

PRELIMINARY OFFICIAL STATEMENT DATED NOVEMBER 24, 2025

NEW ISSUE: BOOK-ENTRY ONLY

Rating:
Moody's: Aa2
See **Rating**

*In the opinion of Squire Patton Boggs (US) LLP, Bond Counsel, under existing law, (i) assuming continuing compliance with certain covenants and the accuracy of certain representations, interest on the Bonds is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals, and (ii) interest on, and any profit made on the sale, exchange or other disposition of, the Bonds are exempt from all Ohio state and local taxation, except the estate tax, the domestic insurance company tax, the dealers in intangibles tax, the tax levied on the basis of the total equity capital of financial institutions, and the net worth base of the corporate franchise tax. Interest on the Bonds may be subject to certain federal taxes imposed only on certain corporations. For a more complete discussion of the tax aspects, see **Tax Matters**.*



\$21,170,000*
NORTH RIDGEVILLE CITY SCHOOL DISTRICT, OHIO
GENERAL OBLIGATION (Unlimited Tax)
SCHOOL IMPROVEMENT BONDS, SERIES 2025

Dated: Closing Date

Due: December 1, as shown on the inside cover page

The Bonds. The Bonds are voted general obligations of the School District, issued to finance permanent improvements as described under **The Bonds – Authorization and Purpose**. Principal and interest, unless paid from other sources, are to be paid from the proceeds of the School District's levy of ad valorem property taxes, which taxes are without limitation as to amount or rate.

Book-Entry Only. The Bonds will be initially issued only as fully-registered bonds, one for each maturity and interest rate within a maturity, if applicable, issuable under a book-entry system, registered initially in the name of The Depository Trust Company or its nominee (DTC). There will be no distribution of Bonds to the ultimate purchasers. The Bonds in certificated form as such will not be transferable or exchangeable, except for transfer to another nominee of DTC or as otherwise described in this Official Statement. See **Appendix E**.

Payment. (See *Maturity Schedule on inside cover*.) Principal and interest on the Bonds will be payable to the registered owner (DTC), principal upon presentation and surrender (except as otherwise may be provided) at the designated corporate trust office of U.S. Bank Trust Company, National Association (the Bond Registrar) and interest transmitted by the Bond Registrar on each interest payment date (June 1 and December 1) of each year, beginning June 1, 2026, to the registered owner (DTC) at the close of business on the 15th day preceding that interest payment date.

Prior Redemption *. The Bonds maturing on or after December 1, 20__, are subject to optional redemption by the School District prior to maturity, on any date on or after December 1, 20__, and Term Bonds are subject to mandatory redemption, as described in this Official Statement. See **Certain Terms of the Bonds – Prior Redemption**.

The Bonds are offered when, as and if issued and accepted by Stifel, Nicolaus & Company, Incorporated (the Underwriter), subject to the opinion on certain legal matters relating to their issuance of Squire Patton Boggs (US) LLP, Bond Counsel to the School District. Squire Patton Boggs (US) LLP will also pass upon certain legal matters for the School District as its disclosure counsel. Municipal advisory services are being provided to the School District by Sudsina & Associates, LLC. Certain legal matters will be passed upon for the Underwriter by Roetzel & Andress, LPA, Underwriter's Counsel. The Bonds are expected to be available for delivery to DTC or its agent on December 16, 2025.

STIFEL

This Official Statement has been prepared by the School District in connection with its original offering for sale of the Bonds. The Cover includes certain information for quick reference only. It is not a summary of the Bond issue. Investors should read the entire Official Statement to obtain information as a basis for making informed investment judgments.

The date of this Official Statement is December __, 2025, and the information herein speaks only as of that date.

* Preliminary, subject to change.

