u>
Total capital assets	<u>\$ 102,059,741</u>	<u>\$ 93,802,732</u>

Significant additions to capital assets were reported by the School District for land improvements and buildings related to the completion of construction for three new elementary buildings and renovations to the middle school. The School District reported a net increase in the total carrying value of capital assets of \$8,257,009 after the recognition of \$2,998,780 in depreciation expense. See Note 8 to the basic financial statements for detail on the School District’s capital assets.

**Debt**

At June 30, 2022, the School District had \$78,642,748 in bonds (including unamortized bond premium and accreted interest on capital appreciation bonds) outstanding with \$2,955,000 due within one year and \$13,817,153 in direct borrowing lease-purchase agreements outstanding with \$910,732 due within one year. Table 7 summarizes the debt outstanding:

**Highland Local School District**  
 Management’s Discussion and Analysis  
 For the Fiscal Year Ended June 30, 2022  
 Unaudited

**Table 7**  
**Outstanding Debt, at Fiscal Year End**  
**Governmental Activities**

	<u>2022</u>	<u>2021</u>
School improvement bonds	\$ 6,575,840	\$ 6,735,790
School improvement bonds refunding bonds	72,066,908	75,248,745
School facilities lease-purchase agreement	7,980,000	8,500,000
Athletic complex lease-purchase agreement	<u>5,837,153</u>	<u>6,247,223</u>
Total	<u>\$ 92,459,901</u>	<u>\$ 96,731,758</u>

At June 30, 2022, the School District’s overall legal debt margin was \$30,703,816 with an unvoted debt margin of \$1,026,615. The School District is rated Aa2 by Moody’s Investors Service. The School District has budgeted to meet all of its debt requirements, which are to be repaid from the debt service fund and the sales tax capital projects fund. See Note 11 to the basic financial statements for details on the School District’s debt.

**Current Issues Affecting Financial Condition**

The Board of Education and administration closely monitor the School District’s revenues and expenditures. The five year financial forecast is discussed and updated regularly. The School District will be faced with financial challenges in the future. These challenges stem from issues at the local, state, and federal levels. The local challenges will continue to exist as the School District must rely heavily on property taxes to fund its operations as a result of the state’s current funding system. The state funding system limits basic aid for school districts such as Highland who are deemed to be relatively wealthy from both a property value and taxpayer income standpoint. Moreover, unfunded state mandates and the expansion of public school choice options continue to divert potential unrestricted operating resources away from traditional public school districts.

Due to the unsettled issues in school funding, management is required to plan carefully and prudently to provide the resources to meet student needs over the next several years. All of the School District’s financial abilities will be required to meet the challenges of the future.

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

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the School District’s finances and to show the School District’s accountability for the money it receives. If you have any questions or need additional financial information, contact Neil Barnes, CPA, Treasurer, Highland Local School District, 3880 Ridge Road, Medina Ohio, 44256, or email him at nbarnes@highlandschools.org.

**Highland Local School District**

**Statement of Net Position**

**June 30, 2022**

	<u>Governmental Activities</u>
<u>Assets:</u>	
Equity in pooled cash and investments	\$ 35,486,870
Receivables:	
Taxes	28,658,896
Accounts	199,215
Intergovernmental	1,975,069
Accrued interest	104,514
Inventory held for resale	39,355
Materials and supplies inventory	70,883
Net OPEB asset	2,868,756
Capital assets:	
Land and construction in progress	3,972,386
Depreciable capital assets	133,962,233
Accumulated depreciation	(35,874,878)
Total capital assets	<u>102,059,741</u>
Total assets	<u>171,463,299</u>
 <u>Deferred outflows of resources:</u>	
Deferred charge on refunding	1,878,869
Pension	9,177,404
OPEB	<u>1,140,913</u>
Total deferred outflows of resources	<u>12,197,186</u>
 <u>Liabilities:</u>	
Accounts payable	434,488
Accrued wages	3,698,343
Intergovernmental payable	700,480
Accrued interest payable	228,496
Unearned revenue	42,546
Long-term liabilities:	
Due within one year	4,070,513
Due in more than one year:	
Net pension liability	22,704,618
Net OPEB liability	2,808,467
Other amounts due in more than one year	<u>90,579,099</u>
Total liabilities	<u>125,267,050</u>
 <u>Deferred inflows of resources:</u>	
Property taxes	26,670,972
Pension	18,106,570
OPEB	5,021,094
Deferred amount from refunding	<u>131,486</u>
Total deferred inflows of resources	<u>49,930,122</u>

***Highland Local School District***

**Statement of Net Position**

**June 30, 2022**

**(Continued)**

	<u>Governmental Activities</u>
<u>Net position:</u>	
Net investment in capital assets	11,756,833
Restricted for:	
Capital projects	4,541,273
Debt service	8,683,443
Food service	1,072,565
Extracurricular	278,204
Permanent fund purpose - scholarships	
Nonexpendable	44,720
Other purposes	88,196
Unrestricted	<u>(18,001,921)</u>
 Total net position	 <u>\$ 8,463,313</u>

See accompanying notes to the basic financial statements.

**Highland Local School District**  
**Statement of Activities**  
**For the Fiscal Year Ended June 30, 2022**

	Program Revenues			Net (Expense)
	Expenses	Charges for Services	Operating Grants, Contributions and Interest	Revenues and Changes in Net Position
<u>Governmental Activities:</u>				
Instruction:				
Regular	\$ 13,799,242	\$ 274,422	\$ 594,262	\$ (12,930,558)
Special	8,837,678	49,596	1,166,087	(7,621,995)
Vocational	3,415	-	1,471	(1,944)
Other	214,569	-	-	(214,569)
Support services:				
Pupils	2,748,249	-	195,796	(2,552,453)
Instructional staff	1,040,528	-	6,495	(1,034,033)
Board of education	31,133	-	-	(31,133)
Administration	2,281,376	-	-	(2,281,376)
Fiscal	883,446	-	-	(883,446)
Business	8,015	-	-	(8,015)
Operation and maintenance of plant	8,314,174	14,575	-	(8,299,599)
Pupil transportation	2,307,155	-	-	(2,307,155)
Central	265,694	-	-	(265,694)
Operation of non-instructional services:				
Food service operations	1,753,213	182,223	2,097,082	526,092
Community services	277,409	265,340	-	(12,069)
Extracurricular activities	2,401,591	793,322	37,406	(1,570,863)
Interest and fiscal charges	2,341,327	-	-	(2,341,327)
Total governmental activities	<u>\$ 47,508,214</u>	<u>\$ 1,579,478</u>	<u>\$ 4,098,599</u>	<u>(41,830,137)</u>
<u>General Revenues:</u>				
Property taxes levied for:				
General purposes				24,649,385
Debt service				4,782,746
Shared revenue restricted for:				
Permanent improvement projects				2,156,969
Grants and entitlements not restricted to specific programs				8,120,713
Investment earnings				251,277
Decrease in fair value of investments				(902,362)
Miscellaneous				1,120,284
Total general revenues				<u>40,179,012</u>
Change in net position				(1,651,125)
Net position beginning of year				<u>10,114,438</u>
Net position end of year				<u>\$ 8,463,313</u>

See accompanying notes to the basic financial statements.

**H**

**Highland Local School District**

**Balance Sheet**

**Governmental Funds**

**June 30, 2022**

	General	Debt Service	Building	Other Governmental Funds	Total Governmental Funds
<u>Assets:</u>					
Equity in pooled cash and investments	\$ 21,982,017	\$ 8,514,903	\$ 1,907,491	\$ 3,082,459	\$ 35,486,870
Receivables:					
Taxes	24,443,305	4,215,591	-	-	28,658,896
Accounts	177,938	-	-	21,277	199,215
Intergovernmental	218,888	-	-	1,756,181	1,975,069
Interfund	193,969	-	-	-	193,969
Accrued interest	104,514	-	-	-	104,514
Inventory held for resale	-	-	-	39,355	39,355
Materials and supplies inventory	70,883	-	-	-	70,883
Advances to other funds	195,000	-	-	-	195,000
Total assets	<u>\$ 47,386,514</u>	<u>\$ 12,730,494</u>	<u>\$ 1,907,491</u>	<u>\$ 4,899,272</u>	<u>\$ 66,923,771</u>
<u>Liabilities:</u>					
Accounts payable	\$ 313,357	\$ -	\$ 78,064	\$ 43,067	\$ 434,488
Accrued wages	3,558,701	-	-	139,642	3,698,343
Interfund payable	-	-	-	193,969	193,969
Intergovernmental payable	665,838	-	-	34,642	700,480
Unearned revenue	-	-	-	42,546	42,546
Advances from other funds	-	-	-	195,000	195,000
Total liabilities	<u>4,537,896</u>	<u>-</u>	<u>78,064</u>	<u>648,866</u>	<u>5,264,826</u>
<u>Deferred inflows of resources:</u>					
Property taxes	22,826,915	3,844,057	-	-	26,670,972
Unavailable revenue	138,628	-	-	1,092,561	1,231,189
Unavailable revenue - delinquent property taxes	79,836	13,539	-	-	93,375
Total deferred inflows of resources	<u>23,045,379</u>	<u>3,857,596</u>	<u>-</u>	<u>1,092,561</u>	<u>27,995,536</u>
<u>Fund balances:</u>					
Nonspendable	265,883	-	-	40,500	306,383
Restricted	-	8,872,898	1,829,427	3,200,070	13,902,395
Committed	11,000	-	-	-	11,000
Assigned	3,220,607	-	-	-	3,220,607
Unassigned	16,305,749	-	-	(82,725)	16,223,024
Total fund balances	<u>19,803,239</u>	<u>8,872,898</u>	<u>1,829,427</u>	<u>3,157,845</u>	<u>33,663,409</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 47,386,514</u>	<u>\$ 12,730,494</u>	<u>\$ 1,907,491</u>	<u>\$ 4,899,272</u>	<u>\$ 66,923,771</u>

See accompanying notes to the basic financial statements.



**Highland Local School District**  
**Reconciliation of Total Governmental Fund Balances to**  
**Net Position of Governmental Activities**  
**June 30, 2022**

Total governmental fund balances		\$ 33,663,409
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		102,059,741
Other long-term assets that are not available to pay for current-period expenditures and therefore are unavailable revenue in the funds:		
Property taxes	\$ 93,375	
Intergovernmental receivables	1,092,561	
Tuition and fees	114,574	
Extracurricular	1,136	
Rent	648	
Miscellaneous	22,270	
Total	<u>1,324,564</u>	1,324,564
The net pension liability and net OPEB liability (asset) are not due and payable in the current period; therefore, the liability, the asset and related deferred inflows/outflows are not reported in the funds:		
Deferred outflows - pension	\$ 9,177,404	
Deferred inflows - pension	(18,106,570)	
Net pension liability	(22,704,618)	
Deferred outflows - OPEB	1,140,913	
Deferred inflows - OPEB	(5,021,094)	
Net OPEB liability	(2,808,467)	
Net OPEB asset	2,868,756	
Total	<u>(35,453,676)</u>	(35,453,676)
In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due.		(228,496)
Long-term liabilities that are not due and payable in the current period and therefore are not reported in the funds:		
General obligation bonds	\$ (70,784,610)	
Premium on bonds	(7,858,138)	
Unamortized amount from refunding	1,747,383	
Lease-purchase agreement	(13,817,153)	
Compensated absences	(2,189,711)	
Total	<u>(92,902,229)</u>	(92,902,229)
Net position of governmental activities		<u>\$ 8,463,313</u>

See accompanying notes to the basic financial statements.

**Highland Local School District**  
**Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Governmental Funds**  
**For the Fiscal Year Ended June 30, 2022**

	General	Debt Service	Building	Other Governmental Funds	Total Governmental Funds
<b>Revenues:</b>					
Taxes	\$ 24,661,799	\$ 4,790,991	\$ -	\$ -	\$ 29,452,790
Intergovernmental	8,351,639	333,259	-	5,708,430	14,393,328
Interest	242,073	-	9,204	2,054	253,331
Increase in fair value of investments	(902,362)	-	-	-	(902,362)
Tuition and fees	523,845	-	-	-	523,845
Rent	13,927	-	-	-	13,927
Extracurricular activities	478,539	-	-	398,037	876,576
Gifts and donations	12,650	-	-	79,497	92,147
Charges for services	-	-	344,990	182,223	527,213
Miscellaneous	624,281	-	-	94,073	718,354
<b>Total revenues</b>	<b>34,006,391</b>	<b>5,124,250</b>	<b>354,194</b>	<b>6,464,314</b>	<b>45,949,149</b>
<b>Expenditures:</b>					
<b>Current:</b>					
<b>Instruction:</b>					
Regular	12,865,469	-	-	700,766	13,566,235
Special	8,808,523	-	-	726,662	9,535,185
Other	228,320	-	-	-	228,320
<b>Support services:</b>					
Pupils	2,765,968	-	-	128,250	2,894,218
Instructional staff	702,758	-	-	305,556	1,008,314
Board of education	31,956	-	-	-	31,956
Administration	2,453,837	5,514	-	13,031	2,472,382
Fiscal	867,209	67,222	504	-	934,935
Business	8,729	-	-	-	8,729
Operation and maintenance of plant	3,248,028	-	4,468,546	15,479	7,732,053
Pupil transportation	2,260,124	-	-	-	2,260,124
Central	294,117	-	-	-	294,117
<b>Operation of non-instructional services:</b>					
Food service operations	-	-	-	1,626,433	1,626,433
Community services	302,910	-	-	-	302,910
Extracurricular activities	1,236,826	-	-	414,846	1,651,672
Capital outlay	23,015	-	11,905,949	403,660	12,332,624
<b>Debt service:</b>					
Principal retirement	-	2,820,000	-	930,070	3,750,070
Interest and fiscal charges	-	2,499,125	-	347,828	2,846,953
<b>Total expenditures</b>	<b>36,097,789</b>	<b>5,391,861</b>	<b>16,374,999</b>	<b>5,612,581</b>	<b>63,477,230</b>
<b>Excess of revenues over (under) expenditures</b>	<b>(2,091,398)</b>	<b>(267,611)</b>	<b>(16,020,805)</b>	<b>851,733</b>	<b>(17,528,081)</b>
<b>Other financing sources (uses):</b>					
Proceeds from sale of capital assets	-	-	-	6,000	6,000
Transfers in	-	-	-	10,000	10,000
Transfers out	(10,000)	-	-	-	(10,000)
<b>Total other financing sources (uses)</b>	<b>(10,000)</b>	<b>-</b>	<b>-</b>	<b>16,000</b>	<b>6,000</b>
<b>Net change in fund balances</b>	<b>(2,101,398)</b>	<b>(267,611)</b>	<b>(16,020,805)</b>	<b>867,733</b>	<b>(17,522,081)</b>
<b>Fund balances beginning of year</b>	<b>21,904,637</b>	<b>9,140,509</b>	<b>17,850,232</b>	<b>2,290,112</b>	<b>51,185,490</b>
<b>Fund balances end of year</b>	<b>\$ 19,803,239</b>	<b>\$ 8,872,898</b>	<b>\$ 1,829,427</b>	<b>\$ 3,157,845</b>	<b>\$ 33,663,409</b>

See accompanying notes to the basic financial statements.

**Highland Local School District**

**Reconciliation of the Statement of Revenues, Expenditures and Changes  
in Fund Balances of Governmental Funds to the Statement of Activities  
For the Fiscal Year Ended June 30, 2022**

Net change in fund balances - total governmental funds		\$ (17,522,081)
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 capital assets is allocated over their estimated useful lives as depreciation expense. In the current period, these amounts are:		
Capital asset additions	\$ 12,332,624	
Depreciation expense	<u>(2,998,780)</u>	
Excess of depreciation expense over capital asset additions and capital contributions		9,333,844
The proceeds from the sale of capital assets are reported as a source of financing in the governmental funds. However, the cost of the capital assets sold is removed from the capital assets account in the statement of net position and offset against the sales proceeds resulting in a loss on the disposal of capital assets in the statement of activities. Thus, more revenue is reported in the governmental funds and more expenses in the statement of activities.		
		(1,076,835)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. These activities consist of:		
Property taxes	\$ (20,659)	
Intergovernmental	(56,443)	
Tuition and fees	(23,861)	
Extracurricular activities	(6,269)	
Rent	648	
Miscellaneous	<u>14,524</u>	
Net change in deferred inflows of resources during the year		(92,060)
Contractually required contributions are reported as expenditures in the governmental funds; however, the statement of activities reports these amounts as deferred outflows.		
Pension		3,208,496
OPEB		94,708
Except for amounts reported as deferred inflows/outflows, changes in the net pension/OPEB liability and OPEB asset are reported as pension/OPEB expense in the statement of activities.		
Pension		(14,180)
OPEB		195,370
Repayment of debt and lease agreement principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.		
		3,750,070
Some items reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. These activities consist of:		
Increase in compensated absences	\$ (34,083)	
Decrease in deferred amount from refunding	(28,243)	
Decrease in accrued interest payable	<u>12,082</u>	
Total additional expenditures		(50,244)
The amortization of issuance costs, bond premium and accretion is reflected as an expense in the statement of activities.		
Premium	\$ 722,836	
Bond accretion	<u>(201,049)</u>	
Total additional expenses		<u>521,787</u>
Change in position of governmental activities		<u>\$ (1,651,125)</u>
See accompanying notes to the basic financial statements.		

**Highland Local 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, 2022**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>				
Taxes	\$ 24,268,542	\$ 24,456,581	\$ 25,208,484	\$ 751,903
Intergovernmental	7,986,546	8,403,773	8,351,147	(52,626)
Interest	200,000	200,000	192,049	(7,951)
Tuition and fees	279,000	259,000	285,349	26,349
Rent	5,000	5,000	7,549	2,549
Extracurricular activities	339,990	339,990	327,241	(12,749)
Miscellaneous	76,250	76,250	58,324	(17,926)
Total revenues	<u>33,155,328</u>	<u>33,740,594</u>	<u>34,430,143</u>	<u>689,549</u>
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular	13,751,950	13,750,330	13,389,682	360,648
Special	8,751,571	8,761,457	8,746,899	14,558
Other	285,845	280,845	252,592	28,253
Support services:				
Pupils	2,983,679	3,002,974	2,873,179	129,795
Instructional staff	727,851	733,611	731,473	2,138
Board of education	33,800	31,900	27,207	4,693
Administration	2,473,991	2,494,379	2,457,612	36,767
Fiscal	894,850	895,610	879,709	15,901
Business	23,010	25,962	9,514	16,448
Operation and maintenance of plant	3,359,318	3,367,004	3,238,410	128,594
Pupil transportation	2,389,698	2,395,418	2,263,832	131,586
Central	305,400	312,936	292,268	20,668
Extracurricular activities	1,204,020	1,228,810	1,205,358	23,452
Total expenditures	<u>37,184,983</u>	<u>37,281,236</u>	<u>36,367,735</u>	<u>913,501</u>
Excess of revenues under expenditures	<u>(4,029,655)</u>	<u>(3,540,642)</u>	<u>(1,937,592)</u>	<u>1,603,050</u>
<u>Other financing sources (uses):</u>				
Proceeds from the sale of capital assets	3,000	3,000	35,615	32,615
Refund of prior year expenditures	50,000	103,850	610,017	506,167
Advances in	125,784	125,784	50,784	(75,000)
Advances out	(25,000)	(25,000)	(193,969)	(168,969)
Transfers out	(25,000)	(25,000)	(10,000)	15,000
Total other financing sources (uses)	<u>128,784</u>	<u>182,634</u>	<u>492,447</u>	<u>309,813</u>
Net change in fund balance	(3,900,871)	(3,358,008)	(1,445,145)	1,912,863
Fund balance at beginning of year	22,055,467	22,055,467	22,055,467	-
Prior year encumbrances appropriated	1,176,040	1,176,040	1,176,040	-
Fund balance at end of year	<u>\$ 19,330,636</u>	<u>\$ 19,873,499</u>	<u>\$ 21,786,362</u>	<u>\$ 1,912,863</u>

See accompanying notes to the basic financial statements.

***Highland Local School District***  
**Statement of Changes in Fiduciary Net Position**  
**Custodial Fund**  
**For the Fiscal Year Ended June 30, 2022**

	<u>Custodial</u>
<u>Additions:</u>	
Collections on behalf of OHSAA	<u>\$ 7,300</u>
<u>Deductions:</u>	
Distributions on behalf of OHSAA	<u>7,300</u>
Net position end of year	<u><u>\$ -</u></u>

See accompanying notes to the basic financial statements.

**Highland Local School District**

Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2022

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND DESCRIPTION OF REPORTING ENTITY**

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A. Description of the School District

The Highland Local School District (the "School District") is a body politic and corporate established for the purpose of exercising the rights and privileges conveyed to it by the constitution and laws of the State of Ohio.

The Highland Local School District was established in 1952 through the consolidation of the former Granger-Sharon and Hinckley Local School Districts. The School District operates under a locally elected five-member Board form of government and provides educational services as mandated by state and/or federal agencies. The Board controls the School District's seven instructional/support facilities staffed by 164 non-certificated employees 197 certificated teaching and support personnel, and 17 administrators that provide services to 3,415 students and other community members.

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 entity for establishing governmental accounting and financial reporting principles. Following are the more significant of the School District's accounting policies.

B. Reporting Entity

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

Component units are legally separate organizations for which the School District is financially accountable. The School District is financially accountable for an organization if the School District appoints a voting majority of the organization's governing board and (1) the School District is able to significantly influence the programs or services performed or provided by the organization; or (2) the School District is legally entitled to or can otherwise access the organizations' 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 their budget, the issuance of their debt or the levying of their taxes. Based on the above criteria, the School District had no component units at June 30, 2022.

The School District is associated with Connect (formerly known as North Coast Council (NCC)) and the Ohio Schools Council, which are defined as jointly governed organizations. Jointly governed organizations are governed by representatives from each of the governments that create the organization. Information regarding Connect and the Ohio Schools Council is presented in Note 12.

***Highland Local School District***

Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2022

C. Basis of Presentation - Fund Accounting

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

Government-wide Financial Statements

The statement of net position and the statement of activities display information about the School District as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The activities of internal activity of governmental funds are eliminated to avoid "doubling-up" revenues and expenses of governmental activities. However, the services provided and used are not eliminated in the process of consolidation.

The statement of net position presents the financial condition of the governmental activities of the School District at year-end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the School District's governmental activities. Direct expenses are those that are specifically associated with a service, program, or department and therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program and 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 that 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 rather than reporting funds by type. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column. Fiduciary funds are reported by fund type.

D. 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 two categories: governmental and fiduciary.

Governmental Fund Types

Governmental funds focus on the sources, uses, and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and deferred outflows of resources and liabilities and deferred inflows of resources is reported as fund balance. The School District has three major governmental funds:

## ***Highland Local School District***

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2022

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

*Debt Service Fund:* The debt service fund is used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs.

*Building Fund:* The building capital projects fund is used to account for all receipts and expenditures related to the construction and renovation of new school buildings.

### Fiduciary Fund Types

Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into four categories: pension trust funds, investment trust funds, private-purpose trust funds, and custodial funds. Trust funds are used to account for assets held by the School District under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the School District's own programs. The School District's only custodial fund is used to account for money temporarily held for Ohio High School Athletic Association (OHSAA) tournaments.

### E. Measurement Focus and Basis of Accounting

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

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

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



## ***Highland Local School District***

Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2022

### Revenue - Exchange and Nonexchange Transactions

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

Nonexchange transactions, in which the School District receives value without directly giving equal value in return, include property taxes, shared revenue, grants, entitlements and donations. Revenue from property taxes is recognized in the fiscal year for which taxes are levied. Shared revenue and 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 the 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, investment earnings, tuition, grants and entitlements, and student fees.

### Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net assets that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. For the School District, deferred outflows of resources are reported on the government-wide statement of net position for pension and other postemployment benefits (OPEB). The deferred outflows of resources related to pension and OPEB are explained in Note 10.

In addition to liabilities, the statement of net position reports a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net assets that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. For the School District, deferred inflows of resources include property taxes, pension, OPEB, deferred amount from refunding, and unavailable revenues. Property taxes represent amounts for which there is an enforceable legal claim as of June 30, 2022, but which were levied to finance the fiscal year 2023 operations. These amounts have been recorded as deferred inflows on both the government-wide statement of net position and the governmental fund financial statements. Unavailable revenue is reported on the governmental funds balance sheet, and represents receivables which will not be collected within the available period. For the School District, unavailable revenue includes delinquent property taxes, intergovernmental grants, tuition and fees, and County levied sales tax. These amounts are deferred and recognized as inflows of resources in the period the amounts become available. Deferred inflows of resources related to pension and OPEB are reported on the government-wide statement of net position (See Note 10).

**Highland Local School District**

Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2022

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 bonds outstanding method and is presented as a deferred inflows of resources and as a deferred outflows of resources on the statement of net position.

Expenditures/Expenses

On the accrual basis of accounting, expenses are recognized at the time they are incurred. The fair value of donated commodities used during the year is reported in the fund financial statements as intergovernmental revenue and an expenditure of food service operations. In addition, this amount is reported on the statement of activities as an expense with a like amount reported within the "Operating Grants, Contributions and Interest" program revenue account. Unused donated commodities are reported in the account "Inventory held for resale" within the basic financial statements.

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 the governmental funds.

F. Budgets and Budgetary Accounting

The budgetary process is prescribed by provisions of the Ohio Revised Code and entails the preparation of budgetary documents within an established timetable. The major documents prepared are the Tax Budget, the Certificate of Estimated Resources, and the Appropriation Resolution, all of which are prepared on the budgetary basis of accounting. The primary level of budgetary control is at the fund level for all funds. Any budgetary modifications at this level may only be made by resolution of the Board of Education.

The Certificate of Estimated Resources and the Appropriation Resolution are subject to amendment throughout the year with the legal restriction that appropriations cannot exceed estimated resources, as certified. All funds, other than custodial funds, are legally required to be budgeted and appropriated. The amounts reported as original budgeted revenues in the budgetary statement reflect the amounts in the certificate when the original appropriations were adopted. The amounts reported as final budgeted revenues in the budgetary statement reflect the amounts in the final amended certificate issued during fiscal year 2022. The amounts reported as original budgeted expenditures reflect the first appropriation for that fund that covered the entire fiscal year, including amounts automatically carried over from prior years. The amounts reported as final budgeted expenditures represent the final appropriation amounts passed by the Board during the year.