PRINCIPAL MATURITY SCHEDULE*
ON DECEMBER 1

\$3,300,000 SERIAL BONDS

Year	Amount	Interest Rate	Price	CUSIP©(a) No. 661870
2026	\$200,000			
2027	220,000			
2028	230,000			
2029	240,000			
2030	255,000			
2031	265,000			
2032	280,000			
2033	290,000			
2034	305,000			
2035	320,000			
2036	340,000			
2037	355,000			

\$ 765,000	_____ %	TERM BONDS DUE 2039, PRICE	____.____ %	CUSIP©(a) NO. 661870	_____
\$ 840,000	_____ %	TERM BONDS DUE 2041, PRICE	____.____ %	CUSIP©(a) NO. 661870	_____
\$ 930,000	_____ %	TERM BONDS DUE 2043, PRICE	____.____ %	CUSIP©(a) NO. 661870	_____
\$1,025,000	_____ %	TERM BONDS DUE 2045, PRICE	____.____ %	CUSIP©(a) NO. 661870	_____
\$3,040,000	_____ %	TERM BONDS DUE 2050, PRICE	____.____ %	CUSIP©(a) NO. 661870	_____
\$3,035,000	_____ %	TERM BONDS DUE 2054, PRICE	____.____ %	CUSIP©(a) NO. 661870	_____
\$8,235,000	_____ %	TERM BONDS DUE 2062, PRICE	____.____ %	CUSIP©(a) NO. 661870	_____

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* Preliminary, subject to change.

NORTH RIDGEVILLE CITY SCHOOL DISTRICT, OHIO

SCHOOL DISTRICT OFFICIALS

Board of Education: Jeff Grigsby
David Hanes
Kelly McCarthy, Vice President
Marci Saxon
Frank Vacha, President

Superintendent: Roxann Ramsey-Caserio

Treasurer, Board of Education: Wendy Fanta

PROFESSIONAL SERVICE PROVIDERS

Bond Counsel and Disclosure Counsel: Squire Patton Boggs (US) LLP

Bond Registrar: U.S. Bank Trust Company, National Association

Municipal Advisor: Sudsina & Associates, LLC

Underwriter: Stifel, Nicolaus & Company, Incorporated

Underwriter's Counsel: Roetzel & Andress, LPA

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REGARDING THIS OFFICIAL STATEMENT

This Official Statement does not constitute an offering of any security other than the original offering of the Bonds identified on the Cover (as defined herein). No dealer, broker, sales person or other person has been authorized by the Board of Education of the School District (the Board) to give any information or to make any representation other than as contained in this Official Statement, and if given or made, such other information or representation must not be relied upon as having been given or authorized by the School District. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, and there shall not be any sale of the Bonds by any person, in any jurisdiction in which it is unlawful to make that offer, solicitation or sale.

The information in this Official Statement is provided by the School District in connection with the original offering of the Bonds. Reliance should not be placed on any other information publicly provided, in any format including electronic, by the School District for other purposes, including general information provided to the public or to portions of the public. The information in this Official Statement is subject to change without notice. Information located at websites referred to herein has been prepared by the respective entities responsible for maintaining such websites. The School District takes no responsibility for the continued accuracy of any internet address or the accuracy, completeness, or timeliness of any information posted at any such address. Neither the delivery of this Official Statement nor any sale made under it shall, under any circumstances, give rise to any implication that there has been no change in the affairs of the School District since its date.

This Official Statement contains statements that the School District believes may be “forward-looking statements.” Words such as “plan,” “estimate,” “project,” “budget,” “anticipate,” “expect,” “intend,” “believe” and similar terms are intended to identify forward-looking statements. The achievement of results or other expectations expressed or implied by such forward-looking statements involves known and unknown risks, uncertainties and other factors that are difficult to predict, may be beyond the School District’s control and could cause actual results, performance or achievements to be materially different from any results, performance or achievements expressed or implied by such forward-looking statements. The School District undertakes no obligation, and does not plan, to issue any updates or revisions to such forward-looking statements.

UPON ISSUANCE, THE BONDS WILL NOT BE REGISTERED BY THE SCHOOL DISTRICT UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR ANY STATE SECURITIES LAW, AND WILL NOT BE LISTED ON ANY STOCK OR OTHER SECURITIES EXCHANGE. NEITHER THE SECURITIES AND EXCHANGE COMMISSION NOR ANY OTHER FEDERAL, STATE OR OTHER GOVERNMENTAL ENTITY OR AGENCY WILL HAVE AT THE REQUEST OF THE SCHOOL DISTRICT PASSED UPON THE ACCURACY OR ADEQUACY OF THIS OFFICIAL STATEMENT OR APPROVED OR DISAPPROVED THE BONDS FOR SALE.

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The Ohio Municipal Advisory Council (OMAC) has requested that this paragraph be included in this Official Statement. Certain information contained in the Official Statement is attributed to OMAC. OMAC compiles information from official and other sources. OMAC believes the information it compiles is accurate and reliable, but OMAC does not independently confirm or verify the information and does not guaranty its accuracy. OMAC has not reviewed this Official Statement to confirm that the information attributed to it is information provided by OMAC or for any other purpose.

In connection with this offering, the Underwriter may overallocate or effect transactions that stabilize or maintain the market prices of the Bonds at a level above that which might otherwise prevail in the open market. Such stabilizing, if commenced, may be discontinued at any time. The Underwriter may offer and sell the Bonds to certain dealers and dealer banks and banks acting as agent at prices lower than the public offering prices stated on the Cover, which public offering prices may be changed from time to time by the Underwriter.

The Underwriter has provided the following sentence for inclusion in this Official Statement. The Underwriter has reviewed the information in this Official Statement in accordance with, and as part of its responsibility to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guaranty the accuracy or completeness of such information.

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Appendix D: Proposed Text of Opinion of Bond Counsel

Appendix E: Book-Entry System; DTC

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INTRODUCTORY STATEMENT

This Official Statement has been prepared by the Board of Education (the Board) of North Ridgeville City School District, Ohio (the School District or the District), in connection with its original issuance and sale of the School District's \$21,170,000* School Improvement Bonds, Series 2025 (the Bonds). Certain information concerning the Bonds, including their authorization, purpose, terms and security and sources of payment, and the School District is provided in this Official Statement.

This Introductory Statement briefly describes certain information relating to the Bonds and supplements certain information on the Cover. It is not intended as a substitute for the more detailed discussions in this Official Statement. Investors should read the entire Official Statement to obtain information as a basis for making informed investment judgments.

All financial and other information in this Official Statement has been provided by the School District from its records, except for information expressly attributed to other sources and except for certain information on the Cover and all information under **Underwriting** and in **Appendices D, E and F**. The presentation of information, including tables of receipts from taxes and other sources, is intended to show recent historical information, and is not intended to indicate future or continuing trends in the financial position or other affairs of the School District. No representation is made that past experience, as is shown by that financial and other information, will necessarily continue or otherwise be predictive of future experience. See also **Regarding This Official Statement**.

This Official Statement should be considered in its entirety and no one subject should be considered less important than another by reason of location in the text. Reference should be made to laws, reports or documents referred to for more complete information regarding their contents. References to provisions of Ohio law, including the Revised Code and the Ohio Constitution, are references to those current provisions. Those provisions may be amended, repealed or supplemented.

As used in this Official Statement:

- **“Beneficial Owner”** means the owner of a book-entry interest in the Bonds, as defined in **Appendix E**.
- **“Board”** means the Board of Education of the School District.
- **“Career Center”** means the Lorain County JVS Adult Career Center.
- **“City”** means the City of North Ridgeville.
- **“County”** means County of Lorain, Ohio.
- **“County Auditor”** means the Auditor of the County.
- **“Cover”** means the cover page and the two inside cover pages of this Official Statement.
- **“Date of issuance” or “closing date”** means the date of initial delivery of the Bonds against payment by the Underwriter.

* Preliminary, subject to change.