At the close of each year, the unencumbered balance of each appropriation reverts to the respective fund from which it was appropriated and becomes subject to future appropriation. Encumbered appropriations are carried forward to the succeeding fiscal year and are not reappropriated.

G. Cash and Investments

To improve cash management, all cash received by the School District is pooled in a central bank account. Monies for all funds are maintained in this account or used to purchase investments. Individual fund integrity is maintained through School District records. Each fund's interest in the pool is presented as "Equity in pooled cash and investments".

## ***Highland Local School District***

Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2022

Some of the School District's monies for the building capital projects fund are held separate from the School District's central bank account and are presented on the statement of net position as "Cash and cash equivalents in segregated accounts" and "Investments in segregated accounts".

During the fiscal year, investments were limited to certificates of deposit, instruments of government sponsored mortgage-backed securities, money market mutual fund, commercial paper, U.S. treasury notes and an interest in STAR Ohio, the State Treasurer's Investment Pool. These investments are stated at cost, which approximates market value (fair value).

The School District's investment in the State Treasury Asset Reserve of Ohio (STAR 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 and is recognized as an external investment pool by the School District. The School District measures their investment in STAR Ohio at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides a NAV per share that approximates fair value.

For the fiscal year 2022, there were no limitation or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, notice is appreciated 24 hours in advance of all deposits and withdrawals exceeding \$100 million. STAR Ohio reserves the right to limit the transaction to \$250 million, 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.

Under existing Ohio statutes, all investment earnings accrue to the general fund except those specifically related to certain trust funds, unless the Board specifically allows the interest to be recorded in other funds. The Board of Education has passed a resolution to allow interest to also be recorded in other funds as indicated in Note 4.

For presentation on the basic financial statements, investments of the cash management pool and investments with a maturity of three months or less at the time they are purchased by the School District are considered to be cash equivalents. Investments with an initial maturity of more than three months that are not purchased from the pool are reported as investments.

### **H. Interfund Balances**

On the fund financial statements, receivables and payables resulting from short-term interfund loans are classified as "interfund receivables/payables". Interfund balances, are eliminated in the statement of net position.

### **I. Inventory**

On the governmental-wide financial statements, inventories are presented at cost on a first-in, first-out basis and are expensed when used.

Inventories of the general fund primarily include maintenance and custodial supplies, paper supplies, transportation supplies, and fuel. Inventories of the food service special revenue fund consist of donated food, purchased food and supplies held for resale.

## ***Highland Local School District***

Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2022

### **J. Restricted Assets**

Assets are reported as restricted assets when limitations on their use change the normal understanding of the availability of the asset. Such constraints are imposed by creditors, contributors, grantors, laws of other governments, or enabling legislation. Restricted assets may include unexpended revenues required to be set aside by the School District for the acquisition or construction of capital improvements.

Restricted assets may also include amounts set aside as a reserve for budget stabilization, which is now optional as determined by the School District. The School District expended all restricted assets in accordance with specific restrictions during the fiscal year. See Note 14 for additional information.

### **K. Pension and other postemployment benefits (OPEB)**

For purposes of measuring the net pension/OPEB liability or 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.

The current accounting standard requires school districts to report their proportionate share of the net pension/OPEB liability or asset using the earning approach to pension and OPEB accounting instead of the funding approach as previously used. The funding approach limited pension and postemployment costs to contributions annually required by law, which may or may not be sufficient to fully fund each plan's net pension/OPEB liability or asset. Under the new standards, the net pension/OPEB liability or asset equals the School District's proportionate share of each plan's collective present value of estimated future pension/OPEB benefits attributable to active and inactive employees' past service minus plan assets available to pay these benefits.

Pension and OPEB obligations, whether funded or unfunded, are part of the employment exchange. The employee is trading his or her labor in exchange for wages, benefits, and the promise of a future pension and other postemployment benefits. The unfunded portion of this benefit of exchange is a liability of the School District. However, the School District is not responsible for key factors affecting the balance of this liability. In Ohio, the employee shares the obligation of funding pension benefits with the employer. Benefit provisions and both employer and employee contribution rates are determined by State statute. The employee and employer enter the employment exchange with the knowledge that the exchange is limited by law. The pension system is responsible for the administration of the pension and OPEB plans.

There is no repayment schedule for the net pension liability or the net OPEB liability. The School District has no control over the changes in the benefits, contribution rates, and return on investments affecting the balance of the liabilities or assets. In the event that contributions, investment returns, and other changes are insufficient to keep up with required payments, State statute does not identify the responsible party for the unfunded portion. Due to the unique nature of how the pension liability and the OPEB liability are satisfied, these liabilities are separately identified within the long-term liability section of the statement of net position.

**Highland Local School District**

Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2022

L. Capital Assets

General capital assets are those assets resulting 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 on the fund financial statements.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated 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 the asset's life are not capitalized. The School District's policy is not to capitalize interest costs incurred as part of construction.

All reported capital assets, other than land and construction in progress, are depreciated. Depreciation is computed using the straight-line method over the following useful lives:

<u>Description</u>	<u>Estimated Lives</u>
Land improvements	10 - 50 years
Buildings and building improvements	20 - 50 years
Furniture, fixtures and equipment	3 - 20 years
Vehicles	8 - 20 years

M. Compensated Absences

Vacation benefits are accrued as a liability as the benefits are earned if the employee's 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.

Sick leave benefits are accrued as a liability using the termination payment method. An accrual for earned sick leave is made to the extent it is probable that benefits will result in termination payments. The liability is an estimate based on the School District's past experience of making termination payments. The entire compensated absences liability is reported on the government-wide financial statements.

For the governmental fund financial statements, compensated absences (including employee separation incentives) are recognized as liabilities and expenditures to the extent payments come due each period upon the occurrence of employee resignations and retirements. These amounts are recorded in the account "matured compensated absences payable" in the fund from which the employees who have accumulated leave are paid.

**Highland Local School District**

Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2022

**N. Accrued Liabilities and Long-Term Obligations**

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements. In general, governmental fund payables and accrued liabilities are reported as obligations of the funds regardless of whether they will be liquidated with current resources. However, claims and judgments, compensated absences, and special termination benefits 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. In general, liabilities that mature or come due for payment during the fiscal year are considered to have been made with current available financial resources. Bonds and other long-term obligations that will be paid from governmental funds are not recognized as a liability in the fund financial statements when due. Net pension/OPEB liability should be recognized in the governmental funds to the extent that benefit payments are due and payable and the pension/OPEB plan's fiduciary net position is not sufficient for payment of those benefits.

**O. 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 either through the enabling legislation adopted by the School District or through external restrictions imposed by creditors, grantors, laws, or regulations of other governments. Net position restricted for other purposes primarily include amounts generated by individual school buildings to supplement co-curricular and extra-curricular programs, and for operating or capital costs for any new and innovative programs designed to enhance or promote education with the School District.

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

**P. Interfund Transactions**

Interfund transactions are reported as other financing sources/uses for governmental funds in the fund financial statements. All transfers between governmental funds have been eliminated within the governmental activities column of the statement of activities.

**Q. Estimates**

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

**R. Fund Balance**

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

**Highland Local School District**

Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2022

**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. It also includes the long-term amount of loans receivable, as well as property acquired for resale, unless the use of the proceeds from the collection of those receivables or from the sale of those properties is restricted, committed, or assigned.

**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 a 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. The purpose constraint that represents the intended use is established by the Board of Education or by their designated official. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the general fund, assigned amounts represent intended uses established by policies of the School District or by State statute. The Treasurer is authorized to assign fund balance using encumbrances for planned purchases, provided such amounts have been lawfully appropriated. The Board of Education may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year’s appropriated budget.

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

The School District 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.

**Highland Local School District**

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2022

**NOTE 2 – 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 as follows:

Fund Balances	General	Debt Service	Building	Other Governmental Funds	Total Governmental Funds
<u>Nonspendable</u>					
Materials and					
supplies inventory	\$ 70,883	\$ -	\$ -	\$ -	\$ 70,883
Long-term advances	195,000	-	-	-	195,000
Permanent fund principal	-	-	-	40,500	40,500
Total nonspendable	<u>265,883</u>	<u>-</u>	<u>-</u>	<u>40,500</u>	<u>306,383</u>
<u>Restricted for</u>					
Food service	-	-	-	1,101,938	1,101,938
Various student activities	-	-	-	266,923	266,923
Auxiliary services	-	-	-	16,370	16,370
Supplement learning opportunities	-	-	-	17,563	17,563
Scholarships and awards	-	-	-	15,501	15,501
Capital improvements	-	-	1,829,427	1,781,775	3,611,202
Debt service payments	-	8,872,898	-	-	8,872,898
Total restricted	<u>-</u>	<u>8,872,898</u>	<u>1,829,427</u>	<u>3,200,070</u>	<u>13,902,395</u>
<u>Committed</u>					
Underground storage tanks	11,000	-	-	-	11,000
<u>Assigned</u>					
Uniform school supplies	70,296	-	-	-	70,296
Public school support	141,049	-	-	-	141,049
Latchkey and					
community education	49,113	-	-	-	49,113
Various ordinary operating costs	418,136	-	-	-	418,136
Next fiscal year budget	2,542,013	-	-	-	2,542,013
Total assigned	<u>3,220,607</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,220,607</u>
Unassigned	16,305,749	-	-	(82,725)	16,223,024
Total fund balances	<u>\$ 19,803,239</u>	<u>\$ 8,872,898</u>	<u>\$ 1,829,427</u>	<u>\$ 3,157,845</u>	<u>\$ 33,663,409</u>



**Highland Local School District**

Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2022

**NOTE 3 - BUDGETARY BASIS OF ACCOUNTING**

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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 and described above 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 presentation 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 that:

1. Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis).
2. Expenditures are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis).
3. Advances in and advances out are operating transactions (budget basis) as opposed to balance sheet transactions (GAAP basis).
4. Encumbrances are treated as expenditures (budget basis) rather than assigned fund balance (GAAP basis).
5. The revenues, expenditures and other financing sources and uses of the general fund include activity that is budgeted within special revenue funds (GAAP basis). However, on the budgetary basis, the activity of the special revenue funds is excluded resulting in perspective differences.

The following table summarizes the adjustments necessary to reconcile the GAAP basis statement to the budgetary basis statement for the general fund.

	<u>General</u>
GAAP basis	\$ (2,101,398)
Net adjustment for revenue accruals	1,458,517
Advances in	50,784
Net adjustment for expenditure accruals	(35,198)
Advances out	(193,969)
Encumbrances (Budget basis) outstanding at year-end	(614,974)
Perspective differences from funds budgeted as special revenue funds:	
Revenues	(389,133)
Expenditures	380,226
Budget basis	<u>\$ (1,445,145)</u>

**Highland Local School District**

Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2022

**NOTE 4 - DEPOSITS AND INVESTMENTS**

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

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

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

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

Interim monies may be invested in the following obligations provided they mature or are redeemable within five years from the date of settlement, unless the investment is matched to a specific obligation or debt of the School District and the investment is not a commercial paper note, a banker's acceptance or a repurchase agreement:

1. United States Treasury bills, notes, bonds, or any other obligations or security issued by the United States Treasury or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including, but not limited to, Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements for a period not to exceed thirty days in securities listed above provided that the fair 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;
4. Bonds and other obligations of the State of Ohio;
5. No-load money market mutual funds consisting exclusively of obligations described in item (1) or (2) above and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
6. The State Treasurer's investment pool (STAR Ohio);
7. Commercial paper notes, limited to 40% (5% for a single issuer) in total of the interim monies available for investment at any one time and for a period not to exceed two hundred seventy days; and

**Highland Local School District**

Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2022

8. Bankers acceptances, limited to 40% of the interim monies available for investment at any one time and for a period not to exceed one hundred eighty days.

According to state law, public depositories must provide security for the repayment of all public deposits. These institutions shall give security for all public funds on deposit in excess of those funds that are insured by the Federal Deposit Insurance Corporation (FDIC). The security for these deposits will be made under an agreement using a surety bond and/or by means of pledging allowable securities as collateral to be held by a qualified trustee. The pledged collateral can be held for each public depositor or in a pool for multiple public depositors and must have a fair value of at least 105% of the total value of public monies on deposit at the institution. If the institution participates in the Ohio Pooled Collateral System (OPCS), the total fair value of the securities pledged can be 102% or lower if permitted by the Treasurer of State. The School District's financial institution participates in the OPCS and was approved for a reduced collateral floor of 50 %.

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

A. Deposits

Custodial credit risk is the risk that, in the event of a bank failure, the School District's deposits may not be returned. As of June 30, \$142,698 of the School District's bank balance of \$12,638,205 was exposed to custodial credit risk because those deposits were uninsured and uncollateralized.

B. Investments

As of June 30, 2022, the School District had the following investments and maturities:

Investment Type	Fair Value	Percentage of Investments	Investment Maturities (in years)		
			< 1 year	2 - 4 years	> 4 years
Government Sponsored Enterprise Bonds:					
Federal Home Loan Mortgage Corporation	\$ 893,157	3.84%	\$ -	\$ 893,157	\$ -
Federal Home Loan Bank	4,555,777	19.56%	-	2,825,120	1,730,657
Federal Farm Credit Bank	373,118	1.60%	373,118	-	-
Federal National Mortgage Association	242,260	1.04%	-	242,260	-
U.S. Treasury notes	8,524,470	36.62%	-	8,411,110	113,360
Negotiable certificates of deposit	4,919,405	21.13%	3,705,291	1,214,114	-
Commercial paper	1,983,850	8.52%	1,983,850	-	-
Nonnegotiable certificates of deposit	1,745,000	7.50%	745,000	1,000,000	-
First American government obligation	42,344	0.18%	42,344	-	-
STAR Ohio	1,377	0.01%	1,377	-	-
Total investments	<u>\$ 23,280,758</u>	<u>100.00%</u>	<u>\$ 6,850,980</u>	<u>\$ 14,585,761</u>	<u>\$ 1,844,017</u>

## ***Highland Local School District***

Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2022

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 table identifies the School District's recurring fair value measurement as of June 30, 2022. As previously discussed Star Ohio is reported at its net asset value. Other investments of the School District are valued using Level 2 inputs using valuation techniques that incorporate market data for similar investments, broker quotes and inactive transactions prices.

Custodial credit risk for an investment is the risk that in the event of failure of the counterparty, the School District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The investments in Federal Home Loan Mortgage Corporation (FHLMC), Federal Home Loan Bank (FHLB), Federal Farm Credit Bank (FFCB), Federal National Mortgage Association (FNMA) and commercial paper are held by the counterparty's trust department or agent and not in the School District's name. All of the School District's negotiable certificates of deposit are registered securities and covered in full by FDIC insurance. The School District's policy is to invest money with financial institutions that are able to abide by the laws governing insurance and collateral of public funds.

Interest rate risk is the possibility that changes in interest rates will adversely affect the fair value of an investment. The School District's investment policy does not address limits on investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit risk is the possibility that an issuer or other counterparty to an investment will not fulfill its obligation. Standard and Poor's has assigned STAR Ohio and the First American Government Obligation an AAAM rating, the FHLMC, FHLB, FFCB and FNMA bonds an AA+ rating, the U.S. Treasury notes have a A-1+ rating. Ohio law requires that STAR Ohio maintain the highest rating provided by at least one nationally recognized standard service rating. The School District's investment policy requires certain credit ratings for some investments as allowed by state law.

Concentration of credit risk is the possibility of loss attributed to the magnitude of the School District's investment in a single issuer. More than 5 percent of the School District's investments are in Federal Home Loan Bank bonds. These investments are presented in the table on the previous page. The investment in STAR Ohio is a pooled investment and not of a single issuer. The investments in negotiable CD's and commercial paper are all individually below 5 percent for each issuer. The School District's policy does not specify stricter limits than allowed by law.

All interest is legally required to be placed in the general fund, the food service and auxiliary services special revenue funds, the building capital projects fund and the Scholarships private purpose trust fund. Interest revenue and the change in fair value of investments credited to the general fund during fiscal year 2022 amounted to \$(660,289), which includes \$(242,418) assigned from other School District funds. For 2022, interest income reported in the general fund were negative amounts resulting from fluctuations in reporting investments at fair value

**Highland Local School District**

Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2022

**NOTE 5 - PROPERTY TAX**

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

Property taxes include amounts levied against all real, public utility and tangible personal property (used for public utilities) located in the School District. Real property tax revenue received in calendar year 2022 represents collections of calendar year 2021 taxes. Real property taxes received in calendar year 2022 were levied after April 1, 2021, on the assessed value listed as of January 1, 2021, the lien date. Assessed values for real property taxes are established by State law at 35 percent of appraised market value. Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semi-annually, the first payment is due December 31 with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established.

Public utility property tax revenue received in calendar year 2022 represents collections of calendar year 2021 taxes. Public utility real and tangible personal property taxes received in calendar year 2022 became a lien December 31, 2020, were levied after April 1, 2021 and are collected with real property taxes. Public utility real property is assessed at 35 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 Medina and Summit Counties. The Medina County Auditor periodically advances to the School District its portion of the taxes collected. Second-half real property tax payments collected by the counties by year-end are available to finance the current fiscal year operations. The amount available to be advanced can vary based on the date the tax bills are sent and on the collection of delinquent taxes. The Board has passed a resolution to accept advances of property taxes and make them available for appropriation.

Accrued property taxes receivable includes real property and public utility property taxes which are measurable as of June 30, 2022 and for which there is an enforceable legal claim. Although total property tax collections for the next fiscal year are measurable, only the amount of real property taxes available as an advance at June 30 was levied to finance current fiscal year operations and is reported as revenue at fiscal year end. The portion of the receivable not levied to finance current fiscal year operations is offset by a credit to deferred inflows of resources – property taxes.

The amount available as an advance at year-end was \$1,536,554 in the general fund and \$357,995 in the debt service fund, and is recognized as revenue on the fund financial statements.

On the accrual basis, collectible delinquent property taxes have been recorded as revenue on the statement of activities.

**Highland Local School District**

Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2022

The assessed values totaling \$1,026,615,260 upon which the current fiscal year taxes were collected are:

2021 <u>Property Category</u>	Medina <u>County</u>	Summit <u>County</u>
<u>Real Property</u>		
Residential and agricultural	\$ 918,198,250	\$ 9,052,500
Commercial, industrial and minerals	79,107,850	-
Public utilities	51,920	-
<u>Tangible Personal Property</u>		
Public utilities	19,984,840	219,900
Total	<u>\$ 1,017,342,860</u>	<u>\$ 9,272,400</u>

**NOTE 6 – SHARED SALES TAX REVENUE**

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During 2007, the voters of Medina County passed an additional one-half percent sales tax to be used for capital improvements at all school districts within the County. Collection began in October 2007 for a period of 30 years. Vendor collections of the tax are paid to the State Treasurer by the twenty-third day of the month following collection. The State Tax Commissioner certifies to the State Auditor the amount of the tax to be returned to the County. The County then allocates this tax to the school districts within the County based on the number of students enrolled.

**NOTE 7 - RECEIVABLES**

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Receivables at year-end consisted of taxes, accounts, accrued interest, interfund, and intergovernmental grants and entitlements. All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes, the stable condition of state programs, and the current year guarantee of federal funds. The general fund and nonmajor governmental funds reported intergovernmental receivables as follows:

<u>Governmental Activities</u>	<u>Amounts</u>
General:	
School foundation adjustments	\$ 51,169
Miscellaneous reimbursements	167,719
Total general	<u>218,888</u>
Other governmental funds:	
Sales tax	1,433,123
Miscellaneous reimbursements	10,738
Grants	312,320
Total other governmental funds	<u>1,756,181</u>
Total	<u>\$ 1,975,069</u>

**Highland Local School District**  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2022

**NOTE 8 - CAPITAL ASSETS**

Capital asset activity for the fiscal year ended June 30, 2022, was as follows:

	Balance July 1, 2021	Additions	Deletions	Balance June 30, 2022
<b><u>Governmental Activities</u></b>				
Nondepreciable capital assets				
Land	\$ 3,972,386	\$ -	\$ -	\$ 3,972,386
Construction in progress	54,421,916	12,038,121	(66,460,037)	-
Total nondepreciable capital assets	<u>58,394,302</u>	<u>12,038,121</u>	<u>(66,460,037)</u>	<u>3,972,386</u>
Depreciable capital assets				
Land improvements, depreciated	8,918,415	3,338,476	-	12,256,891
Buildings and building improvements	55,435,318	62,663,907	(5,383,157)	112,716,068
Furniture, fixtures, and equipment	5,124,947	752,157	(236,050)	5,641,054
Vehicles	3,348,220	-	-	3,348,220
Total depreciable capital assets	<u>72,826,900</u>	<u>66,754,540</u>	<u>(5,619,207)</u>	<u>133,962,233</u>
Less accumulated depreciation:				
Land improvements	(3,270,454)	(443,024)	-	(3,713,478)
Buildings and building improvements	(28,862,767)	(2,125,496)	4,325,589	(26,662,674)
Furniture, fixtures, and equipment	(2,966,793)	(216,783)	216,783	(2,966,793)
Vehicles	(2,318,456)	(213,477)	-	(2,531,933)
Total accumulated depreciation	<u>(37,418,470)</u>	<u>(2,998,780)</u>	<u>4,542,372</u>	<u>(35,874,878)</u>
Depreciable capital assets, net				
Governmental activities	<u>35,408,430</u>	<u>63,755,760</u>	<u>(1,076,835)</u>	<u>98,087,355</u>
Capital assets, net	<u>\$ 93,802,732</u>	<u>\$ 75,793,881</u>	<u>\$ (67,536,872)</u>	<u>\$ 102,059,741</u>

**Highland Local School District**  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2022

During fiscal year 2022, some assets previously reported in furniture, fixtures and equipment have been reclassified as land improvements.

Depreciation expense was charged to governmental functions as follows:

Instruction:	
Regular	\$ 877,939
Special	33,181
Vocational	3,415
Support services:	
Pupils	52,090
Instructional staff	38,368
Administration	28,353
Fiscal	3,572
Operation and maintenance of plant	796,515
Pupil transportation	222,790
Central	1,707
Food service operations	134,987
Extracurricular activities	805,863
Total depreciation expense	<u>\$ 2,998,780</u>

**NOTE 9 - RISK MANAGEMENT**

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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. These risks are covered by commercial insurance purchased from independent third parties. There have been no settlements paid in excess of insurance nor has insurance coverage been significantly reduced in the past three years.

The School District has contracted with the Stark County Schools Council of Governments (COG) to provide medical/surgical, dental, vision, life insurance and accidental death and dismemberment insurance for its employees and their covered dependents. The COG is a shared risk pool comprised of more than one hundred member school districts, educational service centers, libraries, colleges and related agencies. The employer participants pay monthly contributions that are placed in a common fund from which eligible claims and expenses are paid for employees and their covered dependents. This plan includes both individual and aggregate stop-loss provisions. Premium contributions are determined annually in a manner that ensures the pool is funded up to the aggregate stop loss attachment point. Premium holidays may be declared by the COG to ensure reserves do not exceed thirty percent of annual expenditures.

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



**Highland Local School District**

Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2022

**NOTE 10 - DEFINED BENEFIT PENSION AND OPEB PLANS**

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**Net Pension Liability/Net OPEB Liability (Asset)**

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

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

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

The net pension/net OPEB liability (asset) are not reported on the face of the financial statements, but rather are disclosed in the notes because of the use of the cash basis framework.

The remainder of this note includes the required pension and OPEB disclosures.

**A. DEFINED BENEFIT PENSION PLANS**

**School Employee Retirement System (SERS)**

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

**Highland Local School District**  
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Age and service requirements for retirement are as follows:

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

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

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

An individual whose benefit effective date is before April 1, 2018, is eligible for a cost-of-living adjustment (COLA) on the first anniversary date of the benefit. New benefit recipients must wait until the fourth anniversary of their benefit for COLA eligibility. The COLA is added each year to the base benefit amount on the anniversary date of the benefit. The COLA is indexed to the percentage increase in the CPI-W, not to exceed 2.5 percent and with a floor of 0 percent. A three-year COLA suspension was in effect for all benefit recipients for the years 2018, 2019, and 2020. The Retirement Board approved a 0.5 percent COLA for calendar year 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, 2022, the allocation to pension, death benefits, and Medicare B was 14.0 percent. For fiscal year 2022, the Retirement Board did not allocate any employer contribution to the Health Care Fund.

The School District’s contractually required contribution to SERS was \$724,076 for fiscal year 2022. Of this amount \$74,842 is reported as an intergovernmental payable.

**State Teachers Retirement System (STRS)**

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

New members have a choice of three retirement plans; a Defined Benefit (DB) Plan, a Defined Contribution (DC) Plan and a Combined Plan. Benefits are established by Ohio Revised Code Chapter 3307.

## ***Highland Local School District***

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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 five years of service credit and age 65, or 35 years of service credit and at least age 60.

Eligibility changes for CB Plan members who retire with actuarially reduced benefits will be phased in until August 1, 2026, when retirement eligibility will be five 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. Investment allocation decisions are determined by the member. 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 goes to the DC Plan and the remaining 2 percent is applied to the DB Plan. Member contributions are allocated among investment choices by the member, and employer contributions are used to fund the defined benefit payment at a reduced level from the regular DB Plan. The defined benefit portion of the Combined Plan payment is payable to a member on or after age 60 with five years of services. The defined contribution portion of the account may be taken as a lump sum payment or converted to a lifetime monthly annuity at age 50 or later after termination of employment.

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

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

Funding Policy – Employer and member contribution rates are established by the State Teachers Retirement Board and limited by Chapter 3307 of the Ohio Revised Code. The fiscal year 2022 employer and employee contribution rate of 14 percent was equal to the statutory maximum rates. For fiscal year 2022, the full employer contribution was allocated to pension.

The School District's contractually required contribution to STRS was \$2,484,420 for fiscal year 2022. Of this amount \$433,361 is reported as an intergovernmental payable.