- **“Debt charges”** means principal (including any mandatory sinking fund deposits and mandatory redemption payments), interest and any redemption premium payable on the obligations referred to as those payments come due and are payable; debt charges may also be referred to as “debt service.”
- **“Fiscal Year”** means the 12-month period ending June 30, and reference to a particular Fiscal Year (such as “Fiscal Year 2026”) means the Fiscal Year ending on June 30 in that year.
- **“Fiscal Year 2024 Financial Statements”** means the Basic Financial Statements from the School District’s Financial Report for Fiscal Year 2024 (Audited) attached as **Appendix C**.
- **“Interest Payment Date”** means each June 1 and December 1, beginning June 1, 2026*.
- **“Revised Code”** means the Ohio Revised Code.
- **“State”** or **“Ohio”** means the State of Ohio.
- **“Treasurer”** means the Treasurer/Chief Financial Officer of the Board.
- **“2021 State Budget Act”** means Amended Substitute House Bill No. 110, passed by the Ohio General Assembly and signed by the Governor on June 30, 2021, providing State appropriations for its 2021-2023 biennium (beginning July 1, 2021, through June 30, 2023) and enacting other statutory provisions.
- **“2023 State Budget Act”** means Amended Substitute House Bill No. 33, passed by the Ohio General Assembly and signed by the Governor on July 3, 2023, providing State appropriations for its 2023-2025 biennium (beginning July 1, 2023, through June 30, 2025) and enacting other statutory provisions.
- **“2025 State Budget Act”** means Amended Substitute House Bill No. 96, passed by the Ohio General Assembly and signed by the Governor on June 30, 2025, providing State appropriations for its 2025-2027 biennium (beginning July 1, 2025, through June 30, 2027) and enacting other statutory provisions.

The Bonds are to be issued by the School District. They are authorized by Chapter 133 of the Revised Code, a vote of the electors and legislation adopted by the Board. The Bonds are issued to pay costs of the improvements described herein. See **The Bonds – Authorization and Purpose**.

The Bonds are voted general obligations of the School District, the full faith and credit and general property taxing power of which are pledged to the payment of debt charges. Unless paid from other sources, debt charges are to be paid from the proceeds of the School District’s levy of ad valorem property taxes, which taxes are without limitation as to amount or rate. See **Security and Sources of Payment**.

The Authorizing Legislation (see **Authorization and Purpose**) provides that the Bonds will be issued in the denomination of \$5,000 or in whole multiples of \$5,000. The Bonds will be initially issued only as fully-registered bonds, one for each maturity and each interest rate within a

* Preliminary, subject to change.

maturity, if applicable, issuable under a book-entry system and registered initially in the name of The Depository Trust Company, or its nominee (DTC). See **General; Book-Entry System** and **Appendix E**.

Principal and interest will be payable to the registered owner (DTC). Principal of the Bonds will be payable on presentation and surrender (except as otherwise provided) at the designated corporate trust office of the Bond Registrar. See **Bond Registrar**. Interest on the Bonds will be transmitted by the Bond Registrar on each Interest Payment Date to the registered owner at the close of business on the 15th day of the calendar month next preceding that Interest Payment Date.

The Bonds stated to mature on or after December 1, 20__*, are subject to prior redemption, by and at the sole option of the Board, in whole or in part as selected by the Board (in whole multiples of \$5,000), on any date on or after December 1, 20__*, at a redemption price equal to 100% of the principal amount redeemed, plus interest accrued to the redemption date. Certain of the Bonds are term bonds subject to mandatory prior redemption. See **Certain Terms of the Bonds – Prior Redemption**.

The opinion as to the validity of the Bonds and certain tax matters will be rendered by Squire Patton Boggs (US) LLP (Bond Counsel). See **Legal Matters, Tax Matters** and **Appendix D**.

THE BONDS

AUTHORIZATION AND PURPOSE

The Bonds are to be issued pursuant to Chapter 133 of the Revised Code, a vote of the electors of the School District at the election held on November 7, 2023, on the question (approved by a 50.77% affirmative vote) of the issuance of bonds in the principal amount of \$143,015,000, and to levy a tax outside of the ten mill limitation imposed by Section 2 of Article XII of the Ohio Constitution to pay the debt charges on those bonds and any anticipatory securities, a resolution adopted by the Board on July 1, 2025, and a Final Terms Certificate provided for by that resolution (collectively, the Authorizing Legislation). The Bonds are being issued for the purpose of constructing, adding to, renovating, remodeling, furnishing, equipping and otherwise improving school district buildings and facilities and acquiring, clearing, improving and equipping their sites. See **The School System – The Project**.

On June 25, 2024, the School District issued its \$121,845,000 School Improvement Bonds, Series 2024, as the first installment of the bonds approved by the voters as described above. The Bonds represent the second and final installment of those bonds.