**Highland Local School District**

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**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, 2021, 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>SERS</u>	<u>STRS</u>	<u>Total</u>
Proportion of the net pension liability - prior measurement date	0.1473738%	0.1349207%	
Proportion of the net pension liability - current measurement date	<u>0.1438559%</u>	<u>0.1360620%</u>	
Change in proportionate share	<u>-0.0035179%</u>	<u>0.0011413%</u>	
Proportionate share of the net pension liability	\$5,307,866	\$17,396,752	\$22,704,618
Pension expense	(\$73,345)	\$87,525	\$14,180

At June 30, 2022, the School District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
<b>Deferred outflows of resources</b>			
Differences between expected and actual experience	\$ 512	\$ 537,476	\$ 537,988
Changes of assumptions	111,768	4,826,171	4,937,939
Changes in proportionate share and difference between School District contributions and proportionate share of contributions	90,152	402,829	492,981
School District contributions subsequent to the measurement date	<u>724,076</u>	<u>2,484,420</u>	<u>3,208,496</u>
Total deferred outflows of resources	<u>\$ 926,508</u>	<u>\$ 8,250,896</u>	<u>\$ 9,177,404</u>
<b>Deferred inflows of resources</b>			
Net difference between expected and actual experience	\$ 137,655	\$ 109,042	\$ 246,697
Net difference between projected and actual earnings on pension plan investments	2,733,706	14,992,670	17,726,376
Changes in proportionate share and difference between School District contributions and proportionate share of contributions	<u>133,497</u>	<u>-</u>	<u>133,497</u>
Total deferred inflows of resources	<u>\$ 3,004,858</u>	<u>\$ 15,101,712</u>	<u>\$ 18,106,570</u>

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\$3,208,496 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 year ending June 30, 2023. 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 <u>Year</u>	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
2023	\$ (666,907)	\$ (2,248,613)	\$ (2,915,520)
2024	(646,461)	(1,977,610)	(2,624,071)
2025	(649,976)	(2,186,876)	(2,836,852)
2026	<u>(839,082)</u>	<u>(2,922,137)</u>	<u>(3,761,219)</u>
Total	<u>\$ (2,802,426)</u>	<u>\$ (9,335,236)</u>	<u>\$ (12,137,662)</u>

**Actuarial Assumptions - SERS**

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

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing benefit costs between the employers and plan members to that point. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations. Future benefits for all current plan members were projected through 2130.

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, 2021, are presented below:

Wage inflation	2.4 percent
Future salary increases, including inflation	3.25 percent to 13.58 percent
COLA or Ad Hoc COLA	2.0 percent, on or after
	April 1, 2018, COLAs for future retirees will be delayed for
	three years following commencement
Investment rate of return	7.0 percent net of system expense
Actuarial cost method	Entry age normal

**Highland Local School District**

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Mortality rates for 2021 were based on the PUB-2010 General Employee Amount Weight Below Median Healthy Retiree mortality table projected to 2017 with ages set forward 1 year and adjusted 94.20 percent for males and set forward 2 years and adjusted 81.35 percent for females. Mortality among disabled members were based upon the PUB-2010 General Disabled Retiree mortality table projected to 2017 with ages set forward 5 years and adjusted 103.3 percent for males and set forward 3 years and adjusted 106.8 percent for females. Future improvement in mortality rates is reflected by applying the MP-2020 projection scale generationally.

The most recent experience study was completed June 30, 2020.

The long-term return expectation for the Pension Plan Investments has been determined using a building-block approach and assumes a time horizon, as defined in SERS' *Statement of Investment Policy*. A forecasted rate of inflation serves as the baseline for the return expectation. Various real return premiums over the baseline inflation rate have been established for each asset class. The long-term expected nominal rate of return has been determined by calculating a weighted averaged of the expected real return premiums for each asset class, adding the projected inflation rate, and adding the expected return from rebalancing uncorrelated asset classes. The target allocation and best estimates of arithmetic real rates of return for each major assets class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long Term Expected Real Rate of Return</u>
Cash	2.00 %	(0.33) %
US equity	24.75	5.72
International equity developed	13.50	6.55
International equity emerging	6.75	8.54
Fixed income/Global bonds	19.00	1.14
Private equity	11.00	10.03
Real estate/Real assets	16.00	5.41
Multi-asset strategies	4.00	3.47
Private debt/Private credit	3.00	5.28
Total	<u>100.00 %</u>	

**Discount Rate** The total pension liability for 2021 was calculated using the discount rate of 7.00 percent. The discount rate for 2020 was 7.5 percent. The projection of cash flows used to determine the discount rate assumed the contributions from employers and from the members would be computed based on contribution requirements as stipulated by State statute. Projected inflows from investment earnings were calculated using the long-term assumed investment rate of return (7.00 percent). Based on those assumptions, the plan's fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefits to determine the total pension liability.

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

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	1% Decrease (6.00%)	Current discount rate (7.00%)	1% Increase (8.00%)
School District's proportionate share of the net pension liability	\$ 8,830,898	\$5,307,866	\$2,336,665

**Actuarial Assumptions - STRS**

The total pension liability in the July 1, 2021, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.5 percent
Projected salary increases	12.5 percent at age 20 to 2.5 percent at age 65
Investment rate of return	7.0 percent, net of investment expenses, including inflation
Discount rate of return	7.0 percent
Payroll increases	3.0 percent
Cost-of-Living Adjustment (COLA)	0.0 percent

Post-retirement 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. 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 MP2016.

Actuarial assumptions used in the June 30, 2021, 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 real rate of return*
Domestic equity	28.00 %	7.35 %
International equity	23.00	7.55
Alternatives	17.00	7.09
Fixed income	21.00	3.00
Real estate	10.00	6.00
Liquidity reserves	<u>1.00</u>	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% and does not include investment expenses. Over a 30 year period, STRS's investment consultant indicates that the above target allocations should generate a return above the actuarial rate of return, without net value added by management.

**Highland Local School District**

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**Discount Rate** The discount rate used to measure the total pension liability was 7.00 percent as of June 30, 2021, and 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 above. For this purpose, only employer contributions that are intended to fund benefits of current plan members and their beneficiaries are included. Based on those assumptions, STRS' fiduciary net position was projected to be available to make all projected future benefit payments to current plan members as of June 30, 2021. Therefore, the long-term expected rate of return on pension plan investments of 7.00 percent was applied to all periods of projected benefit payment to determine the total pension liability as of June 30, 2021.

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

	1% Decrease (6.00%)	Current discount rate (7.00%)	1% Increase (8.00%)
School District's proportionate share of the net pension liability	\$ 32,577,605	\$17,396,752	\$4,568,963

**Changes Between the Measurement Date and the Reporting date** In February 2022, the Board approved changes to demographic measures that will impact the June 30, 2022, actuarial valuation. These demographic measures include retirement, salary increase, disability/termination and mortality assumptions. In March 2022, the STRS Board approved benefit plan changes to take effect on July 1, 2022. These changes include a one-time three percent cost-of-living increase (COLA) to be paid to eligible benefit recipients and the elimination of the age 60 requirement for retirement age and service eligibility that was set to take effect in 2026. The effect on the net pension liability is unknown.

**Social Security System**

Effective July 1, 1991, all employees not otherwise covered by the School Employees Retirement System or the State Teachers Retirement System have an option to choose Social Security or the School Employees Retirement System/State Teachers Retirement System. The Board's liability is 6.2% of wages paid for those that choose Social Security.



**B. DEFINED BENEFIT OPEB PLANS**

**School Employee Retirement System**

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

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

Funding Policy - State statute permits SERS to fund the health care benefits through employer contributions. Each year, after the allocation for statutorily required pensions and benefits, the Retirement Board may allocate the remainder of the employer contribution of 14 percent of covered payroll to the Health Care Fund in accordance with the funding policy. For fiscal year 2022, 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 2022, this amount was \$25,000. Statutes provide that no employer shall pay a health care surcharge greater than 2 percent of that employer's SERS-covered payroll; nor may SERS collect in aggregate more than 1.5 percent of the total statewide SERS-covered payroll for the health care surcharge. For fiscal year 2022, the School District's surcharge obligation was \$94,708.

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 \$94,708 for fiscal year 2022. Of this amount \$94,708 is reported as an intergovernmental payable.

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**State Teachers Retirement System**

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

Funding Policy – Ohio Revised Code Chapter 3307 authorizes STRS to offer the Plan and gives the Retirement Board discretionary authority over how much, if any, of the health care costs will be absorbed by STRS. Active employee members do not contribute to the Health Care Plan. Nearly all health care plan enrollees, for the most recent year, pay a portion of the health care costs in the form of a monthly premium. Under Ohio law, funding for post-employment health care may be deducted from employer contributions, currently 14 percent of covered payroll. For the fiscal year ended June 30, 2022, STRS did not allocate any employer contributions to post-employment health care.

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

The net OPEB liability or asset was measured as of June 30, 2021, and the total OPEB liability used to calculate the net OPEB liability or asset was determined by an actuarial valuation as of that date. The School District's proportion of the net OPEB liability or 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>SERS</u>	<u>STRS</u>	<u>Total</u>
Proportion of the net OPEB liability (asset) - prior measurement date	0.1528959%	0.1349207%	
Proportion of the net OPEB liability (asset) - current measurement date	<u>0.1483934%</u>	<u>0.1360620%</u>	
Change in proportionate share	<u>-0.0045025%</u>	<u>0.0011413%</u>	
Proportionate share of the net OPEB liability (asset)	\$2,808,467	(\$2,868,756)	(\$60,289)
OPEB expense	(\$24,469)	(\$170,901)	(\$195,370)

At June 30, 2022, the School District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

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	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
<b>Deferred outflows of resources</b>			
Differences between expected and actual experience	\$ 29,936	\$ 102,147	\$ 132,083
Changes of assumptions	440,582	183,244	623,826
Changes in proportionate share and difference between School District contributions and proportionate share of contributions	207,766	82,530	290,296
School District contributions subsequent to the measurement date	<u>94,708</u>	<u>-</u>	<u>94,708</u>
Total deferred outflows of resources	<u>\$ 772,992</u>	<u>\$ 367,921</u>	<u>\$ 1,140,913</u>
<b>Deferred inflows of resources</b>			
Differences between expected and actual experience	\$ 1,398,743	\$ 525,608	\$ 1,924,351
Changes of assumptions	384,596	1,711,422	2,096,018
Net difference between projected and actual earnings on pension plan investments	61,015	795,170	856,185
Changes in proportionate share and difference between School District contributions and proportionate share of contributions	<u>144,540</u>	<u>-</u>	<u>144,540</u>
Total deferred inflows of resources	<u>\$ 1,988,894</u>	<u>\$ 3,032,200</u>	<u>\$ 5,021,094</u>

\$94,708 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 adjustment to the net OPEB asset in the year ending June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Fiscal Year	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
2023	\$ (299,824)	\$ (754,105)	\$ (1,053,929)
2024	(300,252)	(734,207)	(1,034,459)
2025	(288,542)	(733,195)	(1,021,737)
2026	(237,920)	(332,674)	(570,594)
2027	(133,126)	(112,802)	(245,928)
2028	<u>(50,946)</u>	<u>2,704</u>	<u>(48,242)</u>
Total	<u>\$ (1,310,610)</u>	<u>\$ (2,664,279)</u>	<u>\$ (3,974,889)</u>

**Actuarial Assumptions - SERS**

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

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

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

Key methods and assumptions used in calculating the total OPEB liability in the latest actuarial valuation date of June 30, 2021, are presented below:

Wage Inflation	2.40 percent
Future Salary Increases, including inflation	3.25 percent to 13.58 percent
Investment Rate of Return	7.00 percent net of investments expense, including inflation
Municipal Bond Index Rate:	
Measurement Date	1.92 percent
Prior Measurement Date	2.45 percent
Single Equivalent Interest Rate, net of plan investment expense, including price inflation	
Measurement Date	2.27 percent
Prior Measurement Date	2.63 percent
Medical Trend Assumption	
Medicare	5.125 to 4.40 percent
Pre-Medicare	6.75 to 4.40 percent

For 2021, mortality rates among healthy retirees were based on the PUB-2010 General Employee Amount Weighted Below Median Healthy Retiree mortality table projected to 2017 with ages set forward 1 year and adjusted 94.20 percent for males and set forward 2 years and adjusted 81.35 percent for females. Mortality among disabled members were based upon the PUB-2010 General Disabled Retiree mortality table projected to 2017 with ages set forward 5 years and adjusted 103.3 percent for males and set forward 3 years and adjusted 106.8 percent for females. Mortality rates for contingent survivors were based on PUB-2010 General Amount Weighted Below Median Contingent Survivor mortality table projected to 2017 with ages set forward 1 year and adjusted 105.5 percent for males and adjusted 122.5 percent for females. Mortality rates for actives is based on PUB-2010 General Amount Weighted Below Median Employee mortality table.

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

**Highland Local School District**

Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2022

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 2015 through 2020, and was adopted by the Board in 2021. Several factors are considered in evaluating the long-term rate of return assumption including long-term historical data, estimates inherent in current market data, and a 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, 7.00 percent, by weighting the expected future real rates of return by the target asset allocation percentage and then adding expected inflation. The capital market assumptions developed by the investment consultant are intended for use over a 10-year horizon and may not be useful in setting the long-term rate of return for funding pension plans which covers a longer timeframe. The assumption is intended to be a long-term assumption and is not expected to change absent a significant change in the asset allocation, a change in the inflation assumption, or a fundamental change in the market that alters expected returns in future years.

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 10 A.

**Discount Rate (SEIR)** The discount rate used to measure the total OPEB liability at June 30, 2021 was 2.27 percent. The discount rate used to measure total OPEB liability prior to June 30, 2021, was 2.63 percent. The projection of cash flows used to determine the discount rate assumed that contributions will be made from members and the System at the contribution rate of 1.50 percent of projected covered payroll each year, which includes a 1.50 percent payroll surcharge and no contributions from the basic benefits plan. Based on these assumptions, the OPEB plan's fiduciary net position was projected to become insufficient to make all projected future benefit payments of current System members by SERS actuaries. The Municipal Bond Index Rate is used in the determination of the SEIR for both the June 30, 2020 and the June 30, 2021 total OPEB liability. The Municipal Bond Index rate is the single rate that will generate a present value of benefit payments equal to the sum of the present value determined by the long-term expected rate of return, and the present value determined by discounting those benefits after the date of depletion. The Municipal Bond Index Rate is 1.92 percent at June 30, 2021 and 2.45 percent at June 30, 2020.

**Sensitivity of the School District's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate and Changes in the Health Care Cost Trend Rates** The net OPEB liability is sensitive to changes in the discount rate and the health care cost trend rate. The following table presents the net OPEB liability of SERS, what SERS' net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (1.27%) and higher (3.27%) than the current discount rate (2.27%). Also shown is what SERS' net OPEB liability would be based on health care cost trend rates that are 1 percentage point lower (5.75% decreasing to 3.40%) and higher (7.75% decreasing to 5.40%) than the current rate.

	1% Decrease (1.27%)	Current discount rate (2.27%)	1% Increase (3.27%)
School District's proportionate share of the net OPEB liability	\$ 3,480,030	\$2,808,467	\$2,271,974
	1% Decrease (5.75% decreasing to 3.40%)	Current trend rate (6.75% decreasing to 4.40%)	1% Increase (7.75% decreasing to 5.40%)
School District's proportionate share of the net OPEB liability	\$ 2,162,289	\$2,808,467	\$3,671,561

**Highland Local School District**  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2022

**Actuarial Assumptions – STRS**

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results used in the June 30, 2021, actuarial valuation are presented below:

Projected salary increases	12.50 percent at age 20 to 2.50 percent at age 65
Investment Rate of Return	7.00 percent, net of investment expenses, including inflation
Payroll Increases	3.00 percent
Discount rate of return	7.00 percent
Health Care Cost Trends:	
Medical	
Pre-Medicare	5.00 percent initial, 4.00 percent ultimate
Medicare	-16.18 percent initial, 4.00 percent ultimate
Prescription Drug	
Pre-Medicare	6.50 percent initial, 4.00 percent ultimate
Medicare	29.98 percent initial, 4.00 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, 2021, valuation are based on the results of an actuarial experience study for the period July 1, 2011 through June 30, 2016.

The non-Medicare subsidy percentage was increased effective January 1, 2022 from 2.055 percent to 2.1 percent per year of service. The non-Medicare frozen subsidy base premium was increased effective January 1, 2022. The Medicare Part D Subsidy was updated to reflect it is expected to be negative in CY 2022. The Part B monthly reimbursement elimination date was postponed indefinitely.

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 10 A.

**Highland Local School District**

Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2022

**Discount Rate** The discount rate used to measure the total OPEB liability was 7.00 percent as of June 30, 2021, and 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, 2021. Therefore, the longterm expected rate of return on health care plan investments of 7.00 percent was used to measure the total OPEB liability as of June 30, 2021.

**Sensitivity of the District's Proportionate Share of the Net OPEB Asset to Changes in the Discount and Health Care Cost Trend Rate** The following table represents the net OPEB asset as of June 30, 2021, calculated using the current period discount rate assumption of 7.00 percent, as well as what the net OPEB asset would be if it were calculated using a discount rate that is one percentage point lower (6.00 percent) or one percentage point higher (8.00 percent) than the current assumption. Also shown is the net OPEB asset as if it were calculated using health care cost trend rates that are one percentage point lower or one percentage point higher than the current health care cost trend rates.

	<u>1% Decrease</u> <u>(6.00%)</u>	<u>Current</u> <u>discount rate</u> <u>(7.00%)</u>	<u>1% Increase</u> <u>(8.00%)</u>
School District's proportionate share of the net OPEB asset	\$ (2,420,787)	(\$2,868,756)	(\$3,242,967)

	<u>1% Decrease</u>	<u>Current</u> <u>trend rate</u>	<u>1% Increase</u>
School District's proportionate share of the net OPEB asset	\$ (3,227,805)	(\$2,868,756)	(\$2,424,760)

**Highland Local School District**

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2022

**NOTE 11 - BONDED DEBT AND OTHER LONG-TERM OBLIGATIONS**

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

<u>Governmental activities</u>	<u>Balance</u> <u>July 1, 2021</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u> <u>June 30, 2022</u>	<u>Due within</u> <u>one year</u>
<u>General obligation bonds</u>					
2020 School Improvement Refunding					
Bonds, maturing December 1, 2054					
Serial bonds	\$ 51,905,000	\$ -	\$ (720,000)	\$ 51,185,000	\$ 740,000
Premium on bonds	7,356,525	-	(336,894)	7,019,631	-
Capital appreciation bonds	930,000	-	-	930,000	-
Accretion on bonds	208,561	201,049	-	409,610	-
2016 School Improvement Refunding					
Bonds, maturing December 1, 2026					
Serial bonds	13,690,000	-	(1,955,000)	11,735,000	2,065,000
Premium on bonds	1,158,659	-	(370,992)	787,667	-
2018A School Improvement Bonds, maturing December 1, 2054					
Serial bonds	930,000	-	(95,000)	835,000	100,000
Premium on bonds	65,790	-	(14,950)	50,840	-
2018B School Improvement Bonds, maturing December 1, 2043					
Serial bonds	5,740,000	-	(50,000)	5,690,000	50,000
Total general obligation bonds	<u>81,984,535</u>	<u>201,049</u>	<u>(3,542,836)</u>	<u>78,642,748</u>	<u>2,955,000</u>
<u>Lease-purchase agreements -</u>					
<u>Direct borrowings</u>					
School facilities improvements	8,500,000	-	(520,000)	7,980,000	490,000
Athletic complex	6,247,223	-	(410,070)	5,837,153	420,732
Total lease-purchase agreements	<u>14,747,223</u>	<u>-</u>	<u>(930,070)</u>	<u>13,817,153</u>	<u>910,732</u>
<u>Other Obligations</u>					
Compensated absences	2,155,628	333,798	(299,715)	2,189,711	204,781
<u>Net pension liability</u>					
STRS	32,646,004	-	(15,249,252)	17,396,752	-
SERS	9,747,614	-	(4,439,748)	5,307,866	-
Total net pension liability	<u>42,393,618</u>	<u>-</u>	<u>(19,689,000)</u>	<u>22,704,618</u>	<u>-</u>
<u>Net OPEB liability</u>					
SERS	3,322,928	-	(514,461)	2,808,467	-
Total net OPEB liability	<u>3,322,928</u>	<u>-</u>	<u>(514,461)</u>	<u>2,808,467</u>	<u>-</u>
Governmental activities long-term liabilities	<u>\$ 144,603,932</u>	<u>\$ 534,847</u>	<u>\$ (24,976,082)</u>	<u>\$ 120,162,697</u>	<u>\$ 4,070,513</u>



***Highland Local School District***

Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2022

*General Obligation Bonds:*

On March 8, 2016, the School District issued \$19,205,000 in General Obligation Bonds with interest rates ranging from 2% to 5% to current refund \$22,325,000 of outstanding School Improvement Bonds with an average interest rate of 4.25%. The bond proceeds consisted of bond principal and \$3,817,887 of premium. The net proceeds of \$18,994,692 (after payment of \$210,308 in underwriting fees, insurance, and other issuance costs) was deposited into an irrevocable trust with an escrow agent to provide for future debt service payments of the portion of School Improvement Bonds refunded. As a result of this issue, a portion of the School Improvement Facilities Bonds are considered to be redeemed and the liability has been removed. As of June 1, 2016, all of the old bonds have been called and redeemed. The new bonds are serial bonds. The School District current refunded the School Improvement Bonds to reduce their total debt service payments over the next 11 years and to obtain an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$3,609,699.

In April 2018, the School District issued \$57,100,000 in School Improvement Bonds with interest rates ranging from 3% to 5.25%. The School Improvement bonds are direct obligations of the School District for which its full faith and credit are pledged for repayment. The bonds were issued for providing resources for constructing, furnishing, and equipping new elementary schools, renovating, remodeling, reconstructing, adding to, furnishing, equipping, and otherwise improving school facilities and their sites, including the middle school. The bonds and interest are to be repaid by the debt service fund from the proceeds of property taxes collected from a levy that was approved by the taxpayers.

In May 2018, the School District issued \$5,900,000 in School Improvement Bonds with interest rates ranging from 2% to 4.25%. The School Improvement bonds are direct obligations of the School District for which its full faith and credit are pledged for repayment. The bonds were issued for providing resources for constructing, furnishing, and equipping new elementary schools, renovating, remodeling, reconstructing, adding to, furnishing, equipping, and otherwise improving school facilities and their sites, including the middle school. The bonds and interest are to be repaid by the debt service fund from the proceeds of property taxes collected from a levy that was approved by the taxpayers.

On March 3, 2020, the School District issued \$53,945,000 in General Obligation Bonds with interest rates ranging from 3% to 5.25% to refund \$53,945,000 of outstanding School Improvement Bonds with an average interest rate of 5.125%. The bond proceeds consisted of bond principal and \$7,698,073 of premium. The net proceeds of \$61,128,743 (after payment of \$514,330 in underwriting fees, insurance, and other issuance costs) was deposited into an irrevocable trust with an escrow agent to provide for future debt service payments of the portion of School Improvement Bonds refunded. As a result of this issue, a portion of the School Improvement Bonds are considered to be redeemed and the liability has been removed. The old bonds have a call date of June 1, 2023. The new bonds include serial and capital appreciation bonds. The School District refunded the School Improvement Bonds to reduce their total debt service payments over the next 35 years and to obtain an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$12,267,201.

***Highland Local School District***

Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2022

Direct borrowings: During February 2021, the School District entered into a lease-purchase agreement to finance \$8,500,000. The proceeds from the transaction are being used to finance various improvements of school facilities including the construction, furnishing and equipping of Sharon Elementary School facilities. The repayment terms are using an interest rate of 2.25% and maturity date of December 1, 2035.

On June, 5, 2014, the School District entered into a lease-purchase agreement to finance the construction of a new athletic complex. The aggregate amount of the principal component of payments under the agreement is \$7,255,066 and the interest component of those payments accrues at the fixed rate of 3.272%. Payments under the agreement, amounting to \$500,000 annually and first due on June 5, 2015, are planned to be paid from County sales tax revenue and private donations received by the School District. The final payment under the agreement is due June 5, 2034.

On October 21, 2014, the School District entered into a supplemental lease-purchase agreement to provide additional financing for the aforementioned athletic complex project in the aggregate principal amount of \$1,440,725. The interest component of payments accrues at the fixed rate of 3.25%. Payments under the supplemental agreement, amounting to \$99,091 annually and first due on October 21, 2015, are also to be paid from County sales tax revenue and private donations received by the School District. The final payment under the supplemental agreement is due October 21, 2034.

In February 2020, the School District refinanced the lease-purchase agreements. The interest component of payments in the new agreement accrues at a fixed rate of 2.60%. Payments under the new agreement, amount to \$572,498 annually and are due on June 5 each year. The final payment under the new lease-purchase agreement is June 5, 2034.

The outstanding lease-purchase agreements contain: (1) a provision that funds must be legally appropriated for an amount sufficient to make all lease payments during the lease term or the lease terminates and (2) a provision that in the event of default leased property be returned at the School District's expense.

Compensated absences: Compensated absences are typically paid from the fund from which the employee is paid. Substantially all compensated absence obligations have been paid from the general fund in prior years.

There is no repayment schedule for the net pension liability and net OPEB liability; however, the School District pays pension and OPEB obligations related to employee compensation from the fund benefitting from their service.

**Highland Local School District**  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2022

Principal and interest requirements to amortize all bonds and the lease-purchase agreement outstanding at June 30, 2022 are as follows:

Fiscal Year	<u>General obligation bonds</u> School Improvement Bonds				<u>Lease-Purchase Agreements</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Interest</u> Compounded	<u>Total</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 2,955,000	\$ 2,370,575	\$ -	\$ 5,325,575	\$ 910,732	\$ 325,804	\$ 1,236,536
2024	3,205,000	2,233,300	-	5,438,300	936,671	303,671	1,240,342
2025	3,445,000	2,083,650	-	5,528,650	957,895	280,972	1,238,867
2026	3,645,000	1,923,450	-	5,568,450	979,410	257,757	1,237,167
2027	3,860,000	1,756,725	-	5,616,725	1,001,225	234,018	1,235,243
2028-2032	7,360,000	7,856,797	-	15,216,797	5,389,379	793,114	6,182,493
2033-2037	2,620,000	7,141,587	6,860,000	16,621,587	3,641,841	158,918	3,800,759
2038-2042	5,060,000	6,925,304	5,900,000	17,885,304	-	-	-
2043-2047	13,335,000	5,127,893	-	18,462,893	-	-	-
2048-2052	14,800,000	2,893,355	-	17,693,355	-	-	-
2053-2055	10,090,000	504,872	-	10,594,872	-	-	-
<b>Total</b>	<b>\$ 70,375,000</b>	<b>\$ 40,817,508</b>	<b>\$ 12,760,000</b>	<b>\$ 123,952,508</b>	<b>\$ 13,817,153</b>	<b>\$ 2,354,254</b>	<b>\$ 16,171,407</b>

**NOTE 12 - JOINTLY GOVERNED ORGANIZATIONS**

Connect is a jointly governed organization comprised of twenty-four member school districts, three educational service centers and the Ohio Schools Council. The jointly governed organization was formed for the purpose of providing support and leadership which enables organizations to achieve their objectives through innovative and cost effective shared technology solutions. Connect is governed by a four member Board of Directors consisting of the Superintendent of the Educational Service Center of Northeast Ohio, the Superintendent of the Educational Service Center of Lorain County, the Superintendent of the Educational Service Center of Medina County and the Executive Director of the Ohio Schools Council. Each participating entity's contribution to Connect is dependent upon student enrollment and/or software packages and services utilized. Financial information for Connect can be obtained by contacting the Treasurer at the Educational Service Center of Northeast Ohio, which serves as fiscal agent. During fiscal year 2022, the School District contributed \$82,631 to Connect.

**Highland Local School District**

Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2022

The Ohio Schools Council (Council) is a jointly governed organization among 254 school districts, educational service centers, joint vocational school districts, and developmental disabilities boards in thirty-four Ohio counties. The jointly governed organization was formed to purchase quality products and services at the lowest possible cost to its members. Each member supports the Council by paying an annual participation fee. The Council's Board consists of nine superintendents of the participating districts whose term rotates every year. The degree of control exercised by any school district is limited to its representation on the Board. During fiscal year 2022, the School District paid the Council \$75,712 for natural gas purchases, and \$1,556 for membership fees. Financial information can be obtained by contacting William Zelei, the Executive Director of the Ohio Schools Council, at 6393 Oak Tree Blvd., Suite 377, Independence, Ohio 44131.

**NOTE 13 - CONTINGENCIES**

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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, the effect of any such disallowed claims on the overall financial position of the School District at June 30, 2022, if applicable, cannot be determined at this time.

In the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the School District at June 30, 2022.

School District foundation funding is based on the annualized full-time equivalent (FTE) enrollment of each student. The Ohio Department of Education (ODE) is legislatively required to adjust/reconcile funding as enrollment information is updated by schools throughout the State, which can extend past the fiscal year end. ODE has finalized the impact of enrollment adjustments to the June 30, 2022 Foundation funding for the School District. These adjustments were insignificant for the School District for fiscal year 2022.

**NOTE 14 - STATUTORY RESERVES**

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The School District is required by the state law to annually set aside in the general fund an amount based on a statutory formula for the acquisition and construction of capital improvements. The School District may replace using general fund revenues with proceeds from various sources (offsets), such as bond or levy proceeds related to the acquisition, replacement, enhancement, maintenance or repair of permanent improvements. Amounts not spent by fiscal year end or offset by similarly restricted resources received during the fiscal year must be held in cash at fiscal year end and carried forward to be used for the same purposes in future fiscal years.

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

The following information describes the change in the year-end set-aside amounts for capital maintenance.

**Highland Local School District**  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2022

	Capital Maintenance <u>Reserve</u>
Set-aside cash balance as of June 30, 2021	\$ -
Current year set-aside requirement	577,653
Current year offset	(2,820,000)
Qualifying disbursements	<u>(515,405)</u>
Total	<u>\$ (2,757,752)</u>
Balance carried forward to future years	<u>\$ -</u>

**NOTE 15 – INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS**

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Interfund balances at June 30, 2022 consisted of the following:

Due to general fund from:	
Nonmajor governmental funds	\$ 193,969
Advances from general fund to:	
Nonmajor governmental funds	<u>195,000</u>
Total interfund receivable/payable	<u>\$ 388,969</u>

All balances resulted from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, or (3) payments between funds are made. As of June 30, 2022, the \$193,969 interfund loan outstanding is anticipated to be repaid in fiscal year 2023. The \$195,000 interfund loan outstanding is classified as long-term and is anticipated to be repaid in installments over the next several years.

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, (2) move receipts restricted to debt service from the fund collecting the receipts to the debt service fund as debt service payments become due, and (3) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

Interfund transfers for the year ended June 30, 2022, consisted of the following:

Transfers to nonmajor governmental funds from:	
General fund	\$ 10,000

**Highland Local School District**

Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2022

**NOTE 16 – ENCUMBRANCES**

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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. The School District had outstanding encumbrances at June 30, 2022 in the following funds:

General fund	\$ 659,216
Building fund	621,812
Other governmental funds	<u>348,652</u>
Total encumbrances at year end	<u>\$ 1,629,680</u>

The building fund has significant contractual commitments for design services, property services and renovations and improvements for the new elementary schools and middle school.

**NOTE 17 – ACCOUNTABILITY**

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As of June 30, 2022, several funds had a deficit fund balance. These deficits were caused by the application of GAAP; namely in the reporting of various liabilities attributable to the fiscal year. This deficit balance will be eliminated by anticipated future intergovernmental revenues or other subsidies not recognized and recorded at June 30. The following fund had a deficit balance:

	<u>Amount</u>
<u>Nonmajor special revenue fund:</u>	
IDEA, Part B	\$ 67,966
Title I	14,759

**NOTE 18 – TAX ABATEMENTS**

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Pursuant to Ohio Revised Code (ORC) Section 3735, Medina County established a Community Reinvestment Area (CRA) program. The CRA program is an economic development tool administered by municipal and county governments that provides real property tax exemptions for property owners who renovate existing or construct new buildings. CRAs are areas of land in which property owners can receive tax incentives for investing in real property improvements. Under the CRA program, local governments petition to the Ohio Development Services Agency (ODSA) for confirmation of a geographical area in which investment in housing has traditionally been discouraged. Once an area is confirmed by the ODSA, local governments may offer real property tax exemptions to taxpayers that invest in that area. Property owners in the CRA can receive temporary tax abatements for the renovation of existing structures and new construction in these areas. Property owners apply to the local legislative authority for approval to renovate or construct in the CRA. Upon approval and certification of completion, the amount of the abatement is deducted from the individual or entity's property tax bill.

***Highland Local School District***

Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2022

The total value of the School District's share of taxes abated for fiscal year 2022 was \$177,203.

Pursuant to ORC Section 5709.82, Medina County and the School District have entered into various Community Reinvestment Area Compensation Agreements. These agreements require compensation to the School District for a specified portion of the property tax revenues forgone as a result of the tax incentives granted. Compensation agreement payments are made directly to the School District by the taxpayer(s) receiving the tax benefit. The School District received a total of \$36,450 in compensation agreement payments during fiscal year 2022.

**NOTE 19 – CORONAVIRUS PANDEMIC (COVID-19)**

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The United States and the State of Ohio declared a state of emergency in March 2020 due to the COVID-19 pandemic. The financial impact of COVID-19 and the ensuing emergency measures have impacted the current period and will continue to impact subsequent periods of the School District. Furthermore, due to the dynamic environment and changes in fiscal policies, the exact impact on the School District's future operating costs, revenues, and any recovery from emergency funding, either federal or state, cannot be reasonably estimated.

**NOTE 20 – SUBSEQUENT EVENT – SALE OF REAL PROPERTY**

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The former Hinkley Elementary School was sold at auction in October 2022 for the amount of \$1,787,500.

## **Required Supplementary Information**



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**Highland Local School District**  
**Required Supplementary Information**  
**Schedule of the School District's Proportionate Share of the Net Pension Liability**  
**Last Nine Fiscal Years (1)**

	2021	2020	2019	2018
<b>School Employees Retirement System (SERS) of Ohio</b>				
School District's proportion of the net pension liability	0.143856%	0.147374%	0.140676%	0.140163%
School District's proportionate share of the net pension liability	\$ 5,307,866	\$ 9,747,614	\$ 8,416,862	\$ 8,027,366
School District's covered payroll	\$ 4,841,579	\$ 4,949,707	\$ 4,871,526	\$ 4,738,304
School District's proportionate share of the net pension liability as a percentage of its covered payroll	109.63%	196.93%	172.78%	169.41%
Plan fiduciary net position as a percentage of total pension liability	82.86%	68.55%	70.85%	71.36%
	2021	2020	2019	2018
<b>State Teachers Retirement System (STRS) of Ohio</b>				
School District's proportion of the net pension liability	0.1360620%	0.1349207%	0.1347205%	0.1339095%
School District's proportionate share of the net pension liability	\$ 17,396,752	\$ 32,646,004	\$ 29,792,629	\$ 29,443,692
School District's covered payroll	\$ 16,789,164	\$ 16,282,814	\$ 15,926,307	\$ 15,356,657
School District's proportionate share of the net pension liability as a percentage of its covered payroll	103.62%	200.49%	187.07%	191.73%
Plan fiduciary net position as a percentage of total pension liability	87.80%	75.50%	77.40%	77.30%

(1) Ten years of information will be presented as information becomes available. Information prior to 2013 is not available. The amounts presented are as of the School District's measurement date which is the prior fiscal year end.

2017	2016	2015	2014	2013
0.143253%	0.140683%	0.143087%	0.145133%	0.145133%
\$ 8,559,020	\$ 10,296,668	\$ 8,164,694	\$ 7,345,098	\$ 8,630,594
\$ 4,603,907	\$ 4,380,143	\$ 4,304,165	\$ 4,209,805	\$ 4,093,569
185.91%	235.08%	189.69%	174.48%	210.83%
69.50%	62.98%	69.16%	71.70%	65.52%

2017	2016	2015	2014	2013
0.1307642%	0.1292870%	0.1268107%	0.1237479%	0.1237479%
\$ 31,063,318	\$ 43,276,266	\$ 35,046,760	\$ 30,099,779	\$ 35,854,660
\$ 14,676,979	\$ 13,858,886	\$ 13,517,443	\$ 12,897,423	\$ 12,543,962
211.65%	312.26%	259.27%	233.38%	285.83%
75.30%	66.80%	72.10%	74.70%	69.30%

**Highland Local School District**  
**Required Supplementary Information**  
**Schedule of School District Contributions - Pension**  
**Last Ten Fiscal Years**

	2022	2021	2020	2019
<b>School Employees Retirement System (SERS) of Ohio</b>				
Contractually required contribution	\$ 724,076	\$ 677,821	\$ 692,959	\$ 657,656
Contributions in relation to contractually required contribution	(724,076)	(677,821)	(692,959)	(657,656)
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
School District covered payroll	\$ 5,171,971	\$ 4,841,579	\$ 4,949,707	\$ 4,871,526
Contributions as a percentage of covered payroll	14.00%	14.00%	14.00%	13.50%

	2022	2021	2020	2019
<b>State Teachers Retirement System (STRS) of Ohio</b>				
Contractually required contribution	\$ 2,484,420	\$ 2,350,483	\$ 2,279,594	\$ 2,229,683
Contributions in relation to contractually required contribution	(2,484,420)	(2,350,483)	(2,279,594)	(2,229,683)
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
School District covered payroll	\$ 17,745,857	\$ 16,789,164	\$ 16,282,814	\$ 15,926,307
Contributions as a percentage of covered payroll	14.00%	14.00%	14.00%	14.00%

2018	2017	2016	2015	2014	2013
\$ 639,671	\$ 644,547	\$ 613,220	\$ 567,289	\$ 583,479	\$ 566,550
(639,671)	(644,547)	(613,220)	(567,289)	(583,479)	(566,550)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ 4,738,304	\$ 4,603,907	\$ 4,380,143	\$ 4,304,165	\$ 4,209,805	\$ 4,093,569
13.50%	14.00%	14.00%	13.18%	13.86%	13.84%

2018	2017	2016	2015	2014	2013
\$ 2,149,932	\$ 2,054,777	\$ 1,940,244	\$ 1,892,442	\$ 1,676,665	\$ 1,630,715
(2,149,932)	(2,054,777)	(1,940,244)	(1,892,442)	(1,676,665)	(1,630,715)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ 15,356,657	\$ 14,676,979	\$ 13,858,886	\$ 13,517,443	\$ 12,897,423	\$ 12,543,962
14.00%	14.00%	14.00%	14.00%	13.00%	13.00%

**Highland Local School District**  
**Required Supplementary Information**  
**Schedule of the School District's Proportionate Share of the Net OPEB Liability (Asset)**  
**Last Six Fiscal Years (1)**

	<u>2021</u>	<u>2020</u>	<u>2019</u>
<b>School Employees Retirement System (SERS) of Ohio</b>			
School District's proportion of the net OPEB liability	0.148393%	0.152896%	0.144317%
School District's proportionate share of the net OPEB liability	\$ 2,808,467	\$ 3,322,928	\$ 3,629,261
School District's covered payroll	\$ 4,841,579	\$ 4,949,707	\$ 4,871,526
School District's proportionate share of the net OPEB liability as a percentage of its covered payroll	58.01%	67.13%	74.50%
Plan fiduciary net position as a percentage of total OPEB liability	24.08%	18.17%	15.57%
	<u>2021</u>	<u>2020</u>	<u>2019</u>
<b>State Teachers Retirement System (STRS) of Ohio</b>			
School District's proportion of the net OPEB liability or asset	0.1360620%	0.1349207%	0.1347205%
School District's proportionate share of the net OPEB liability (asset)	\$ (2,868,756)	\$ (2,371,228)	\$ (2,231,295)
School District's covered payroll	\$ 16,789,164	\$ 16,282,814	\$ 15,926,307
School District's proportionate share of the net OPEB liability (asset) as a percentage of its covered payroll	-17.09%	-14.56%	-14.01%
Plan fiduciary net position as a percentage of total OPEB liability or asset	174.70%	182.10%	174.70%

(1) Ten years of information will be presented as information becomes available. Information prior to 2016 is not available.  
The amounts presented are as of the School District's measurement date which is the prior fiscal year end.

<u>2018</u>	<u>2017</u>	<u>2016</u>
0.142401%	0.145432%	0.142568%
\$ 3,950,597	\$ 3,903,002	\$ 4,063,727
\$ 4,738,304	\$ 4,603,907	\$ 4,380,143
83.38%	84.78%	92.78%
13.57%	12.46%	11.49%

<u>2018</u>	<u>2017</u>	<u>2016</u>
0.1339095%	0.1307642%	0.1292870%
\$ (2,151,789)	\$ 5,101,937	\$ 6,914,304
\$ 15,356,657	\$ 14,676,979	\$ 13,858,886
-14.01%	34.76%	49.89%
176.00%	47.10%	37.30%

**Highland Local School District**  
**Required Supplementary Information**  
**Schedule of School District Contributions - OPEB**  
**Last Ten Fiscal Years**

	2022	2021	2020	2019
<b>School Employees Retirement System (SERS) of Ohio</b>				
Contractually required contribution (1)	\$ 94,708	\$ 97,038	\$ 98,065	\$ 113,157
Contributions in relation to contractually required contribution	(94,708)	(97,038)	(98,065)	(113,157)
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
School District covered payroll	\$ 5,171,971	\$ 4,841,579	\$ 4,949,707	\$ 4,871,526
Contributions as a percentage of covered payroll	1.83%	2.00%	1.98%	2.32%

	2022	2021	2020	2019
<b>State Teachers Retirement System (STRS) of Ohio</b>				
Contractually required contribution	\$ -	\$ -	\$ -	\$ -
Contributions in relation to contractually required contribution	-	-	-	-
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
School District covered payroll	\$ 17,745,857	\$ 16,789,164	\$ 16,282,814	\$ 15,926,307
Contributions as a percentage of covered payroll	0.00%	0.00%	0.00%	0.00%

(1) Includes surcharge



2018	2017	2016	2015	2014	2013
\$ 101,539	\$ 79,557	\$ 72,149	\$ 110,868	\$ 79,893	\$ 77,432
(101,539)	(79,557)	(72,149)	(110,868)	(79,893)	(77,432)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ 4,738,304	\$ 4,603,907	\$ 4,380,143	\$ 4,304,165	\$ 4,209,805	\$ 4,093,569
2.14%	1.73%	1.65%	2.58%	1.90%	1.89%

2018	2017	2016	2015	2014	2013
\$ -	\$ -	\$ -	\$ -	\$ 128,974	\$ 125,440
-	-	-	-	(128,974)	(125,440)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ 15,356,657	\$ 14,676,979	\$ 13,858,886	\$ 13,517,443	\$ 12,897,423	\$ 12,543,962
0.00%	0.00%	0.00%	0.00%	1.00%	1.00%

***Highland Local School District***  
**Notes to Required Supplementary Information**  
**For the Fiscal Year Ended June 30, 2022**

**Net Pension Liability**

**School Employees Retirement System (SERS) of Ohio**

Changes in benefit terms: There was no change in benefit terms for fiscal year 2022. See the notes to the basic financial statements for benefit terms.

Changes in assumptions: There was a change in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2022. See the notes to the basic financial statements for the methods and assumptions in this calculation.

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

Changes in benefit terms: There was no change in benefit terms for fiscal year 2022. See the notes to the basic financial statements for benefit terms.

Changes in assumptions: There was no change in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2022. See the notes to the basic financial statements for the methods and assumptions in this calculation.

**Net OPEB Liability**

**School Employees Retirement System (SERS) of Ohio**

Changes in benefit terms: There was no change in benefit terms for fiscal year 2022. See the notes to the basic financial statements for benefit terms.

Changes in assumptions: There was a change in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2022. See the notes to the basic financial statements for the methods and assumptions in this calculation.

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

Changes in benefit terms: There was no change in benefit terms for fiscal year 2022. See the notes to the basic financial statements for benefit terms.

Changes in assumptions: There was a change in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2022. See the notes to the basic financial statements for the methods and assumptions in this calculation.

**Combining Statements for Nonmajor  
Governmental Funds**

## COMBINING STATEMENTS – NONMAJOR GOVERNMENTAL FUNDS

### NONMAJOR SPECIAL REVENUE FUNDS

The special revenue funds are used to account for the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes. The title of each special revenue fund is descriptive of the activities accounted for therein. A description of the School District's nonmajor special revenue funds follows:

#### Food Service

To account for all revenues and expenditures related to the provision of food services, including breakfast and lunch, for the School District's students and staff.

#### Special Trust

To account for the use of donations used to provide educational experiences for the School District's elementary students.

#### Miscellaneous Local Grant

To account for a number of small local grants that are restricted for specific expenditures.

#### Student Managed Student Activity

To account for those student activity programs which have student participation in the activity and have students involved in the management of the program. This fund typically includes those student activities which consist of a student body, student president, student treasurer, and faculty advisor.

#### District Managed Student Activity

To account for those student activity programs which have student participation in the activity, but do not have student management of the programs. This fund includes athletic programs as well as band, cheerleading, dance, and other similar types of activities.

#### Auxiliary Services

To account for state monies used to provide services and materials for pupils attending non-public schools within the School District.

#### Miscellaneous State Grant

To account for monies restricted from state agencies which are not classified elsewhere.

### Elementary and Secondary School Emergency Relief

To account for emergency relief grants to school districts related to the COVID-19 pandemic. Restrictions include, but are not limited to, providing for coordination of preparedness and response efforts, training and professional development of staff, planning and coordination during long-term closure, and purchasing technology for students.

### IDEA, Part B

To account for federal funds for the provision of full educational opportunities to disabled children at the preschool, elementary and secondary levels; assist in the training of teachers, supervisors and other specialists in providing educational services to the disabled.

### Title III Limited English Proficiency

To account for monies to develop and carry out elementary and secondary school programs, including activities at the pre-school level, to meet the educational needs of children of limited English proficiency.

### Title I

To account for federal funds for services provided to meet special educational needs of educationally deprived children.

### Title IV-A

To account for federal funds for services intended to improve students' academic achievement by providing all students with access to a well-rounded education, improving school conditions for student learning and improving the use of technology in order to improve the academic achievement and digital literacy of all students.

### IDEA Preschool Grant

To account for federal funds used for the improvement and expansion of services for disabled children ages three through five years.

### Improving Teacher Quality

To account for monies to hire additional classroom teachers grades 1 through 3, so that the number of students per teacher will be reduced.

## NONMAJOR CAPITAL PROJECTS FUNDS

Capital projects funds are established to account for financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities. The nonmajor capital projects fund are:

### Permanent Improvement

To account for the acquisition, construction, or improvement of capital facilities other than those financed by proprietary and trust funds.

### Sales Tax

To account for shared sales tax monies to be used for permanent improvement projects.

## NONMAJOR PERMANENT FUNDS

Permanent funds are established to account for resources that are restricted to the extent that only earnings, not principal, may be used for purposes that support the School District's programs.

### Sharon Elementary Trust

To account for principal trust amounts received and related interest income. The interest portion of the trust can be used for the upkeep and maintenance of the Sharon Elementary garden.

### Endowment

To account for all other principal trust amounts received and related interest income. The interest portion of the trust can be used to support the School District's programs.

**Highland Local School District**  
**Combining Balance Sheet**  
**Nonmajor Governmental Funds**  
**June 30, 2022**

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Nonmajor Permanent Funds	Total Nonmajor Governmental Funds
<u>Assets:</u>				
Equity in pooled cash and investments	\$ 1,532,918	\$ 1,503,221	\$ 46,320	\$ 3,082,459
Receivables:				
Accounts	21,123	154	-	21,277
Intergovernmental	323,058	1,433,123	-	1,756,181
Inventory held for resale	39,355	-	-	39,355
Total assets	<u>\$ 1,916,454</u>	<u>\$ 2,936,498</u>	<u>\$ 46,320</u>	<u>\$ 4,899,272</u>
<u>Liabilities:</u>				
Accounts payable	\$ 37,317	\$ 4,150	\$ 1,600	\$ 43,067
Accrued wages	139,642	-	-	139,642
Interfund payable	193,969	-	-	193,969
Intergovernmental payable	34,642	-	-	34,642
Unearned revenue	42,546	-	-	42,546
Advances from other funds	-	195,000	-	195,000
Total liabilities	<u>448,116</u>	<u>199,150</u>	<u>1,600</u>	<u>648,866</u>
<u>Deferred inflows of resources</u>				
Unavailable revenue	<u>136,988</u>	<u>955,573</u>	<u>-</u>	<u>1,092,561</u>
<u>Fund balance:</u>				
Nonspendable	-	-	40,500	40,500
Restricted	1,414,075	1,781,775	4,220	3,200,070
Unassigned	(82,725)	-	-	(82,725)
Total fund balances	<u>1,331,350</u>	<u>1,781,775</u>	<u>44,720</u>	<u>3,157,845</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 1,916,454</u>	<u>\$ 2,936,498</u>	<u>\$ 46,320</u>	<u>\$ 4,899,272</u>



**Highland Local School District**  
**Combining Statement of Revenues, Expenditures**  
**and Changes in Fund Balances**  
**Nonmajor Governmental Funds**  
**For the Fiscal Year Ended June 30, 2022**

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Nonmajor Permanent Funds	Total Nonmajor Governmental Funds
<u>Revenues:</u>				
Intergovernmental	\$ 3,647,628	\$ 2,060,802	\$ -	\$ 5,708,430
Interest	1,917	-	137	2,054
Extracurricular activities	398,037	-	-	398,037
Gifts and donations	23,969	55,528	-	79,497
Charges for services	182,223	-	-	182,223
Miscellaneous	13,112	80,961	-	94,073
Total revenues	<u>4,266,886</u>	<u>2,197,291</u>	<u>137</u>	<u>6,464,314</u>
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular	655,553	45,213	-	700,766
Special	726,662	-	-	726,662
Support services:				
Pupils	125,650	-	2,600	128,250
Instructional staff	10,655	294,901	-	305,556
Administration	13,031	-	-	13,031
Operation and maintenance of plant	-	15,479	-	15,479
Operation of non-instructional services:				
Food service operations	1,626,433	-	-	1,626,433
Extracurricular activities	414,846	-	-	414,846
Capital outlay	51,040	352,620	-	403,660
Debt service:				
Principal retirement	-	930,070	-	930,070
Interest and fiscal charges	-	347,828	-	347,828
Total expenditures	<u>3,623,870</u>	<u>1,986,111</u>	<u>2,600</u>	<u>5,612,581</u>
Excess of revenues over (under) expenditures	<u>643,016</u>	<u>211,180</u>	<u>(2,463)</u>	<u>851,733</u>
<u>Other financing sources:</u>				
Proceeds from sale of capital assets	6,000	-	-	6,000
Transfers in	10,000	-	-	10,000
Total other financing sources	<u>16,000</u>	<u>-</u>	<u>-</u>	<u>16,000</u>
Net change in fund balances	659,016	211,180	(2,463)	867,733
Fund balances at beginning of year	672,334	1,570,595	47,183	2,290,112
Fund balances at end of year	<u>\$ 1,331,350</u>	<u>\$ 1,781,775</u>	<u>\$ 44,720</u>	<u>\$ 3,157,845</u>

**Highland Local School District**  
**Combining Balance Sheet**  
**Nonmajor Special Revenue Funds**  
**June 30, 2022**

	Food Service	Special Trust	Miscellaneous Local Grant	Student Managed Student Activity	District Managed Student Activity	Auxiliary Services
<u>Assets:</u>						
Equity in pooled cash and investments	\$ 1,201,483	\$ 13,281	\$ 18,211	\$ 121,159	\$ 148,328	\$ 30,456
Receivables:						
Accounts	40	-	-	2,585	18,498	-
Intergovernmental	-	-	10,738	-	-	-
Inventory held for resale	39,355	-	-	-	-	-
<b>Total assets</b>	<b>\$ 1,240,878</b>	<b>\$ 13,281</b>	<b>\$ 28,949</b>	<b>\$ 123,744</b>	<b>\$ 166,826</b>	<b>\$ 30,456</b>
<u>Liabilities:</u>						
Accounts payable	\$ -	\$ 2,000	\$ 648	\$ 4,120	\$ 16,463	\$ 14,086
Accrued wages	72,938	-	-	-	3,020	-
Interfund payable	-	-	10,738	-	-	-
Intergovernmental payable	23,456	-	-	-	44	-
Unearned revenue	42,546	-	-	-	-	-
<b>Total liabilities</b>	<b>138,940</b>	<b>2,000</b>	<b>11,386</b>	<b>4,120</b>	<b>19,527</b>	<b>14,086</b>
<u>Deferred inflows of resources</u>						
Unavailable revenue	-	-	-	-	-	-
<u>Fund balances:</u>						
Restricted	1,101,938	11,281	17,563	119,624	147,299	16,370
Unassigned	-	-	-	-	-	-
<b>Total fund balances</b>	<b>1,101,938</b>	<b>11,281</b>	<b>17,563</b>	<b>119,624</b>	<b>147,299</b>	<b>16,370</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 1,240,878</b>	<b>\$ 13,281</b>	<b>\$ 28,949</b>	<b>\$ 123,744</b>	<b>\$ 166,826</b>	<b>\$ 30,456</b>

Miscellaneous State Grant	Elementary and Secondary School Emergency Relief	IDEA, Part B	Title III	Title I	Title IV-A
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	172,749	115,469	2,583	21,519	-
-	-	-	-	-	-
<u>\$ -</u>	<u>\$ 172,749</u>	<u>\$ 115,469</u>	<u>\$ 2,583</u>	<u>\$ 21,519</u>	<u>\$ -</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	50,900	-	12,784	-
-	172,749	7,899	2,583	-	-
-	-	9,167	-	1,975	-
-	-	-	-	-	-
-	172,749	67,966	2,583	14,759	-
-	-	115,469	-	21,519	-
-	-	-	-	-	-
-	-	(67,966)	-	(14,759)	-
-	-	(67,966)	-	(14,759)	-
<u>\$ -</u>	<u>\$ 172,749</u>	<u>\$ 115,469</u>	<u>\$ 2,583</u>	<u>\$ 21,519</u>	<u>\$ -</u>

(Continued)

**Highland Local School District**  
**Combining Balance Sheet**  
**Nonmajor Special Revenue Funds**  
**June 30, 2022**

	IDEA Preschool Grant	Improving Teacher Quality	Total Nonmajor Special Revenue Funds
<u>Assets:</u>			
Equity in pooled cash and cash equivalents	\$ -	\$ -	\$ 1,532,918
Receivables:			
Accounts	-	-	21,123
Intergovernmental	-	-	323,058
Inventory held for resale	-	-	39,355
Total assets	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,916,454</u>
<u>Liabilities:</u>			
Accounts payable	\$ -	\$ -	\$ 37,317
Accrued wages	-	-	139,642
Interfund payable	-	-	193,969
Intergovernmental payable	-	-	34,642
Unearned revenue	-	-	42,546
Total liabilities	<u>-</u>	<u>-</u>	<u>448,116</u>
<u>Deferred inflows of resources</u>			
Unavailable revenue	<u>-</u>	<u>-</u>	<u>136,988</u>
<u>Fund balances:</u>			
Restricted	-	-	1,414,075
Unassigned	<u>-</u>	<u>-</u>	<u>(82,725)</u>
Total fund balances	<u>-</u>	<u>-</u>	<u>1,331,350</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,916,454</u>

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**Highland Local School District**  
**Combining Statement of Revenues, Expenditures**  
**and Changes in Fund Balances**  
**Nonmajor Special Revenue Funds**  
**For the Fiscal Year Ended June 30, 2022**

	Food Service	Special Trust	Miscellaneous Local Grant	Student Managed Student Activity	District Managed Student Activity	Auxiliary Services
<u>Revenues:</u>						
Intergovernmental	\$ 2,095,294	\$ -	\$ 68,073	\$ -	\$ -	\$ 156,971
Interest	1,788	37	-	-	-	92
Extracurricular activities	-	-	-	77,224	320,813	-
Gifts and donations	-	-	-	2,879	21,090	-
Charges for services	182,223	-	-	-	-	-
Miscellaneous	-	300	-	-	12,812	-
Total revenues	<u>2,279,305</u>	<u>337</u>	<u>68,073</u>	<u>80,103</u>	<u>354,715</u>	<u>157,063</u>
<u>Expenditures:</u>						
Current:						
Instruction:						
Regular	-	-	52,073	-	-	86,899
Special	-	-	-	-	-	-
Support services:						
Pupils	-	-	-	-	-	64,836
Instructional staff	-	-	4,160	-	-	6,495
Administration	-	-	-	-	-	-
Operation of non-instructional services:						
Food service operations	1,626,433	-	-	-	-	-
Extracurricular activities	-	2,000	-	80,869	331,977	-
Capital outlay	28,217	-	-	-	6,707	-
Total expenditures	<u>1,654,650</u>	<u>2,000</u>	<u>56,233</u>	<u>80,869</u>	<u>338,684</u>	<u>158,230</u>
Excess of revenues over (under) expenditures	<u>624,655</u>	<u>(1,663)</u>	<u>11,840</u>	<u>(766)</u>	<u>16,031</u>	<u>(1,167)</u>
<u>Other financing sources:</u>						
Proceeds from sale of capital assets	6,000	-	-	-	-	-
Transfers in	-	-	-	-	10,000	-
Total other financing sources (uses)	<u>6,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,000</u>	<u>-</u>
Net change in fund balances	630,655	(1,663)	11,840	(766)	26,031	(1,167)
Fund balances (deficit) at beginning of year	<u>471,283</u>	<u>12,944</u>	<u>5,723</u>	<u>120,390</u>	<u>121,268</u>	<u>17,537</u>
Fund balances (deficits) at end of year	<u>\$ 1,101,938</u>	<u>\$ 11,281</u>	<u>\$ 17,563</u>	<u>\$ 119,624</u>	<u>\$ 147,299</u>	<u>\$ 16,370</u>

Miscellaneous State Grant	Elementary and Secondary School Emergency Relief	IDEA, Part B	Title III	Title I	Title IV-A
\$ 4,245	\$ 505,000	\$ 613,862	\$ 2,583	\$ 119,936	\$ 10,615
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
4,245	505,000	613,862	2,583	119,936	10,615
-	447,946	-	-	7,331	10,615
-	-	580,379	2,679	128,439	-
-	57,054	3,760	-	-	-
-	-	-	-	-	-
-	-	13,031	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
16,116	-	-	-	-	-
16,116	505,000	597,170	2,679	135,770	10,615
(11,871)	-	16,692	(96)	(15,834)	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
(11,871)	-	16,692	(96)	(15,834)	-
11,871	-	(84,658)	96	1,075	-
\$ -	\$ -	\$ (67,966)	\$ -	\$ (14,759)	\$ -

(Continued)

**Highland Local School District**  
**Combining Statement of Revenues, Expenditures**  
**and Changes in Fund Balances**  
**Nonmajor Special Revenue Funds**  
**For the Fiscal Year Ended June 30, 2022**

	IDEA Preschool Grant	Improving Teacher Quality	Total Nonmajor Special Revenue Funds
<u>Revenues:</u>			
Intergovernmental	\$ 15,165	\$ 55,884	\$ 3,647,628
Interest	-	-	1,917
Extracurricular activities	-	-	398,037
Gifts and donations	-	-	23,969
Charges for services	-	-	182,223
Miscellaneous	-	-	13,112
Total revenues	<u>15,165</u>	<u>55,884</u>	<u>4,266,886</u>
<u>Expenditures:</u>			
Current:			
Instruction:			
Regular	-	50,689	655,553
Special	15,165	-	726,662
Support services:			
Pupils	-	-	125,650
Instructional staff	-	-	10,655
Administration	-	-	13,031
Operation of non-instructional services:			
Food service operations	-	-	1,626,433
Extracurricular activities	-	-	414,846
Capital outlay	-	-	51,040
Total expenditures	<u>15,165</u>	<u>50,689</u>	<u>3,623,870</u>
Excess of revenues over (under) expenditures	<u>-</u>	<u>5,195</u>	<u>643,016</u>
<u>Other financing sources:</u>			
Proceeds from sale of capital assets	-	-	6,000
Transfers in	-	-	10,000
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>16,000</u>
Net change in fund balances	-	5,195	659,016
Fund balances at beginning of year	-	(5,195)	672,334
Fund balances at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,331,350</u>



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**Highland Local School District**  
**Combining Balance Sheet**  
**Nonmajor Capital Projects Funds**  
**June 30, 2022**

	Permanent Improvement	Sales Tax	Total Nonmajor Capital Projects Funds
<u>Assets:</u>			
Equity in pooled cash and investments	\$ 509,874	\$ 993,347	\$ 1,503,221
<u>Receivables:</u>			
Accounts	154	-	154
Intergovernmental	-	1,433,123	1,433,123
Total assets	<u>\$ 510,028</u>	<u>\$ 2,426,470</u>	<u>\$ 2,936,498</u>
<u>Liabilities:</u>			
Accounts payable	\$ -	\$ 4,150	\$ 4,150
Advances from other funds	-	195,000	195,000
Total liabilities	<u>-</u>	<u>199,150</u>	<u>199,150</u>
<u>Deferred inflows of resources</u>			
Unavailable revenue	<u>-</u>	<u>955,573</u>	<u>955,573</u>
<u>Fund balance:</u>			
Restricted	<u>510,028</u>	<u>1,271,747</u>	<u>1,781,775</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 510,028</u>	<u>\$ 2,426,470</u>	<u>\$ 2,936,498</u>

***Highland Local School District***  
**Combining Statement of Revenues, Expenditures**  
**and Changes in Fund Balances**  
**Nonmajor Capital Projects Funds**  
**For the Fiscal Year Ended June 30, 2022**

	Permanent Improvement	Sales Tax	Total Nonmajor Capital Projects Funds
<u>Revenues:</u>			
Intergovernmental	\$ -	\$ 2,060,802	\$ 2,060,802
Gifts and donations	55,528	-	55,528
Miscellaneous	80,961	-	80,961
Total revenues	<u>136,489</u>	<u>2,060,802</u>	<u>2,197,291</u>
<u>Expenditures:</u>			
Current:			
Instruction:			
Regular	-	45,213	45,213
Support services:			
Instructional staff	-	294,901	294,901
Operation and maintenance of plant	-	15,479	15,479
Capital outlay	216,387	136,233	352,620
Debt service:			
Principal retirement	-	930,070	930,070
Interest and fiscal charges	-	347,828	347,828
Total expenditures	<u>216,387</u>	<u>1,769,724</u>	<u>1,986,111</u>
Net change in fund balances	(79,898)	291,078	211,180
Fund balances at beginning of year	589,926	980,669	1,570,595
Fund balances at end of year	<u>\$ 510,028</u>	<u>\$ 1,271,747</u>	<u>\$ 1,781,775</u>

**Highland Local School District**  
**Combining Balance Sheet**  
**Nonmajor Permanent Funds**  
**June 30, 2022**

	Sharon Elementary Trust	Endowment	Total Nonmajor Permanent Funds
	<u>                    </u>	<u>                    </u>	<u>                    </u>
<u>Assets:</u>			
Equity in pooled cash and investments	\$ 9,040	\$ 37,280	\$ 46,320
	<u>                    </u>	<u>                    </u>	<u>                    </u>
<u>Liabilities:</u>			
Accounts payable	\$ -	\$ 1,600	\$ 1,600
	<u>                    </u>	<u>                    </u>	<u>                    </u>
<u>Fund balance:</u>			
Nonspendable	8,000	32,500	40,500
Restricted	1,040	3,180	4,220
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Total fund balance	9,040	35,680	44,720
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Total liabilities, deferred inflows of resources and fund balances	\$ 9,040	\$ 37,280	\$ 46,320
	<u>                    </u>	<u>                    </u>	<u>                    </u>

***Highland Local School District***  
**Combining Statement of Revenues, Expenditures**  
**and Changes in Fund Balances**  
**Nonmajor Permanent Funds**  
**For the Fiscal Year Ended June 30, 2022**

	Sharon Elementary Trust	Endowment	Total Nonmajor Permanent Funds
	<u>                    </u>	<u>                    </u>	<u>                    </u>
<u>Revenues:</u>			
Interest	\$           27	\$           110	\$           137
<u>Expenditures:</u>			
Current:			
Support services:			
Pupils	<u>                    -</u>	<u>          2,600</u>	<u>          2,600</u>
Net change in fund balances	27	(2,490)	(2,463)
Fund balances at beginning of year	9,013	38,170	47,183
Fund balances at end of year	<u>\$       9,040</u>	<u>\$      35,680</u>	<u>\$      44,720</u>

**Individual Fund Schedules of Revenues, Expenditures and Changes  
in Fund Balance – Budget (Non-GAAP Basis) and Actual  
Governmental Funds – Major and Nonmajor**

## MAJOR GENERAL FUND

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

### FUNDS BEING REPORTED AS PART OF THE GENERAL FUND

The following funds are legally budgeted as separate special revenue funds but are being reported as part of the general fund for GAAP reporting purposes.

#### Uniform School Supplies

To account for the purchase and sale of school supplies as adopted by the Board of Education for resale to students of the School District.

#### Public School Support

To account for specific local revenue sources (other than taxes) generated by individual school buildings (i.e. sales of pictures, profits from vending machines, etc.). Expenditures include field trips, materials, equipment and other items to supplement co-curricular and extra-curricular programs.

#### Latchkey and Community Education

To account for income and expenditures made in connection with goods and services provided relative to the School District's before and after school care program and personal enrichment addressing the unique interests of individuals and meeting the community needs.

## MAJOR DEBT SERVICE FUND

The debt service fund is used to account for the accumulation of resources and the payment of general obligation bond principal and interest and certain other long-term obligations from governmental resources when the government is obligated in some manner for the payment. It is also used to account for the accumulation of resources and the payment of general obligation notes payable, as required by Ohio Law.

## MAJOR CAPITAL PROJECTS FUND

The building capital projects fund is used to account for the receipts and expenditures related to all special bond funds in the district. All proceeds from the sale of bonds, notes, or certificate of indebtedness, except premium and accrued interest, must be paid into this fund. Expenditures recorded here represent the costs of acquiring capital facilities including real property.

**Highland Local School District**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance-**  
**Budget (Non-GAAP Basis) and Actual**  
**For the Fiscal Year Ended June 30, 2022**

**General Fund**

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Taxes	\$ 24,456,581	\$ 25,208,484	\$ 751,903
Intergovernmental	8,403,773	8,351,147	(52,626)
Interest	200,000	192,049	(7,951)
Tuition and fees	259,000	285,349	26,349
Rent	5,000	7,549	2,549
Extracurricular activities	339,990	327,241	(12,749)
Miscellaneous	76,250	58,324	(17,926)
Total revenues	33,740,594	34,430,143	689,549
<u>Expenditures:</u>			
Current:			
Instruction:			
Regular	13,750,330	13,389,682	360,648
Special	8,761,457	8,746,899	14,558
Other	280,845	252,592	28,253
Support services:			
Pupils	3,002,974	2,873,179	129,795
Instructional staff	733,611	731,473	2,138
Board of education	31,900	27,207	4,693
Administration	2,494,379	2,457,612	36,767
Fiscal	895,610	879,709	15,901
Business	25,962	9,514	16,448
Operation and maintenance of plant	3,367,004	3,238,410	128,594
Pupil transportation	2,395,418	2,263,832	131,586
Central	312,936	292,268	20,668
Extracurricular activities	1,228,810	1,205,358	23,452
Total expenditures	37,281,236	36,367,735	913,501
Excess of revenues under expenditures	(3,540,642)	(1,937,592)	1,603,050
<u>Other financing sources (uses):</u>			
Proceeds from the sale of capital assets	3,000	35,615	32,615
Refund of prior year expenditures	103,850	610,017	506,167
Advances in	125,784	50,784	(75,000)
Advances out	(25,000)	(193,969)	(168,969)
Transfers out	(25,000)	(10,000)	15,000
Total other financing sources (uses)	182,634	492,447	309,813
Net change in fund balance	(3,358,008)	(1,445,145)	1,912,863
Fund balance at beginning of year	22,055,467	22,055,467	-
Prior year encumbrances appropriated	1,176,040	1,176,040	-
Fund balance at end of year	\$ 19,873,499	\$ 21,786,362	\$ 1,912,863



**Highland Local School District**  
**Schedule of Revenues, Expenditures and Changes in**  
**Fund Balance - Budget (Non-GAAP Basis) and Actual**  
**For the Fiscal Year Ended June 30, 2022**

**Uniform School Supplies Fund**

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Tuition and fees	\$ 43,000	\$ 56,259	\$ 13,259
<u>Expenditures:</u>			
Current:			
Instruction:			
Regular	60,000	34,834	25,166
Net change in fund balance	(17,000)	21,425	38,425
Fund balance at beginning of year	47,845	47,845	-
Fund balance at end of year	<u>\$ 30,845</u>	<u>\$ 69,270</u>	<u>\$ 38,425</u>

**Public School Support Fund**

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Tuition and fees	\$ 7,330	\$ 2,061	\$ (5,269)
Extracurricular activities	47,250	51,279	4,029
Gifts and donations	5,900	12,650	6,750
Total revenues	60,480	65,990	5,510
<u>Expenditures:</u>			
Current:			
Extracurricular activities	116,130	75,105	41,025
Excess of revenues under expenditures	(55,650)	(9,115)	46,535
<u>Other financing sources:</u>			
Refund of prior year expenditures	-	2,184	2,184
Net change in fund balance	(55,650)	(6,931)	48,719
Fund balance at beginning of year	105,743	105,743	-
Prior year encumbrances appropriated	10,778	10,778	-
Fund balance at end of year	<u>\$ 60,871</u>	<u>\$ 109,590</u>	<u>\$ 48,719</u>

**Highland Local School District**  
**Schedule of Revenues, Expenditures and Changes in**  
**Fund Balance - Budget (Non-GAAP Basis) and Actual**  
**For the Fiscal Year Ended June 30, 2022**

**Latchkey and Community Education Fund**

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Tuition and fees	\$ 200,000	\$ 173,364	\$ (26,636)
Extracurricular activities	5,000	91,931	86,931
Total revenues	<u>205,000</u>	<u>265,295</u>	<u>60,295</u>
<u>Expenditures:</u>			
Current:			
Operation of non-instructional services:			
Community services	323,512	302,822	20,690
Excess of revenues under expenditures	<u>(118,512)</u>	<u>(37,527)</u>	<u>80,985</u>
<u>Other financing sources:</u>			
Refund of prior year expenditures	500	781	281
Net change in fund balance	(118,012)	(36,746)	81,266
Fund balance at beginning of year	118,341	118,341	-
Fund balance at end of year	<u>\$ 329</u>	<u>\$ 81,595</u>	<u>\$ 81,266</u>

**Highland Local School District**  
**Schedule of Revenues, Expenditures and Changes in**  
**Fund Balance - Budget (Non-GAAP Basis) and Actual**  
**For the Fiscal Year Ended June 30, 2022**

**Debt Service Fund**

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Taxes	\$ 5,890,516	\$ 5,111,502	\$ (779,014)
Intergovernmental	336,284	333,259	(3,025)
Total revenues	<u>6,226,800</u>	<u>5,444,761</u>	<u>(782,039)</u>
<u>Expenditures:</u>			
Current:			
Support services:			
Administration	7,999	5,514	2,485
Fiscal	81,000	67,222	13,778
Debt service:			
Principal retirement	2,820,000	2,820,000	-
Interest and fiscal charges	2,499,126	2,499,125	1
Total expenditures	<u>5,408,125</u>	<u>5,391,861</u>	<u>16,264</u>
Net change in fund balance	818,675	52,900	(765,775)
Fund balance at beginning of year	8,462,003	8,462,003	-
Fund balance at end of year	<u>\$ 9,280,678</u>	<u>\$ 8,514,903</u>	<u>\$ (765,775)</u>

**Highland Local School District**  
**Schedule of Revenues, Expenditures and Changes in**  
**Fund Balance - Budget (Non-GAAP Basis) and Actual**  
**For the Fiscal Year Ended June 30, 2022**

**Building Fund**

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Interest	\$ 15,000	\$ 23,474	\$ 8,474
Miscellaneous	357,000	344,990	(12,010)
Total revenues	<u>372,000</u>	<u>368,464</u>	<u>(3,536)</u>
<u>Expenditures:</u>			
Current:			
Support services:			
Fiscal	550	504	46
Operation and maintenance of plant	201,272	179,550	21,722
Capital outlay	21,608,338	20,443,464	1,164,874
Total expenditures	<u>21,810,160</u>	<u>20,623,518</u>	<u>1,186,642</u>
Net change in fund balance	(21,438,160)	(20,255,054)	1,183,106
Fund balance at beginning of year	12,230,573	12,230,573	-
Prior year encumbrances appropriated	9,310,160	9,310,160	-
Fund balance at end of year	<u>\$ 102,573</u>	<u>\$ 1,285,679</u>	<u>\$ 1,183,106</u>

**Highland Local School District**  
**Schedule of Revenues, Expenditures and Changes in**  
**Fund Balance - Budget (Non-GAAP Basis) and Actual**  
**For the Fiscal Year Ended June 30, 2022**

**Food Service Fund**

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Intergovernmental	\$ 1,502,000	\$ 2,106,265	\$ 604,265
Interest	300	1,788	1,488
Charges for services	216,806	224,684	7,878
Total revenues	<u>1,719,106</u>	<u>2,332,737</u>	<u>613,631</u>
<u>Expenditures:</u>			
Current:			
Operation of non-instructional services:			
Food service operations	1,838,758	1,580,327	258,431
Excess of revenues over (under) expenditures	<u>(119,652)</u>	<u>752,410</u>	<u>872,062</u>
<u>Other financing sources:</u>			
Proceeds from sale of capital assets	-	6,000	6,000
Refund of prior year expenditures	2,000	2,213	213
Net change in fund balance	(117,652)	760,623	878,275
Fund balance at beginning of year	440,299	440,299	-
Prior year encumbrances appropriated	118	118	-
Fund balance at end of year	<u>\$ 322,765</u>	<u>\$ 1,201,040</u>	<u>\$ 878,275</u>

**Special Trust Fund**

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Interest	\$ 30	\$ 37	\$ 7
Miscellaneous	300	300	-
Total revenues	<u>\$ 330</u>	<u>\$ 337</u>	<u>\$ 7</u>
<u>Expenditures:</u>			
Current:			
Instruction:			
Extracurricular activities	2,000	2,000	-
Net change in fund balance	(1,670)	(1,663)	7
Fund balance at beginning of year	14,944	14,944	-
Fund balance at end of year	<u>\$ 13,274</u>	<u>\$ 13,281</u>	<u>\$ 7</u>

**Highland Local School District**  
**Schedule of Revenues, Expenditures and Changes in**  
**Fund Balance - Budget (Non-GAAP Basis) and Actual**  
**For the Fiscal Year Ended June 30, 2022**

**Miscellaneous Local Grant Fund**

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Intergovernmental	\$ 179,500	\$ 57,335	\$ (122,165)
<u>Expenditures:</u>			
Current:			
Instruction:			
Regular	174,278	62,073	112,205
Support services:			
Instructional staff	5,722	4,160	1,562
Total expenditures	180,000	66,233	113,767
Excess of revenues under expenditures	(500)	(8,898)	(8,398)
<u>Other financing sources (uses):</u>			
Advances in	-	10,738	10,738
Net change in fund balance	(500)	1,840	2,340
Fund balance at beginning of year	5,723	5,723	-
Fund balance at end of year	\$ 5,223	\$ 7,563	\$ 2,340

**Student Managed Student Activity Fund**

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Extracurricular activities	\$ 290,955	\$ 75,459	\$ (215,496)
Gifts and donations	10,200	2,879	(7,321)
Total revenues	301,155	78,338	(222,817)
<u>Expenditures:</u>			
Current:			
Extracurricular activities	323,198	83,427	239,771
Excess of revenues under expenditures	(22,043)	(5,089)	16,954
<u>Other financing sources:</u>			
Transfers in	-	3,668	3,668
Transfers out	-	(3,668)	(3,668)
Total other financing sources	-	-	-
Net change in fund balance	(22,043)	(5,089)	16,954
Fund balance at beginning of year	123,920	123,920	-
Fund balance at end of year	\$ 101,877	\$ 118,831	\$ 16,954

**Highland Local School District**  
**Schedule of Revenues, Expenditures and Changes in**  
**Fund Balance - Budget (Non-GAAP Basis) and Actual**  
**For the Fiscal Year Ended June 30, 2022**

**District Managed Student Activity Fund**

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Extracurricular activities	\$ 215,675	\$ 295,371	\$ 79,696
Gifts and donations	3,750	21,090	17,340
Miscellaneous	10,000	12,812	2,812
Total revenues	<u>229,425</u>	<u>329,273</u>	<u>99,848</u>
<u>Expenditures:</u>			
Current:			
Extracurricular activities	360,977	332,466	28,511
Excess of revenues under expenditures	<u>(131,552)</u>	<u>(3,193)</u>	<u>128,359</u>
<u>Other financing sources (uses):</u>			
Refund of prior year expenditures	200	25	(175)
Transfers in	27,000	17,300	(9,700)
Transfers out	(949)	-	949
Total other financing sources (uses)	<u>26,251</u>	<u>17,325</u>	<u>(8,926)</u>
Net change in fund balance	(105,301)	14,132	119,433
Fund balance at beginning of year	103,507	103,507	-
Prior year encumbrances appropriated	11,926	11,926	-
Fund balance at end of year	<u>\$ 10,132</u>	<u>\$ 129,565</u>	<u>\$ 119,433</u>

**Auxiliary Services Fund**

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Intergovernmental	\$ 156,974	\$ 156,971	\$ (3)
Interest	10	92	82
Total revenues	<u>156,984</u>	<u>157,063</u>	<u>79</u>
<u>Expenditures:</u>			
Current:			
Instruction:			
Regular	116,026	112,125	3,901
Support services:			
Pupils	51,000	50,750	250
Instructional staff	7,495	6,495	1,000
Total expenditures	<u>174,521</u>	<u>169,370</u>	<u>5,151</u>
Net change in fund balance	(17,537)	(12,307)	5,230
Fund balance at beginning of year	-	-	-
Prior year encumbrances appropriated	17,537	17,537	-
Fund balance at end of year	<u>\$ -</u>	<u>\$ 5,230</u>	<u>\$ 5,230</u>

**Highland Local School District**  
**Schedule of Revenues, Expenditures**  
**and Changes in Fund Balance - Budget and Actual**  
**For the Fiscal Year Ended June 30, 2022**

**Miscellaneous State Grant Fund**

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Intergovernmental	\$ 29,245	\$ 4,245	\$ (25,000)
<u>Expenditures:</u>			
Current:			
Support services:			
Pupils	4,245	4,245	-
Operation and maintenance of plant	41,772	16,772	25,000
Total expenditures	46,017	21,017	25,000
Net change in fund balance	(16,772)	(16,772)	-
Fund balance at beginning of year	16,772	16,772	-
Fund balance at end of year	\$ -	\$ -	\$ -

**ESSER Fund**

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Intergovernmental	\$ 638,480	\$ 332,251	\$ (306,229)
<u>Expenditures:</u>			
Current:			
Instruction:			
Regular	535,397	447,946	87,451
Support services:			
Pupils	103,083	57,054	46,029
Total expenditures	638,480	505,000	133,480
Excess of revenues under expenditures	-	(172,749)	(172,749)
<u>Other financing sources (uses):</u>			
Advances in	-	172,749	172,749
Net change in fund balance	-	-	-
Fund balance at beginning of year	-	-	-
Fund balance at end of year	\$ -	\$ -	\$ -



**Highland Local School District**  
**Schedule of Revenues, Expenditures and Changes in**  
**Fund Balance - Budget (Non-GAAP Basis) and Actual**  
**For the Fiscal Year Ended June 30, 2022**

**IDEA, Part B Fund**

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Intergovernmental	\$ 970,080	\$ 613,862	\$ (356,218)
<u>Expenditures:</u>			
Current:			
Instruction:			
Special	946,356	599,277	347,079
Support services:			
Pupils	5,000	3,760	1,240
Administration	16,783	16,783	-
Total expenditures	968,139	619,820	348,319
Excess of revenues over (under) expenditures	1,941	(5,958)	(7,899)
<u>Other financing sources (uses):</u>			
Advances in	-	7,899	7,899
Advances out	(2,000)	(2,000)	-
Total other financing sources (uses)	(2,000)	5,899	7,899
Net change in fund balance	(59)	(59)	-
Fund balance (deficit) at beginning of year	59	59	-
Fund balance at end of year	\$ -	\$ -	\$ -

**Title III Limited English Proficiency Fund**

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Intergovernmental	\$ 7,115	\$ 3,880	\$ (3,235)
<u>Expenditures:</u>			
Current:			
Instruction:			
Special	3,331	2,679	652
Excess of revenues over expenditures	3,784	1,201	(2,583)
<u>Other financing sources:</u>			
Advances in	-	2,583	2,583
Advances out	(3,784)	(3,784)	-
Total other financing sources (uses)	(3,784)	(1,201)	2,583
Net change in fund balance	-	-	-
Fund balance at beginning of year	-	-	-
Fund balance at end of year	\$ -	\$ -	\$ -

**Highland Local School District**  
**Schedule of Revenues, Expenditures and Changes in**  
**Fund Balance - Budget (Non-GAAP Basis) and Actual**  
**For the Fiscal Year Ended June 30, 2022**

**Title I Fund**

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Intergovernmental	\$ 146,555	\$ 119,936	\$ (26,619)
<u>Expenditures:</u>			
Current:			
Instruction:			
Regular	11,912	7,331	4,581
Special	137,830	115,792	22,038
Total expenditures	149,742	123,123	26,619
Net change in fund balance	(3,187)	(3,187)	-
Fund balance at beginning of year	-	-	-
Prior year encumbrances appropriated	3,187	3,187	-
Fund balance at end of year	\$ -	\$ -	\$ -

**Title IV-A Fund**

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Intergovernmental	\$ 17,528	\$ 10,615	\$ (6,913)
<u>Expenditures:</u>			
Current:			
Instruction:			
Regular	17,528	10,615	6,913
Net change in fund balance	-	-	-
Fund balance at beginning of year	-	-	-
Fund balance at end of year	\$ -	\$ -	\$ -

**Highland Local School District**  
**Schedule of Revenues, Expenditures and Changes in**  
**Fund Balance - Budget (Non-GAAP Basis) and Actual**  
**For the Fiscal Year Ended June 30, 2022**

**IDEA Preschool Grant Fund**

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Intergovernmental	\$ 28,402	\$ 15,165	\$ (13,237)
<u>Expenditures:</u>			
Current:			
Instruction:			
Special	28,402	15,165	13,237
Net change in fund balance	-	-	-
Fund balance at beginning of year	-	-	-
Fund balance at end of year	\$ -	\$ -	\$ -

**Improving Teacher Quality Fund**

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Intergovernmental	\$ 55,884	\$ 55,884	\$ -
<u>Expenditures:</u>			
Current:			
Instruction:			
Regular	55,884	55,884	-
Net change in fund balance	-	-	-
Fund balance at beginning of year	-	-	-
Fund balance at end of year	\$ -	\$ -	\$ -

**Highland Local School District**  
**Schedule of Revenues, Expenditures and Changes in**  
**Fund Balance - Budget (Non-GAAP Basis) and Actual**  
**For the Fiscal Year Ended June 30, 2022**

**Permanent Improvement Fund**

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Miscellaneous	\$ 81,100	\$ 80,807	\$ (293)
<u>Expenditures:</u>			
Current:			
Capital outlay	291,387	216,387	75,000
Excess of revenues under expenditures	(210,287)	(135,580)	74,707
<u>Other financing sources:</u>			
Refund of prior year expenditures	15,000	70,528	55,528
Net change in fund balance	(195,287)	(65,052)	130,235
Fund balance at beginning of year	574,926	574,926	-
Fund balance at end of year	<u>\$ 379,639</u>	<u>\$ 509,874</u>	<u>\$ 130,235</u>

**Sales Tax Fund**

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Intergovernmental	\$ 1,800,000	\$ 2,034,662	\$ 234,662
<u>Expenditures:</u>			
Current:			
Instruction:			
Regular	144,000	67,462	76,538
Support services:			
Instructional staff	301,975	294,901	7,074
Operation and maintenance of plant	84,700	78,226	6,474
Pupil transportation	275,000	271,062	3,938
Extracurricular activities	37,950	37,650	300
Capital outlay	1,261,730	1,310,993	(49,263)
Total expenditures	2,105,355	2,060,294	45,061
Excess of revenues under expenditures	(305,355)	(25,632)	279,723
<u>Other financing uses:</u>			
Advances out	-	(45,000)	(45,000)
Net change in fund balance	(305,355)	(70,632)	234,723
Fund balance at beginning of year	710,904	710,904	-
Prior year encumbrances appropriated	58,355	58,355	-
Fund balance at end of year	<u>\$ 463,904</u>	<u>\$ 698,627</u>	<u>\$ 234,723</u>

**Highland Local School District**  
**Schedule of Revenues, Expenditures and Changes in**  
**Fund Balance - Budget (Non-GAAP Basis) and Actual**  
**For the Fiscal Year Ended June 30, 2022**

**Sharon Elementary Trust Fund**

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Interest	\$ 20	\$ 27	\$ 7
<u>Expenditures:</u>			
Current:			
Total expenditures	-	-	-
Net change in fund balance	20	27	7
Fund balance at beginning of year	9,013	9,013	-
Fund balance at end of year	<u>\$ 9,033</u>	<u>\$ 9,040</u>	<u>\$ 7</u>

**Highland Local School District**  
**Schedule of Revenues, Expenses and Changes in**  
**Net Position - Budget (Non-GAAP Basis) and Actual**  
**For the Fiscal Year Ended June 30, 2022**

**Endowment Fund**

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Interest	\$ 100	\$ 110	\$ 10
<u>Expenses:</u>			
Current:			
Payments in accordance with trust agreement	2,600	2,000	600
Net change in net position	(2,500)	(1,890)	610
Net position at beginning of year	39,170	39,170	-
Net position at end of year	<u>\$ 36,670</u>	<u>\$ 37,280</u>	<u>\$ 610</u>

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## STATISTICAL SECTION

**H**



## Statistical Section

This part of the 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.

<b><u>Contents</u></b>	<b><u>Page(s)</u></b>
<b>Financial Trends</b> These schedules contain trend information to help the reader understand how the School District's financial position has changed over time.	<b>S2 - S13</b>
<b>Revenue Capacity</b>  These schedules contain information to help the reader understand and assess the factors affecting the School District's ability to generate its most significant local revenue source, the property tax.	<b>S14 - S21</b>
<b>Debt Capacity</b>  These schedules present information to help the reader assess the affordability of the School District's current levels of outstanding debt and the School District's ability to issue additional debt in the future.	<b>S22 - S26</b>
<b>Economic and Demographic Information</b>  These schedules offer economic and demographic indicators to help the reader understand the environment within which the School District's financial activities take place and to provide information that facilitates comparisons of financial information over time and among governments.	<b>S27 - S28</b>
<b>Operating Information</b>  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.	<b>S29 - S35</b>

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

# Highland Local School District

## Net Position by Component (1)

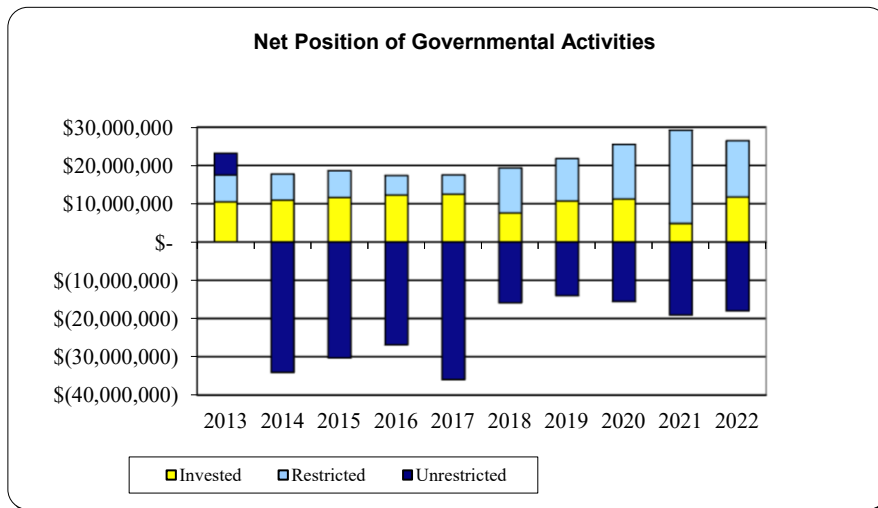
### Last Ten Fiscal Years

	<u>2013</u>	Restated <u>2014 (2)</u>	<u>2015</u>	<u>2016</u>	Restated <u>2017 (3)</u>
Net investment in capital assets	\$ 10,511,519	\$ 10,939,543	\$ 11,643,058	\$ 12,269,221	\$ 12,464,682
Restricted for:					
Capital projects	2,601,236	2,354,937	2,781,794	960,113	1,335,852
Debt service	3,971,722	4,050,538	3,782,332	3,766,510	3,320,181
Food service	286,017	284,760	296,855	260,717	288,159
Extracurricular	101,618	90,330	110,593	104,692	99,317
Permanent fund - scholarships					
Nonexpendable	9,468	9,490	9,510	9,536	8,596
Other purposes	13,940	22,294	19,248	9,512	14,035
Unrestricted	5,685,245	(34,051,466)	(30,266,520)	(26,873,044)	(35,930,672)
<b>Total net position</b>	<u>\$ 23,180,765</u>	<u>\$ (16,299,574)</u>	<u>\$ (11,623,130)</u>	<u>\$ (9,492,743)</u>	<u>\$ (18,399,850)</u>

(1) Accrual basis of accounting

(2) The School District implemented GASB 68 during fiscal year 2015 and as a result 2014 was restated.

(3) The School District implemented GASB 75 during fiscal year 2018 and as a result 2017 was restated.



<u>2018</u>	<u>2019</u>	Restated <u>2020</u>	<u>2021</u>	<u>2022</u>
\$ 7,602,037	\$ 10,715,758	\$ 11,213,691	\$ 4,826,918	\$ 11,756,833
1,190,066	3,379,320	4,992,937	14,497,196	4,541,273
10,116,860	7,140,281	8,604,836	8,932,995	8,683,443
264,565	306,194	215,280	433,105	1,072,565
111,191	114,155	286,073	256,367	278,204
8,703	8,895	8,996	47,183	44,720
88,908	137,876	164,183	210,571	88,196
<u>(15,865,487)</u>	<u>(14,025,415)</u>	<u>(15,544,801)</u>	<u>(19,089,897)</u>	<u>(18,001,921)</u>
<u>\$ 3,516,843</u>	<u>\$ 7,777,064</u>	<u>\$ 9,941,195</u>	<u>\$ 10,114,438</u>	<u>\$ 8,463,313</u>

## Highland Local School District

### Changes in Net Position of Governmental Activities (1)

#### Last Ten Fiscal Years

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
<b>Expenses</b>					
Regular instruction	\$ 12,871,326	\$ 13,828,776	\$ 13,380,691	\$ 14,162,358	\$ 15,870,373
Special instruction	3,020,373	4,076,189	4,142,380	4,331,543	5,181,399
Vocational instruction	174,978	65,283	65,495	69,303	37,571
Other	138,331	135,706	165,630	124,877	185,166
Pupil support	1,693,796	1,654,213	1,692,431	1,791,332	2,118,044
Instructional staff support	1,615,746	573,718	724,539	737,460	863,139
Board of education	26,183	23,298	51,574	30,352	26,775
Administration	2,095,174	2,221,590	2,107,510	2,302,043	2,283,744
Fiscal	865,692	845,133	902,665	929,845	938,096
Business	29,088	21,235	11,530	11,130	9,516
Operation and maintenance of plant	2,892,366	2,927,324	2,889,632	4,094,454	3,101,055
Pupil transportation	1,961,636	2,018,714	2,039,769	1,925,930	2,204,211
Central	227,927	263,869	269,525	239,897	276,541
Food service operations	1,125,550	1,201,725	1,218,328	1,229,889	1,251,539
Community services	194,263	207,235	195,252	212,439	254,799
Extracurricular activities	1,466,326	1,575,167	1,556,345	1,979,082	2,104,804
Interest and fiscal charges	1,363,893	1,373,690	1,625,747	1,967,160	719,740
<i>Total expenses</i>	<u>\$ 31,762,648</u>	<u>\$ 33,012,865</u>	<u>\$ 33,039,043</u>	<u>\$ 36,139,094</u>	<u>\$ 37,426,512</u>
<b>Program Revenues</b>					
Charges for services:					
Regular instruction	\$ 400,610	\$ 271,518	\$ 440,520	\$ 358,747	\$ 346,075
Special instruction	244,229	465,743	227,527	163,452	199,652
Operation and maintenance of plant	46,821	19,787	49,594	53,264	35,788
Pupil transportation	500	397	525	-	-
Food service operations	932,408	937,627	931,472	942,032	944,597
Community services	252,917	233,425	224,431	256,694	254,410
Extracurricular activities	567,050	611,370	630,517	674,155	681,599
Operating grants and contributions:					
Regular instruction	166,820	152,549	126,531	151,032	155,953
Special instruction	416,255	724,264	889,292	638,750	574,197
Vocational instruction	9,661	5,228	-	-	3,358
Pupil support	119,543	66,292	87,206	104,940	99,831
Instructional staff support	101,304	9,428	11,997	25,485	25,556
Administration	94,383	112,198	131,233	121,529	128,914
Business	-	-	-	321	-
Operation and maintenance of plant	-	-	-	-	-
Central	9,000	9,000	9,000	-	-
Food service operations	179,004	203,210	214,240	215,529	212,990
Extracurricular activities	11,974	11,100	10,366	18,549	15,536
Capital grants and contributions:					
Regular instruction	-	8,570	-	-	-
Operation and maintenance of plant					
Extracurricular activities	-	-	606,382	113,958	1,210
<i>Total program revenues</i>	<u>\$ 3,552,479</u>	<u>\$ 3,841,706</u>	<u>\$ 4,590,833</u>	<u>\$ 3,838,437</u>	<u>\$ 3,679,666</u>

	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
\$	5,285,569	\$ 12,089,722	\$ 16,208,602	\$ 16,688,227	\$ 13,799,242
	3,167,093	6,631,525	8,548,942	8,501,579	8,837,678
	23,368	55,685	26,164	3,415	3,415
	50,752	154,374	204,534	281,435	214,569
	1,182,426	2,111,671	2,590,923	2,654,135	2,748,249
	714,192	781,045	773,783	788,658	1,040,528
	25,098	27,916	25,207	24,435	31,133
	1,274,496	2,141,399	2,549,384	2,488,433	2,281,376
	892,117	1,001,510	995,770	942,916	883,446
	6,372	6,098	8,175	13,377	8,015
	2,863,685	3,137,148	3,283,643	3,474,140	8,314,174
	2,050,329	2,404,882	2,457,677	2,324,706	2,307,155
	228,324	251,380	289,216	292,522	265,694
	1,214,335	1,272,819	1,214,557	1,318,714	1,753,213
	215,252	262,174	263,954	209,818	277,409
	1,600,041	2,012,939	2,245,846	2,329,774	2,401,591
	1,755,417	3,350,797	2,809,773	2,271,040	2,341,327
\$	<u>22,548,866</u>	<u>\$ 37,693,084</u>	<u>\$ 44,496,150</u>	<u>\$ 44,607,324</u>	<u>\$ 47,508,214</u>
\$	317,759	\$ 295,402	\$ 334,235	\$ 212,673	\$ 274,422
	133,989	130,705	63,629	85,529	49,596
	44,172	47,254	19,826	2,323	14,575
	-	-	-	-	-
	951,375	1,013,114	823,662	93,861	182,223
	244,308	258,754	201,708	97,316	265,340
	662,839	638,508	529,648	592,347	793,322
	205,400	251,068	175,870	585,715	594,262
	651,707	810,417	804,387	835,531	1,166,087
	3,292	5,795	5,765	5,765	1,471
	88,287	86,344	217,017	266,332	195,796
	30,585	29,829	17,602	7,175	6,495
	121,834	132,320	137,940	110,958	-
	-	-	-	-	-
	-	18,007	40,000	71,722	-
	-	-	-	-	-
	208,388	219,197	194,249	1,327,442	2,097,082
	5,409	14,128	24,670	46,575	37,406
	-	-	-	-	-
	3,365	-	-	-	-
	-	-	-	-	-
\$	<u>3,672,709</u>	<u>\$ 3,950,842</u>	<u>\$ 3,590,208</u>	<u>\$ 4,341,264</u>	<u>\$ 5,678,077</u>

(Continued)

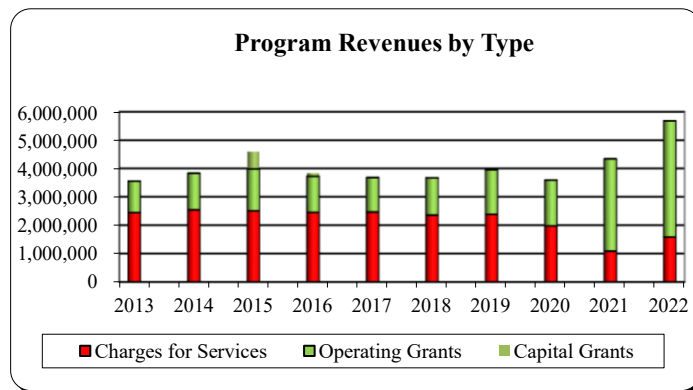
**Highland Local School District**

**Changes in Net Position of Governmental Activities (1)**

**Last Ten Fiscal Years**

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Net expense	\$ (28,210,169)	\$ (29,171,159)	\$ (28,448,210)	\$ (32,300,657)	\$ (33,746,846)
<b>General revenues</b>					
Property taxes levied for:					
General purposes	\$ 19,989,424	\$ 20,192,960	\$ 20,560,950	\$ 21,450,297	\$ 22,698,203
Debt service	2,699,400	2,143,338	1,870,164	1,956,302	2,128,513
Shared revenue restricted for:					
Permanent improvement projects	1,132,357	1,226,381	1,276,271	1,565,729	1,480,978
Grants and entitlements not restricted to specific programs	7,777,932	8,206,922	8,626,440	8,671,654	8,812,247
Gain on sale of capital assets	-	-	-	-	-
Investment earnings	56,945	72,970	212,592	261,413	335,398
Increase (decrease) in fair value of investments	-	-	(11,270)	116,156	(121,897)
Miscellaneous	44,702	73,359	515,526	409,493	404,771
Capital contributions	-	-	73,981	-	-
<b>Total general revenues</b>	<u>\$ 31,700,760</u>	<u>\$ 31,915,930</u>	<u>\$ 33,124,654</u>	<u>\$ 34,431,044</u>	<u>\$ 35,738,213</u>
Restatement	-	-	-	-	-
<b>Change in net position</b>	<u>\$ 3,490,591</u>	<u>\$ 2,744,771</u>	<u>\$ 4,676,444</u>	<u>\$ 2,130,387</u>	<u>\$ 1,991,367</u>

(1) Accrual basis of accounting



<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
<u>\$ (18,876,157)</u>	<u>\$ (33,742,242)</u>	<u>\$ (40,905,942)</u>	<u>\$ (40,266,060)</u>	<u>\$ (41,830,137)</u>
\$ 24,660,093	\$ 20,024,771	\$ 24,242,557	\$ 23,460,404	\$ 24,649,385
4,647,882	4,556,826	5,788,860	5,767,341	4,782,746
1,451,160	1,596,959	1,678,276	1,870,555	2,156,969
8,751,184	8,894,392	8,417,536	8,823,970	8,120,713
-	5,461	-	-	-
748,826	2,209,551	2,235,821	485,682	251,277
(384,928)	487,287	252,513	(160,584)	(902,362)
918,633	227,216	276,979	191,935	1,120,284
-	-	-	-	-
<u>\$ 40,792,850</u>	<u>\$ 38,002,463</u>	<u>\$ 42,892,542</u>	<u>\$ 40,439,303</u>	<u>\$ 40,179,012</u>
-	-	177,531	-	-
<u>\$ 21,916,693</u>	<u>\$ 4,260,221</u>	<u>\$ 1,986,600</u>	<u>\$ 173,243</u>	<u>\$ (1,651,125)</u>

**Highland Local School District**

**Program Revenues of Governmental Activities by Function (1)**

**Last Ten Fiscal Years**

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
<b>Governmental activities:</b>					
<i>Function</i>					
Regular instruction	\$ 567,430	\$ 432,637	\$ 567,051	\$ 509,779	\$ 502,028
Special instruction	660,484	1,190,007	1,116,819	802,202	773,849
Vocational	9,661	5,228	-	-	3,358
Pupil support	119,543	66,292	87,206	104,940	99,831
Instructional staff support	101,304	9,428	11,997	25,485	25,556
Administration	94,383	112,198	131,233	121,529	128,914
Business	-	-	-	321	-
Operation and maintenance of plant	46,821	19,787	49,594	53,264	36,998
Pupil transportation	500	397	525	-	-
Central	9,000	9,000	9,000	-	-
Operation of food service	1,111,412	1,140,837	1,145,712	1,157,561	1,157,587
Community services	252,917	233,425	224,431	256,694	254,410
Extracurricular activities	579,024	622,470	1,247,265	806,662	697,135
<b>Total program revenues</b>	<u>\$ 3,552,479</u>	<u>\$ 3,841,706</u>	<u>\$ 4,590,833</u>	<u>\$ 3,838,437</u>	<u>\$ 3,679,666</u>

(1) Accrual basis of accounting

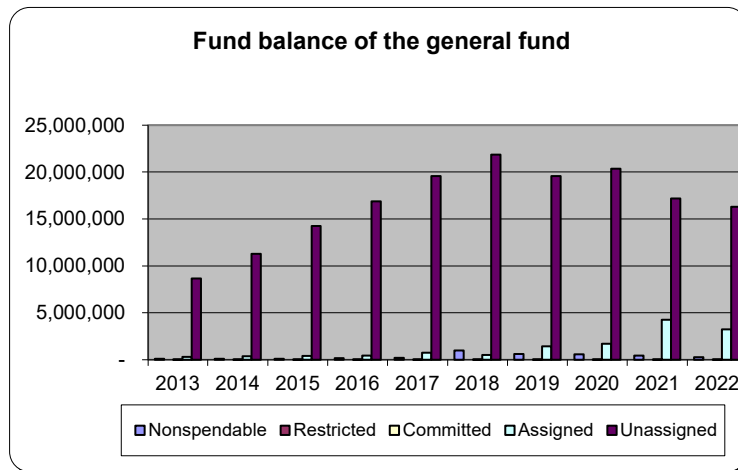


<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
\$ 523,159	\$ 546,470	\$ 510,105	\$ 798,388	\$ 868,684
785,696	941,122	868,016	921,060	1,215,683
3,292	5,795	5,765	5,765	1,471
88,287	86,344	217,017	266,332	195,796
30,585	29,829	17,602	7,175	6,495
121,834	132,320	137,940	110,958	-
-	-	-	-	-
47,537	65,261	59,826	74,045	14,575
-	-	-	-	-
-	-	-	-	-
1,159,763	1,232,311	1,017,911	1,421,303	2,279,305
244,308	258,754	201,708	97,316	265,340
668,248	652,636	554,318	638,922	830,728
<u>\$ 3,672,709</u>	<u>\$ 3,950,842</u>	<u>\$ 3,590,208</u>	<u>\$ 4,341,264</u>	<u>\$ 5,678,077</u>

**Highland Local School District**  
**Fund Balances, Governmental Funds (1)**  
**Last Ten Fiscal Years**

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
General fund					
Nonspendable	\$ 87,636	\$ 88,776	\$ 89,149	\$ 166,157	\$ 197,059
Committed	11,000	11,000	11,000	11,000	11,000
Assigned	301,310	366,751	402,711	424,289	759,385
Unassigned	8,669,050	11,279,596	14,261,637	16,887,863	19,578,280
<i>Total general fund</i>	<u>9,068,996</u>	<u>11,746,123</u>	<u>14,764,497</u>	<u>17,489,309</u>	<u>20,545,724</u>
All other governmental funds					
Nonspendable	8,000	8,000	8,000	8,364	17,030
Restricted	6,469,011	13,558,307	6,554,338	4,493,670	4,410,459
Unassigned (deficit)	(41,635)	-	-	(68,765)	(58,743)
Total all other governmental funds	<u>6,435,376</u>	<u>13,566,307</u>	<u>6,562,338</u>	<u>4,433,269</u>	<u>4,368,746</u>
<i>Total governmental funds</i>	<u>\$ 15,504,372</u>	<u>\$ 25,312,430</u>	<u>\$ 21,326,835</u>	<u>\$ 21,922,578</u>	<u>\$ 24,914,470</u>

(1) Modified accrual basis of accounting



<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
\$ 997,430	\$ 624,424	\$ 567,047	\$ 454,648	\$ 265,883
11,000	11,000	11,000	11,000	11,000
520,143	1,445,082	1,698,552	4,244,885	3,220,607
<u>21,868,120</u>	<u>19,562,924</u>	<u>20,356,628</u>	<u>17,194,104</u>	<u>16,305,749</u>
<u>23,396,693</u>	<u>21,643,430</u>	<u>22,633,227</u>	<u>21,904,637</u>	<u>19,803,239</u>
16,633	17,261	8,000	40,500	40,500
74,348,323	70,417,929	64,899,863	29,330,206	13,902,395
<u>(87,548)</u>	<u>(3,132)</u>	<u>(51,395)</u>	<u>(89,853)</u>	<u>(82,725)</u>
<u>74,277,408</u>	<u>70,432,058</u>	<u>64,856,468</u>	<u>29,280,853</u>	<u>13,860,170</u>
<u>\$ 97,674,101</u>	<u>\$ 92,075,488</u>	<u>\$ 87,489,695</u>	<u>\$ 51,185,490</u>	<u>\$ 33,663,409</u>

**Highland Local School District**  
**Changes in Fund Balances, Governmental Funds (1)**  
**Last Ten Fiscal Years**

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
<b>Revenues</b>										
Taxes	\$ 22,761,358	\$ 22,381,342	\$ 22,544,066	\$ 23,490,296	\$ 24,914,419	\$ 29,325,034	\$ 24,618,354	\$ 30,014,951	\$ 29,251,636	\$ 29,452,790
Intergovernmental	10,002,051	10,724,743	11,286,948	11,287,420	11,554,256	11,510,554	11,930,790	11,597,177	13,758,566	14,393,328
Interest	57,720	73,927	212,456	262,524	338,133	753,803	2,218,522	2,240,520	486,270	253,331
Increase (decrease) in the fair value of investments	-	-	(10,272)	116,156	(121,897)	(384,928)	487,287	252,513	(160,584)	(902,362)
Tuition and fees	807,807	919,429	919,222	764,106	773,575	679,582	585,879	555,923	398,771	523,845
Rent	44,846	21,762	46,179	46,455	42,842	42,934	51,662	19,826	2,323	13,927
Extracurricular activities	601,065	625,928	634,569	699,567	695,695	664,100	632,104	526,238	573,792	876,576
Gifts and donations	12,614	12,043	616,699	19,305	15,383	7,483	13,631	24,475	46,779	92,147
Charges for services	932,408	937,627	931,472	942,032	944,597	951,375	1,013,114	823,662	93,861	527,213
Miscellaneous	57,379	85,220	536,048	422,437	421,233	934,347	250,151	303,267	200,392	718,354
<i>Total revenues</i>	<i>35,277,248</i>	<i>35,782,021</i>	<i>37,717,387</i>	<i>38,050,298</i>	<i>39,578,236</i>	<i>44,484,284</i>	<i>41,801,494</i>	<i>46,358,552</i>	<i>44,651,806</i>	<i>45,949,149</i>
<b>Expenditures</b>										
Current:										
Instruction:										
Regular	12,263,773	13,467,510	13,589,220	13,642,936	14,338,758	14,769,997	13,790,006	14,697,436	14,966,378	13,566,235
Special	3,032,484	4,050,032	4,272,447	4,315,340	4,869,281	5,768,351	7,283,006	7,961,901	7,895,612	9,535,185
Vocational	113,217	80,006	84,980	87,290	30,867	64,016	65,889	21,809	-	-
Other	148,582	147,415	181,898	125,211	174,493	141,874	175,210	193,825	267,797	228,320
Support services:										
Pupil	1,586,402	1,611,128	1,700,693	1,759,635	1,922,505	2,257,825	2,347,356	2,367,324	2,447,927	2,894,218
Instructional staff	1,600,503	607,290	726,346	709,411	802,380	774,763	755,621	710,996	729,086	1,008,314
Board of education	26,183	23,298	51,903	30,551	26,143	26,764	28,013	24,065	23,796	31,956
Administration	2,074,697	2,136,192	2,205,564	2,276,407	2,163,151	2,309,547	2,364,665	2,333,733	2,287,529	2,472,382
Fiscal	854,114	834,800	908,736	938,937	907,351	947,389	1,000,170	963,215	908,972	934,935
Business	28,754	20,901	11,220	10,796	9,183	6,038	5,764	7,815	12,354	8,729
Operation and maintenance										
of plant	2,481,079	2,513,190	2,488,177	3,736,098	2,587,423	2,685,373	2,750,086	2,741,838	2,967,557	7,732,053
Pupil transportation	1,770,872	1,801,469	1,872,124	1,748,542	1,950,876	1,929,135	2,140,543	2,091,604	1,962,035	2,260,124
Central	216,613	252,533	264,049	238,531	264,272	249,362	252,349	268,102	275,629	294,117
Operation of non-instructional services:										
Food service operations	1,029,311	1,107,094	1,132,425	1,144,359	1,130,060	1,180,680	1,190,156	1,088,224	1,196,734	1,626,433
Community services	194,263	207,235	198,100	215,499	245,601	236,798	263,434	247,304	198,034	302,910
Extracurricular activities	1,136,079	1,241,021	1,265,425	1,432,934	1,294,532	1,377,175	1,381,042	1,414,977	1,498,359	1,651,672
Capital outlay	288,260	777,865	9,270,600	2,218,716	439,076	1,490,632	3,240,212	8,470,542	45,669,857	12,332,624

**Highland Local School District**

**Changes in Fund Balances, Governmental Funds (1)**

**Last Ten Fiscal Years (Continued)**

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Debt service:										
Principal retirement	1,153,707	1,275,000	1,652,614	1,838,475	2,269,048	7,909,966	4,166,240	2,365,381	3,459,679	3,750,070
Interest and fiscal charges	1,139,116	1,084,850	1,268,936	1,472,466	1,161,344	1,470,226	4,210,045	3,118,449	2,796,957	2,846,953
Bond issuance costs	-	-	-	210,308	-	626,950	-	512,970	69,250	-
<b>Total expenditures</b>	<b>31,138,009</b>	<b>33,238,829</b>	<b>43,145,457</b>	<b>38,152,442</b>	<b>36,586,344</b>	<b>46,222,861</b>	<b>47,409,807</b>	<b>51,601,510</b>	<b>89,633,542</b>	<b>63,477,230</b>
<b>Excess of revenues over (under) expenditures</b>	<b>4,139,239</b>	<b>2,543,192</b>	<b>(5,428,070)</b>	<b>(102,144)</b>	<b>2,991,892</b>	<b>(1,738,577)</b>	<b>(5,608,313)</b>	<b>(5,242,958)</b>	<b>(44,981,736)</b>	<b>(17,528,081)</b>
<b>Other financing sources (uses)</b>										
Sale of capital assets	-	9,800	1,750	-	-	27,600	9,700	-	-	6,000
Lease-purchase agreement	-	7,255,066	1,440,725	-	-	-	-	142,835	8,500,000	-
Bonds issued	-	-	-	19,205,000	-	-	-	53,945,000	-	-
Payment to refunded bond escrow agent	-	-	-	-	-	-	-	(61,128,743)	-	-
Premium on refunding bonds issued	-	-	-	3,817,887	-	-	-	7,698,073	-	-
Notes issued	-	-	-	-	-	5,900,000	-	-	-	-
General obligation bonds issued	-	-	-	-	-	63,000,000	-	-	-	-
Premium on notes bonds and notes issued	-	-	-	-	-	5,570,608	-	-	-	-
Current refunding - principal	-	-	-	(22,325,000)	-	-	-	-	-	-
Transfers in	-	-	-	380,000	-	-	25,000	3,000	64,000	10,000
Transfers out	-	-	-	(380,000)	-	-	(25,000)	(3,000)	(64,000)	(10,000)
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>7,264,866</b>	<b>1,442,475</b>	<b>697,887</b>	<b>-</b>	<b>74,498,208</b>	<b>9,700</b>	<b>657,165</b>	<b>8,500,000</b>	<b>6,000</b>
<b>Net change in fund balances</b>	<b>\$ 4,139,239</b>	<b>\$ 9,808,058</b>	<b>\$ (3,985,595)</b>	<b>\$ 595,743</b>	<b>\$ 2,991,892</b>	<b>\$ 72,759,631</b>	<b>\$ (5,598,613)</b>	<b>\$ (4,585,793)</b>	<b>\$ (36,481,736)</b>	<b>\$ (17,522,081)</b>
Debt service as a percentage of noncapital expenditures	7.4%	7.3%	8.6%	9.2%	9.5%	21.0%	19.0%	12.7%	14.2%	12.9%

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(1) Modified accrual basis of accounting

Note: For 2013 - 2020, Governmental Funds includes general, debt service, special revenue, capital projects and permanent funds.

## Highland Local School District

### Assessed and Estimated Actual Value of Taxable Property

#### Last Ten Collection Years

Collection Year	Real Property			Tangible Personal Property	
	Assessed Value		Estimated Actual Value	Public Utility	
	Residential/Agricultural	Commercial/Industrial/PU		Assessed Value	Estimated Actual Value
2013	\$ 640,687,910	\$ 50,904,560	\$ 1,975,978,486	\$ 11,244,570	\$ 12,777,920
2014	642,160,230	50,591,380	1,979,290,314	12,280,060	13,954,614
2015	658,779,530	52,159,310	2,031,253,829	13,015,250	14,790,057
2016	673,255,790	57,289,400	2,087,271,971	13,344,730	15,699,682
2017	732,406,960	59,462,480	2,262,484,114	14,432,430	16,979,329
2018	755,249,520	60,191,990	2,329,832,886	15,134,480	17,805,271
2019	776,389,800	64,554,280	2,402,697,371	15,772,490	18,555,871
2020	868,985,580	72,972,360	2,691,308,400	17,574,780	20,676,212
2021	900,475,670	73,340,940	2,782,333,171	18,997,110	22,349,541
2022	927,250,750	79,159,770	2,875,458,629	20,204,740	23,770,282

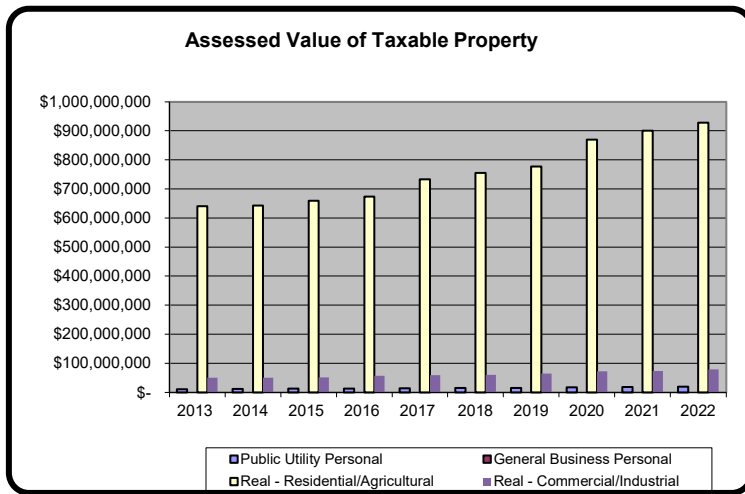
Real property is reappraised every six years with a State mandated update of the current market value in the third year following each reappraisal.

The assessed value of real property including public utility real property is 35% of estimated true value. The assessed value of public utility personal property ranges from 0% of true value for railroad property to 85% for electric transmission and distribution property. General business tangible personal property was assessed in previous years at 25% for machinery and equipment. General business inventory tangible personal property tax was phased out beginning in 2006. The listing percentages during the phase out were 18.75% for 2006, 12.5% for 2007, 6.25% for 2008 and zero for 2009. Beginning in 2007, House Bill 66 switched telephone companies from being public utilities to general business taxpayers and began a four year phase out of the tangible personal property tax on local and inter-exchange telephone companies. No tangible personal property taxes were levied or collected in 2009 from general business taxpayers (except telephone companies whose last year to pay tangible personal property tax was in 2010).

The tangible personal property values associated with each year are the values that, when multiplied by the applicable rates, generated the property tax revenue billed in that year. Beginning in the 2006 collection year, the 10% rollback for commercial/industrial property was eliminated.

**Source:** Medina County Auditor and Summit County Fiscal Officer

Assessed Value	Total		Total Direct Tax Rate
	Estimated Actual Value	Ratio	
\$ 702,837,040	\$ 1,988,756,406	35.34%	76.80
705,031,670	1,993,244,928	35.37%	75.30
723,954,090	2,046,043,885	35.38%	75.30
743,889,920	2,102,971,654	35.37%	75.30
806,301,870	2,279,463,443	35.37%	75.30
830,575,990	2,347,638,157	35.38%	77.70
856,716,570	2,421,253,242	35.38%	77.70
959,532,720	2,711,984,612	35.38%	77.00
992,813,720	2,804,682,712	35.40%	77.00
1,026,615,260	2,899,228,911	35.41%	77.00



**Highland Local School District**

**Property Tax Rates - Direct and Overlapping Governments**

**Last Ten Collection Years**

Collection Year		Direct Rates			Overlapping rates						
		Operating Millage	Debt Service Millage	Total School District	County Levy	Township	Vocational Education	Wadsworth City	Other	County Library	Total
2022	Brunswick Hills	70.60	6.40	77.00	9.04	15.55	3.05	-	1.00	2.15	107.79
	Granger Twp.	70.60	6.40	77.00	9.04	5.60	3.05	-	1.00	2.15	97.84
	Hinckley Twp.	70.60	6.40	77.00	9.04	14.05	3.05	-	2.75	2.15	108.04
	Medina Twp.	70.60	6.40	77.00	9.04	8.50	3.05	-	1.00	2.15	100.74
	Montville Twp.	70.60	6.40	77.00	9.04	11.45	3.05	-	1.00	2.15	103.69
	Sharon Twp.	70.60	6.40	77.00	9.04	7.65	3.05	-	1.00	2.15	99.89
	Wadsworth City	70.60	6.40	77.00	9.04	-	3.05	4.90	1.00	2.15	97.14
	Copley Twp.	70.60	6.40	77.00	12.70	18.40	3.05	-	1.46	2.56	115.17
2021	Brunswick Hills	70.60	6.40	77.00	9.04	15.55	3.05	-	1.00	2.15	107.79
	Granger Twp.	70.60	6.40	77.00	9.04	5.60	3.05	-	1.00	2.15	97.84
	Hinckley Twp.	70.60	6.40	77.00	9.04	14.05	3.05	-	2.75	2.15	108.04
	Medina Twp.	70.60	6.40	77.00	9.04	8.50	3.05	-	1.00	2.15	100.74
	Montville Twp.	70.60	6.40	77.00	9.04	11.45	3.05	-	1.00	2.15	103.69
	Sharon Twp.	70.60	6.40	77.00	9.04	7.65	3.05	-	1.00	2.15	99.89
	Wadsworth City	70.60	6.40	77.00	9.04	-	3.05	4.90	1.00	2.15	97.14
	Copley Twp.	70.60	6.40	77.00	12.70	18.40	3.05	-	1.46	2.56	115.17
2020	Brunswick Hills	70.60	6.40	77.00	8.04	14.35	3.05	-	1.00	2.15	105.59
	Granger Twp.	70.60	6.40	77.00	8.04	5.60	3.05	-	1.00	2.15	96.84
	Hinckley Twp.	70.60	6.40	77.00	8.04	14.05	3.05	-	2.75	2.15	107.04
	Medina Twp.	70.60	6.40	77.00	8.04	8.50	3.05	-	1.00	2.15	99.74
	Montville Twp.	70.60	6.40	77.00	8.04	11.45	3.05	-	1.00	2.15	102.69
	Sharon Twp.	70.60	6.40	77.00	8.04	7.90	3.05	-	1.00	2.15	99.14
	Wadsworth City	70.60	6.40	77.00	8.04	-	3.05	4.90	1.00	2.15	96.14
	Copley Twp.	70.60	6.40	77.00	12.70	18.40	3.05	-	1.46	2.56	115.17
2019	Brunswick Hills	71.30	6.40	77.70	8.04	14.35	3.05	-	1.00	2.15	106.29
	Granger Twp.	71.30	6.40	77.70	8.04	5.60	3.05	-	1.00	2.15	97.54
	Hinckley Twp.	71.30	6.40	77.70	8.04	14.05	3.05	-	2.75	2.15	107.74
	Medina Twp.	71.30	6.40	77.70	8.04	8.50	3.05	-	1.00	2.15	100.44
	Montville Twp.	71.30	6.40	77.70	8.04	11.45	3.05	-	1.00	2.15	103.39
	Sharon Twp.	71.30	6.40	77.70	8.04	7.90	3.05	-	1.00	2.15	99.84
	Wadsworth City	71.30	6.40	77.70	8.04	-	3.05	4.90	1.00	2.15	96.84
	Copley Twp.	71.30	6.40	77.70	12.70	18.40	3.05	-	1.46	2.56	115.87

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**Highland Local School District**

**Property Tax Rates - Direct and Overlapping Governments**

**Last Ten Collection Years**

Collection Year		Direct Rates			Overlapping rates						
		Operating Millage	Debt Service Millage	Total School District	County Levy	Township	Vocational Education	Wadsworth City	Other	County Library	Total
2018	Brunswick Hills	71.30	6.40	77.70	8.04	14.35	3.05	-	1.00	2.15	106.29
	Granger Twp.	71.30	6.40	77.70	8.04	5.60	3.05	-	1.00	2.15	97.54
	Hinckley Twp.	71.30	6.40	77.70	8.04	14.05	3.05	-	2.75	2.15	107.74
	Medina Twp.	71.30	6.40	77.70	8.04	8.50	3.05	-	1.00	2.15	100.44
	Montville Twp.	71.30	6.40	77.70	8.04	11.70	3.05	-	1.00	2.15	103.64
	Sharon Twp.	71.30	6.40	77.70	8.04	7.90	3.05	-	1.00	2.15	99.84
	Wadsworth City	71.30	6.40	77.70	8.04	-	3.05	4.90	1.00	2.15	96.84
	Copley Twp.	71.30	6.40	77.70	12.70	16.90	3.05	-	1.46	2.56	114.37
2017	Brunswick Hills	72.30	3.00	75.30	8.04	14.35	3.05	-	1.00	2.10	103.84
	Granger Twp.	72.30	3.00	75.30	8.04	5.60	3.05	-	1.00	2.10	95.09
	Hinckley Twp.	72.30	3.00	75.30	8.04	13.05	3.05	-	2.75	2.10	104.29
	Medina Twp.	72.30	3.00	75.30	8.04	8.60	3.05	-	1.00	2.10	98.09
	Montville Twp.	72.30	3.00	75.30	8.04	10.70	3.05	-	1.00	2.10	100.19
	Sharon Twp.	72.30	3.00	75.30	8.04	7.90	3.05	-	1.00	2.10	97.39
	Wadsworth City	72.30	3.00	75.30	8.04	-	3.05	4.70	1.00	2.10	94.19
	Copley Twp.	72.30	3.00	75.30	12.70	16.90	3.05	-	1.46	2.60	112.01
2016	Brunswick Hills	72.30	3.00	75.30	8.04	11.85	3.05	-	0.75	2.10	101.09
	Granger Twp.	72.30	3.00	75.30	8.04	5.60	3.05	-	0.75	2.10	94.84
	Hinckley Twp.	72.30	3.00	75.30	8.04	13.05	3.05	-	2.75	2.10	104.29
	Medina Twp.	72.30	3.00	75.30	8.04	8.60	3.05	-	0.75	2.10	97.84
	Montville Twp.	72.30	3.00	75.30	8.04	10.65	3.05	-	0.75	2.10	99.89
	Sharon Twp.	72.30	3.00	75.30	8.04	7.65	3.05	-	0.75	2.10	96.89
	Wadsworth City	72.30	3.00	75.30	8.04	-	3.05	4.70	0.75	2.10	93.94
	Copley Twp.	72.30	3.00	75.30	12.70	16.90	3.05	-	1.46	2.62	112.03
2015	Brunswick Hills	72.30	3.00	75.30	8.04	11.85	3.05	-	0.75	1.85	100.84
	Granger Twp.	72.30	3.00	75.30	8.04	5.60	3.05	-	0.75	1.85	94.59
	Hinckley Twp.	72.30	3.00	75.30	8.04	13.05	3.05	-	2.75	1.85	104.04
	Medina Twp.	72.30	3.00	75.30	8.04	8.60	3.05	-	0.75	1.85	97.59
	Montville Twp.	72.30	3.00	75.30	8.04	10.95	3.05	-	0.75	1.85	99.94
	Sharon Twp.	72.30	3.00	75.30	8.04	7.40	3.05	-	0.75	1.85	96.39
	Wadsworth City	72.30	3.00	75.30	8.04	-	3.05	5.80	0.75	1.85	94.79
	Copley Twp.	72.30	3.00	75.30	12.70	16.90	3.05	-	1.46	2.10	111.51

(Continued)

**Highland Local School District**

**Property Tax Rates - Direct and Overlapping Governments**

**Last Ten Collection Years**

Collection Year		Direct Rates			Overlapping rates						
		Operating Millage	Debt Service Millage	Total School District	County Levy	Township	Vocational Education	Wadsworth City	Other	County Library	Total
2014	Brunswick Hills	72.30	3.00	75.30	8.04	11.85	3.05	-	0.75	1.85	100.84
	Granger Twp.	72.30	3.00	75.30	8.04	5.60	3.05	-	0.75	1.85	94.59
	Hinckley Twp.	72.30	3.00	75.30	8.04	13.05	3.05	-	2.75	1.85	104.04
	Medina Twp.	72.30	3.00	75.30	8.04	8.60	3.05	-	0.75	1.85	97.59
	Montville Twp.	72.30	3.00	75.30	8.04	10.95	3.05	-	0.75	1.85	99.94
	Sharon Twp.	72.30	3.00	75.30	8.04	7.40	3.05	-	0.75	1.85	96.39
	Wadsworth City	72.30	3.00	75.30	8.04	-	3.05	5.80	0.75	1.85	94.79
	Copley Twp.	72.30	3.00	75.30	12.70	16.90	3.05	-	1.46	2.11	111.52
2013	Brunswick Hills	72.40	4.40	76.80	8.04	11.85	3.05	-	0.75	2.05	102.54
	Granger Twp.	72.40	4.40	76.80	8.04	5.60	3.05	-	0.75	2.05	96.29
	Hinckley Twp.	72.40	4.40	76.80	8.04	13.05	3.05	-	1.85	2.05	104.84
	Medina Twp.	72.40	4.40	76.80	8.04	8.60	3.05	-	0.75	2.05	99.29
	Montville Twp.	72.40	4.40	76.80	8.04	10.95	3.05	-	0.75	2.05	101.64
	Sharon Twp.	72.40	4.40	76.80	8.04	7.40	3.05	-	0.75	2.05	98.09
	Wadsworth City	72.40	4.40	76.80	8.04	-	3.05	5.80	0.75	2.05	96.49
	Copley Twp.	72.40	4.40	76.80	12.70	16.90	3.05	-	1.46	2.14	113.05

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**Source:** Medina County Auditor and Summit County Fiscal Officer

Note: The rates are per \$1,000 of assessed valuation. Data is presented on a calendar year basis because that is the manner in which the information is maintained by the County.

**Highland Local School District**

**Property Tax Levies and Collections (1)**

**Last Ten Collection Years**

Levy/ Collection Year (2)	Current Tax Levy	Current Tax Collections (1)	Percent of Current Tax Collections to Current Tax Levy	Delinquent Tax Collections (3)	Total Tax Collections	Percent of Total Tax Collections to Current Tax Levy
2012	\$ 25,439,240	\$ 24,675,070	97.00%	\$ 760,379	\$ 25,435,449	99.99%
2013	25,858,109	25,131,425	97.19	694,396	25,825,821	99.88
2014	25,347,619	24,742,137	97.61	721,498	25,463,635	100.46
2015	26,046,940	25,445,841	97.69	716,574	26,162,415	100.44
2016	26,714,293	26,145,433	97.87	661,526	26,806,959	100.35
2017	27,904,657	27,508,860	98.58	564,050	28,072,910	100.60
2018	30,738,521	30,255,169	98.43	440,894	30,696,063	99.86
2019	31,216,227	30,841,177	98.80	493,567	31,334,744	100.38
2020	32,831,980	32,185,881	98.03	415,546	32,601,427	99.30
2021	33,899,940	33,127,433	97.72	707,995	33,835,428	99.81

**Source:** Medina County Auditor and Summit County Fiscal Officer

- (1) Includes homestead exemptions and rollback of locally assessed taxes which are reimbursed by the State and reported as intergovernmental revenue.
- (2) The 2022 information cannot be presented because all collections have not been made by June 30, 2022.
- (3) The County's current reporting system does not track delinquent tax collections by tax year. Outstanding delinquencies are tracked in total by the date the parcel is first certified delinquent. Penalties and interest are applied to the total outstanding delinquent balance. The presentation will be updated as new information becomes available.

**Highland Local School District**

**Principal Taxpayers**

**Real Estate Tax**

**2022 and 2013 (1)**

<u>Name of Taxpayer</u>	<u>2022</u>		
	<u>Assessed Value</u>	<u>Rank</u>	<u>Percent of Real Property Assessed Value</u>
Medina Care LLC	\$ 7,717,510	1	0.77%
Pleasant Valley Construction	3,281,850	2	0.33%
RDC Investments LLC	3,085,380	3	0.31%
SFS Stadler, Inc.	2,640,820	4	0.26%
Kuchar Limited Liability Company	2,363,430	5	0.23%
Charles W Cosgrove Jr	2,077,750	6	0.21%
Panther II Transportation Inc	1,610,030	7	0.16%
PWC7 LLC	1,582,270	8	0.16%
Skyland Land Company LLC	1,441,340	9	0.14%
Mirror Lake Farm LLC	1,371,720	10	0.14%
<b>Totals</b>	<b>\$ 27,172,100</b>		<b>2.71%</b>
<b>Total assessed valuation</b>	<b>\$ 1,006,410,520</b>		

<u>Name of Taxpayer</u>	<u>2013</u>		
	<u>Assessed Value</u>	<u>Rank</u>	<u>Percent of Real Property Assessed Value</u>
Akron-Medina Corporate Park II Inc.	\$ 1,633,670	1	0.24%
Carter Lumber Company	1,474,380	2	0.21%
Pride One	1,268,490	3	0.18%
Akron-Medina Corporate Park Inc.	1,224,930	4	0.18%
Pinnacle Sports Complex LLC	1,220,580	5	0.18%
Structured Management Inc.	1,184,720	6	0.17%
EBB Investments LLC	1,091,230	7	0.16%
ETC Farms LLC	1,049,680	8	0.15%
Park Raymond P & Roseann	995,900	9	0.14%
M&G Polymers USA LLC	984,880	10	0.14%
<b>Totals</b>	<b>\$ 12,128,460</b>		<b>1.75%</b>
<b>Total assessed valuation</b>	<b>\$ 691,592,470</b>		

**Source:** Medina County Auditor and Summit County Fiscal Officer

(1) The amounts presented represent the assessed values upon which 2022 and 2013 collections were based.

**Highland Local School District**

**Principal Taxpayers**

**Public Utility Tax**

**2022 and 2013 (1)**

Name of Taxpayer	<u>2022 (2)</u>		
	Assessed Value	Rank	Percent of Public Utility Assessed Value
Ohio Edison Company	\$ 11,024,580	1	54.56%
American Transmission	5,536,040	2	27.40%
Columbia Gas of Ohio	2,568,830	3	12.71%
East Ohio Gas	725,440	4	3.59%
Knox Energy Cooperative Association	53,220	5	0.26%
Wheeling & Lake Erie Railroad	51,920	6	0.26%
Consumers Gas Cooperative	47,920	7	0.24%
Buckeye Pipe Line Co. LP	28,810	8	0.14%
Totals	<u>\$ 20,036,760</u>		<u>99.16%</u>
Total assessed valuation	<u>\$ 20,204,740</u>		

Name of Taxpayer	<u>2013 (2)</u>		
	Assessed Value	Rank	Percent of Public Utility Assessed Value
Ohio Edison Company	\$ 8,558,790	1	76.11%
Columbia Gas of Ohio	1,227,160	2	10.91%
American Transmission	807,730	3	7.18%
East Ohio Gas	440,790	4	3.92%
Cleveland Electric Illuminating	162,470	5	1.44%
Northern Ohio Telephone	45,810	6	0.41%
Buckeye Pipe Line, LP	45,270	7	0.40%
Western Reserve Telephone	37,060	8	0.33%
Knox Energy Cooperative Association	29,500	9	0.26%
Totals	<u>\$ 11,354,580</u>		<u>100.96%</u>
Total assessed valuation	<u>\$ 11,244,570</u>		

**Source:** Medina County Auditor and Summit County Fiscal Officer

(1) The amounts presented represent the assessed values upon which 2022 and 2013 collections were based.

(2) The School District's total assessed value is an estimate provided by the County Auditor that is reduced to reflect collections based upon the phase out of personal property. Reduced valuation amounts are not available by individual taxpayers.

**Highland Local School District**

**Ratio of Outstanding Debt By Type**

**Last Ten Fiscal Years**

Governmental Activities

<u>Fiscal Year</u>	<u>General Obligation Bonds</u>	<u>Direct borrowings - Lease-Purchase Agreement</u>	<u>Total Primary Government</u>	<u>Percentage of Personal Income (1)</u>	<u>Population (2)</u>	<u>Per Capita</u>
2013	\$ 29,148,520	-	\$ 29,148,520	3.18%	17,813	\$ 1,636.36
2014	28,150,125	7,255,066	35,405,191	3.55%	17,824	1,986.38
2015	27,089,259	8,433,177	35,522,436	3.48%	18,172	1,954.79
2016	25,929,688	8,109,702	34,039,390	3.10%	18,016	1,889.40
2017	23,655,059	7,775,654	31,430,713	2.79%	18,428	1,705.60
2018	90,058,976	7,430,688	97,489,664	7.73%	19,061	5,114.61
2019	85,492,940	7,074,448	92,567,388	6.93%	18,915	4,893.86
2020	85,663,456	6,646,902	92,310,358	6.10%	19,346	4,771.55
2021	81,984,535	14,747,223	96,731,758	n/a	n/a	n/a
2022	78,642,748	13,817,153	92,459,901	n/a	n/a	n/a

**Source:** School District Financial Records

n/a - information is not available at this time.

(1) Personal income information is available on S-27.

(2) U.S. Census Bureau. 2019 represents latest available information on population.

**Highland Local School District**  
**Ratio of General Bonded Debt Outstanding**  
**Last Ten Fiscal Years**

Fiscal Year	Population	General Bonded Debt	Resources Available to Pay Principal	Net General Bonded Debt	Ratio of Net Bonded Debt to Estimated Actual Value (1)	Net Bonded Debt per Capita
2013	17,813	\$ 29,148,520	\$ 3,971,722	\$ 25,176,798	1.27%	\$ 1,413
2014	17,824	28,150,125	4,050,538	24,099,587	1.21%	1,352
2015	18,172	27,089,259	3,782,332	23,306,927	1.14%	1,283
2016	18,016	25,929,688	3,766,510	22,163,178	1.05%	1,230
2017	18,428	23,655,059	3,320,181	20,334,878	0.89%	1,103
2018	19,061	90,058,976	10,116,860	79,942,116	3.41%	4,194
2019	18,915	85,492,940	7,140,281	78,352,659	3.24%	4,142
2020	19,346	85,663,456	8,604,836	77,058,620	2.84%	3,983
2021	n/a	81,984,535	8,932,995	73,051,540	2.60%	n/a
2022	n/a	78,642,748	8,683,443	69,959,305	2.41%	n/a

**Source:** School District Financial Records

(1) See the Schedule of Assessed and Estimated Actual Value of Taxable Property on pages S-14 & S-15 for property value data.

n/a - information is not available at this time.

**Highland Local School District**

**Computation of Legal Debt Margin**

**Last Ten Fiscal Years**

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Tax Valuation (2)	<u>\$ 702,837,040</u>	<u>\$ 705,031,670</u>	<u>\$ 723,954,090</u>	<u>\$ 743,889,920</u>
Debt Limit - 9% of Taxable Valuation (1)	<u>63,255,334</u>	<u>63,452,850</u>	<u>65,155,868</u>	<u>66,950,093</u>
Amount of Debt Applicable to Debt Limit				
General Obligation Bonds (3)	26,395,000	25,120,000	23,730,000	20,110,000
Less Amount Available in Debt Service	<u>(3,971,722)</u>	<u>(4,050,538)</u>	<u>(3,782,332)</u>	<u>(3,766,510)</u>
Amount of Debt Subject to Limit	<u>22,423,278</u>	<u>21,069,462</u>	<u>19,947,668</u>	<u>16,343,490</u>
Legal Debt Margin	<u>\$ 40,832,056</u>	<u>\$ 42,383,388</u>	<u>\$ 45,208,200</u>	<u>\$ 50,606,603</u>
Legal Debt Margin as a Percentage of the Debt Limit	64.55%	66.80%	69.38%	75.59%
Unvoted Debt Limit - .10% of Taxable Valuation (1)	\$ 702,837	\$ 705,032	\$ 723,954	\$ 743,890
Amount of Debt Subject to Limit	-	-	-	-
Unvoted Legal Debt Margin	<u>\$ 702,837</u>	<u>\$ 705,032</u>	<u>\$ 723,954</u>	<u>\$ 743,890</u>
Unvoted Legal Debt Margin as a Percentage of the Unvoted Debt Limit	100.00%	100.00%	100.00%	100.00%

**Source:** School District Financial Records

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

(2) Beginning in fiscal year 2006, HB530 changed the assessed valuation utilized in the legal debt margin calculation to exclude certain tangible personal property as well as railroad and telephone tangible property.

(3) Excludes accretion and premium on the bonds.



<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
<u>\$ 806,301,870</u>	<u>\$ 830,575,990</u>	<u>\$ 856,716,570</u>	<u>\$ 959,532,720</u>	<u>\$ 992,813,720</u>	<u>\$ 1,026,615,260</u>
<u>72,567,168</u>	<u>74,751,839</u>	<u>77,104,491</u>	<u>86,357,945</u>	<u>89,353,235</u>	<u>92,395,373</u>
<u>19,300,000</u> <u>(3,320,181)</u>	<u>81,860,000</u> <u>(10,116,860)</u>	<u>78,050,000</u> <u>(7,140,281)</u>	<u>76,255,000</u> <u>(8,604,836)</u>	<u>73,195,000</u> <u>(8,932,995)</u>	<u>70,375,000</u> <u>(8,683,443)</u>
<u>15,979,819</u>	<u>71,743,140</u>	<u>70,909,719</u>	<u>67,650,164</u>	<u>64,262,005</u>	<u>61,691,557</u>
<u>\$ 56,587,349</u>	<u>\$ 3,008,699</u>	<u>\$ 6,194,772</u>	<u>\$ 18,707,781</u>	<u>\$ 25,091,230</u>	<u>\$ 30,703,816</u>
77.98%	4.02%	8.03%	21.66%	28.08%	33.23%
<u>\$ 806,302</u>	<u>\$ 830,576</u>	<u>\$ 856,717</u>	<u>\$ 959,533</u>	<u>\$ 992,814</u>	<u>\$ 1,026,615</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 806,302</u>	<u>\$ 830,576</u>	<u>\$ 856,717</u>	<u>\$ 959,533</u>	<u>\$ 992,814</u>	<u>\$ 1,026,615</u>
100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

**Highland Local School District**  
**Computation of Direct and Overlapping Debt**  
**June 30, 2022**

<u>Jurisdiction</u>	<u>Net General Tax Supported Debt (1)</u>	<u>Percent Overlapping (2)</u>	<u>Amount Applicable Highland Local School District</u>
Direct:			
Highland Local School District	\$ 78,642,748	100.00%	\$ 78,642,748
Overlapping:			
Medina County	40,060,000	16.19%	6,485,714
Summit County	27,905,000	0.06%	16,743
Wadsworth City	1,674,560	6.48%	108,511
Medina County Library District	5,845,000	18.86%	1,102,367
	<u>75,484,560</u>		<u>7,713,335</u>
Total direct and overlapping debt:	<u>\$ 154,127,308</u>		<u>\$ 86,356,083</u>

**Source:** Medina County Auditor and Summit County Fiscal Officer

(1) All debt reported as of December 31, 2021, except for Highland Local School District which is reported as of June 30, 2022.

(2) Percentages were determined by dividing the assessed valuation of the political subdivisions located within the boundaries of the School District by the total assessed valuation of the political subdivisions.

**Highland Local School District**

**Demographic and Economic Statistics**

**Last Ten Years**

<u>Year</u>	<u>Population (1)</u>	<u>Personal Income (2)</u> <u>(in thousands)</u>	<u>Per Capita</u> <u>Personal</u> <u>Income</u>	<u>Unemployment</u> <u>Rate (3)</u>
2013	17,813	\$ 917,685,889	\$ 51,518	6.3%
2014	17,824	996,026,131	55,881	5.4%
2015	18,172	1,021,706,436	56,224	4.6%
2016	18,016	1,099,128,930	61,008	4.8%
2017	18,428	1,126,876,597	61,150	5.1%
2018	19,061	1,260,682,778	66,139	4.9%
2019	18,915	1,335,961,715	70,630	4.0%
2020	19,346	1,514,289,674	78,274	10.8%
2021	n/a	n/a	n/a	5.3%
2022	n/a	n/a	n/a	4.9%

**Sources:** (1) U.S. Bureau of Census, National Center for Education Statistics  
(2) Ohio Department of Taxation  
(3) U.S. Department of Labor, Bureau of Labor Statistics

n/a - information is not available at this time.

**Highland Local School District**  
**Principal Employers in Medina County**  
**2021 and 2012**

Employer	2021 (1)		
	Number of Employees	Rank	Percentage of Total County Employment
Cleveland Clinic	1,529	1	2.69%
Westfield Insurance	1,255	2	2.20%
Medina County	1,015	3	1.78%
Discount Drug Mart	926	4	1.63%
MTD Products	822	5	1.44%
Medina City School District	792	6	1.39%
Brunswick City School District	776	7	1.36%
Sandridge Food Corporation	670	8	1.18%
Wadsworth City School District	546	9	0.96%
Carlisle Brake and Friction	400	10	0.70%
<b>Total</b>	<b>8,731</b>		<b>15.33%</b>
<b>Total employment within the County</b>	<b>56,978</b>		

Employer	2012		
	Number of Employees	Rank	Percentage of Total County Employment
Westfield Group	1,560	1	2.99%
Medina County	1,320	2	2.53%
Medina Hospital	900	3	1.72%
Brunswick City School District	807	4	1.55%
Medina City School District	700	5	1.34%
MTD Products	577	6	1.11%
Sandridge Food Corporation	520	7	1.00%
Summa Wadsworth-Rittman Hospital	502	8	0.96%
Wadsworth City School District	500	9	0.96%
Highland Local School District	450 (2)	10	0.86%
<b>Total</b>	<b>7,836</b>		<b>15.01%</b>
<b>Total employment within the County</b>	<b>52,205</b>		

**Source:** Medina County Economic Development Corporation

(1) 2021 information is the most current information available.

**Highland Local School District**  
**School District Employees by Function/Program**  
**Last Ten Fiscal Years**

<u>Function/Program</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019 (1)</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Regular instruction										
Elementary classroom teachers	59	59	63	63	64	65.5	65	67	67	69
Middle school classroom teachers	35	34	34.25	34	34.25	34	34.25	34.25	36	35
High school classroom teachers	42	43.75	44	43.25	44.25	45.5	45	45.5	45.5	44.5
Special instruction										
Preschool teachers	2	2	2	2	2	2	2	2	2	2
Special education teachers	21	23	24	26	28	28	28	25	25	26
Tutors	11	7	7	7	7	7	6	6	6	6
Vocational instruction										
High school classroom teachers	1	1	1	1	0.5	1	1	0	0	0
Pupil support services										
Guidance counselors	5.75	5.75	5.75	6	6	6	6	6	5	6
Librarians	0	0	0	0	0	0	0	0	0	0
Psychologists	3	3	4	4	4	4	4	5	5	4
Speech and language pathologists	2.75	3	3	3	3	4	4	4	4	4
Aides	30	31	31.5	33.5	35.5	37.75	39.5	40	39.5	40.5
Computer	2	2	2	2	2	2	2	2	1	0
Library Aides	2	2	2	2	2	2	2	2	3	3
Secretaries/Clerical	16	16	16	17	18	18	18	17	16	16
Latchkey	6	6	6	6	6	6	5.5	5.5	5.5	6.5
Administrators										
Central Office	8	8	7	8	8	8	8	8	8	8
Elementary	3	3	3	3	3	3	3	3	3	4
Middle School	2	2	2	2	2	2	2	2	2	2
High school	2	2	3	3	3	3	3	3	3	3
Operation of plant										
Custodians & Maintenance	23	25	24	25	25.5	26.5	24.5	24.5	23.5	24.5
Pupil transportation										
Bus drivers	21	21	20	21	20	20	21.75	20.25	20.5	22
Bus Mechanics	2	2	2	2	2	2	2	2	2	2
Food service program										
Director	1	1	1	1	1	1	1	1	1	1
Cooks	13	12.5	13	13	12.5	12.5	12	12.5	11.5	13.25

**Source:** School District records

(1) Beginning in 2019, the District included certified staff teaching honors and advanced placement classes in the gifted function/program.

**Method:** Using 1.0 for each full-time employee and 0.75, 0.50 or 0.25 for each part-time employee as appropriate.

**Highland Local School District**

**Operating Statistics**

**Last Ten Fiscal Years**

Fiscal Year	Expenses	Enrollment	Expenditures Per Pupil (1)	Percentage Change	Pupil/Teacher Ratio	Percentage of students receiving free or reduced lunches
2013	\$ 31,762,648	3,284	\$ 8,128	-2.50%	20.5	9.07%
2014	\$ 33,012,865	3,249	\$ 9,024	11.02%	20.0	9.04%
2015	\$ 33,039,043	3,209	\$ 8,998	-0.29%	19.1	9.03%
2016	\$ 36,139,094	3,224	\$ 9,260	2.91%	19.0	8.33%
2017	\$ 37,426,512	3,196	\$ 9,480	2.38%	18.5	8.30%
2018	\$ 22,548,866 (2)	3,300	\$ 9,870	4.11%	18.8	7.72%
2019	\$ 37,693,084	3,253	\$ 10,012	1.44%	18.6	6.61%
2020	\$ 44,496,150	3,337	\$ 10,346	3.34%	19.2	5.16%
2021	\$ 44,607,324	3,320	\$ 10,725	3.66%	18.9	2.38%
2022	\$ 47,508,214	3,415	n/a	n/a	19.3	3.51%

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

(1) Expenditures per pupil as calculated and published by the Ohio Department of Education in the District Profile Report. The ODE prescribed calculation excludes certain expenditures, including debt service and capital outlay.

(2) The School District reported a significant decrease in the net pension and net OPEB liabilities for fiscal year 2018.

n/a - information is not available at this time.

## Highland Local School District

### Building Statistics

#### Last Ten Fiscal Years

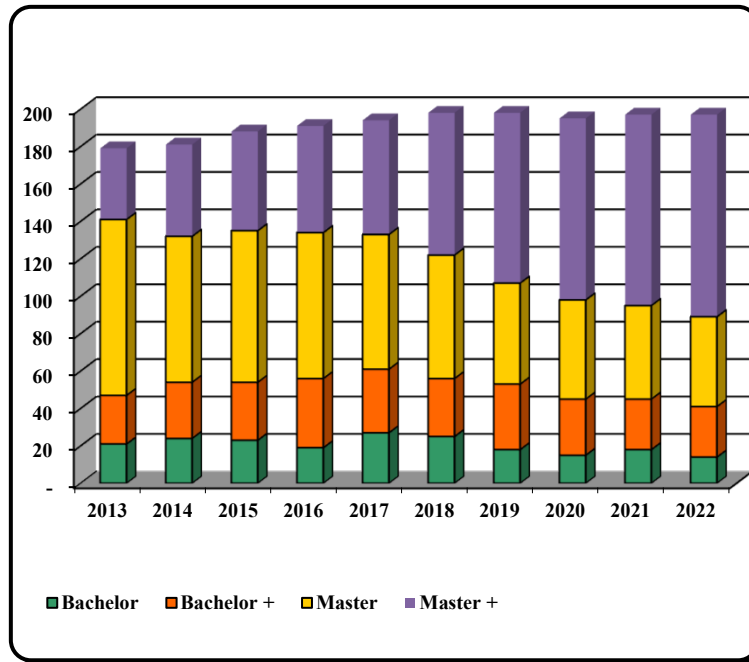
	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
<b>Highland High School</b>										
Constructed in 2004										
Total building square footage	234,000	234,000	234,000	234,000	234,000	234,000	234,000	234,000	234,000	234,000
Enrollment grades 9-12	1,121	1,125	1,103	1,115	1,088	1,106	1,083	1,087	1,113	1,074
Student capacity	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200
Classrooms	49	49	49	49	49	49	49	49	49	49
<b>Highland Middle School</b>										
Constructed in 1958										
Total building square footage	115,972	115,972	115,972	115,972	115,972	115,972	115,972	115,972	115,972	115,972
Enrollment grades 6-8	808	786	761	765	756	780	770	771	787	756
Student capacity	850	850	850	850	850	850	850	850	850	850
Classrooms	35	35	35	35	36	36	36	36	36	36
<b>Granger Elementary School</b>										
Constructed in 1929/2021 (1)										
Total building square footage	60,081	60,081	60,081	60,081	60,081	60,081	60,081	60,081	60,081	76,008
Enrollment grades PS-5	477	473	468	462	479	487	500	524	462	516
Student capacity	525	525	525	525	525	525	525	525	525	650
Classrooms	28	28	28	29	29	29	29	29	29	37
<b>Hinckley Elementary School</b>										
Constructed in 1949/2021 (1)										
Total building square footage	52,265	52,265	52,265	52,265	52,265	52,265	52,265	52,265	52,265	63,108
Enrollment grades K-5	442	435	437	428	405	410	369	365	357	392
Student capacity	400	400	400	400	400	400	400	400	400	525
Classrooms	25	25	25	25	25	24	24	24	24	31
<b>Sharon Elementary School</b>										
Constructed in 1922/2021 (1)										
Total building square footage	54,960	54,960	54,960	54,960	54,960	54,960	54,960	54,960	54,960	83,147
Enrollment grades K-5	436	430	440	454	468	517	531	590	601	677
Student capacity	450	450	450	450	450	450	450	450	450	775
Classrooms	27	27	27	27	29	29	29	29	29	44

Source: School District Records

(1) New elementary school buildings were opened in September 2021

**Highland Local School District**  
**Full-Time Equivalent Certified Staff by Education**  
**Last Ten Fiscal Years**

<u>Degree</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Bachelor's Degree	21	24	23	19	27	25	18	15	18	14
Bachelor + 15	6	14	15	15	11	11	10	7	5	6
Bachelor + 30	20	16	16	22	23	20	25	23	22	21
Master's Degree	94	78	81	78	72	66	54	53	50	48
Master's + 15	22	25	28	31	33	45	58	54	52	49
Master's + 30	16	24	25	26	28	31	33	43	50	59
<b>Total</b>	<b>179</b>	<b>181</b>	<b>188</b>	<b>191</b>	<b>194</b>	<b>198</b>	<b>198</b>	<b>195</b>	<b>197</b>	<b>197</b>



Source: School District Records



***Highland Local School District***

**Certified Staff Salaries**

**Last Ten Fiscal Years**

<u>Fiscal Year</u>	<u>Highland Local School District Average Salary</u>	<u>Statewide Average Salary</u>
2013	\$ 59,817	\$ 57,966
2014	61,440	57,636
2015	62,492	56,748
2016	62,589	58,690
2017	65,672	60,433
2018	67,680	62,353
2019	71,686	63,916
2020	75,557	65,754
2021	76,799	67,654
2022	75,658	n/a

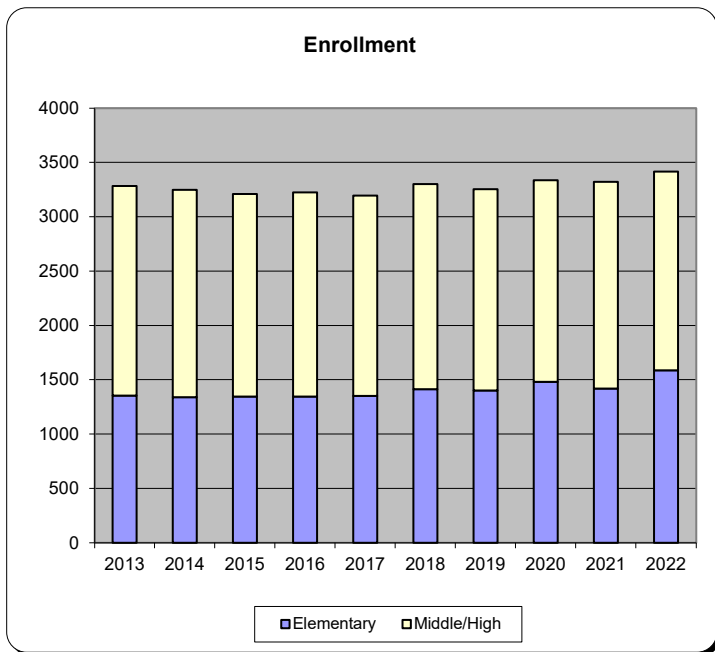
**Source:** School District Records, Ohio Department of Education

n/a - information is not available at this time.

**Highland Local School District**

**Enrollment Statistics  
Last Ten Fiscal Years**

Fiscal Year	Highland Elementary Schools	Highland Middle/High School	Total
2013	1,355	1,929	3,284
2014	1,338	1,911	3,249
2015	1,345	1,864	3,209
2016	1,344	1,880	3,224
2017	1,352	1,844	3,196
2018	1,414	1,886	3,300
2019	1,400	1,853	3,253
2020	1,479	1,858	3,337
2021	1,420	1,900	3,320
2022	1,585	1,830	3,415



Source: School District Records

**Highland Local School District**

**Attendance and Graduation Rates**

**Last Ten Fiscal Years**

<u>Fiscal Year</u>	<u>Highland Local School District Attendance Rate</u>	<u>State Average</u>	<u>Highland Local School District Graduation Rate</u>	<u>State Average</u>
2013	96.40%	94.20%	97.10% (1)	82.20% (1)
2014	96.70%	94.20%	98.20% (1)	82.20% (1)
2015	96.30%	n/a	96.40% (1)	83.00% (1)
2016	96.30%	n/a	97.70% (1)	83.60% (1)
2017	95.90%	n/a	97.90% (1)	84.10% (1)
2018	96.00%	n/a	98.50% (1)	85.30% (1)
2019	95.60%	n/a	98.50% (1)	85.90% (1)
2020	96.30%	n/a	98.90% (1)	88.30% (1)
2021	96.80%	n/a	97.50% (1)	87.00% (1)
2022	96.80%	n/a	n/a (1)	n/a (1)

**Source:** Ohio Department of Education

n/a - information is not available at this time or is no longer published.

(1) Beginning with the 2012-2013 Local Report Card, the Ohio Department of Education implemented changes that affect the manner in which the graduation rate is reported. The graduation rate disclosed in the new Local Report Card represents a 4-year longitudinal graduation rate that takes into consideration the amount of time it takes an incoming freshman to successfully complete high school. Graduation rates are also published one year in arrears.

# OHIO AUDITOR OF STATE KEITH FABER



**HIGHLAND LOCAL SCHOOL DISTRICT**

**MEDINA 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 2/28/2023**

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

This report is a matter of public record and is available online at  
[www.ohioauditor.gov](http://www.ohioauditor.gov)