Sources and Uses

The estimated sources and uses of funds in connection with the issuance of the Bonds are as follows:

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* Preliminary, subject to change.

Sources of Funds

Amount

Principal Amount of the Bonds
[Net] Original Issue Premium
Total Sources

Application of Funds

Deposit to Project Fund
Deposit to the Bond Retirement Fund
Costs of Issuance(a)
Total Uses

(a) Includes costs of the issuance of the Bonds and the Underwriter's discount.

Any original issue premium received by the School District on the sale of the Bonds in excess of that used to fund the Project Fund as described above and to pay costs will be deposited in the Bond Retirement Fund. Money in that Fund is used to pay debt charges on School District debt obligations.

CERTAIN TERMS OF THE BONDS

General; Book-Entry System

The Bonds will be dated their date of original issuance, will be payable in the principal amounts and on the dates and will bear interest (computed on the basis of a 360-day year and 12 30-day months) at the rates and be payable on the dates, at the place and in the manner, all as described on the Cover.

The Bond Registrar will act as the paying agent for the Bonds and will keep all books and records necessary for registration, exchange and transfer of the Bonds. See **Bond Registrar**.

The Bonds will be delivered in book-entry-only form and, when issued, registered in the name of The Depository Trust Company (DTC), or its nominee Cede & Co., which will act as securities depository for the Bonds. For discussion of the book-entry system and DTC and the replacement of Bonds in the event that the book-entry system is discontinued, see **Appendix E**.

Prior Redemption*

The Bonds are subject to mandatory and optional redemption as follows.

Mandatory Redemption

The Bonds stated to mature on December 1, 2039 (the 2039 Term Bonds), December 1, 2041 (the 2041 Term Bonds), December 1, 2043 (the 2043 Term Bonds), December 1, 2045 (the 2045 Term Bonds), December 1, 2050 (the 2050 Term Bonds), December 1, 2054 (the 2054 Term Bonds), and December 1, 2062 (the 2062 Term Bonds, and, together with the 2039 Term Bonds, the 2041 Term Bonds, the 2043 Term Bonds, the 2045 Term Bonds, the 2050 Term Bonds and the 2054 Term Bonds, collectively, the Term Bonds), are subject to mandatory sinking fund redemption in part by lot pursuant to the terms of the mandatory sinking fund redemption requirements of the Authorizing Legislation, at a redemption price equal to 100% of the principal amount redeemed, plus

* Preliminary, subject to change.

interest accrued to the redemption date, on December 1 of the years shown in, and according to, the following schedule.

2039 Term Bonds		2041 Term Bonds	
Year	Amount	Year	Amount
2038	\$375,000	2040	\$410,000
2039	390,000(a)	2041	430,000(a)
2043 Term Bonds		2045 Term Bonds	
Year	Amount	Year	Amount
2042	\$455,000	2044	\$500,000
2043	475,000(a)	2045	525,000(a)
2050 Term Bonds		2054 Term Bonds	
Year	Amount	Year	Amount
2046	\$550,000	2051	\$705,000
2047	580,000	2052	740,000
2048	605,000	2053	775,000
2049	635,000	2054	815,000(a)
2050	670,000(a)		
2062 Term Bonds			
Year	Amount		
2055	\$ 855,000		
2056	900,000		
2057	945,000		
2058	995,000		
2059	1,050,000		
2060	1,105,000		
2061	1,160,000		
2062	1,225,000(a)		

(a) Remaining principal balance scheduled to be paid at the stated maturity of the corresponding Term Bonds.

Term Bonds redeemed by other than mandatory redemption, or purchased for cancellation, may be credited against the applicable mandatory redemption requirement for the corresponding Term Bonds.

Optional Redemption

The Bonds stated to mature on or after December 1, 20__, are subject to prior redemption, by and at the sole option of the School District, in whole or in part (as selected by the School District and in whole multiples of \$5,000), on any date on or after December 1, 20__, at a redemption price equal to 100% of the principal amount redeemed, plus interest accrued to the redemption date.

Selection of Bonds and Book-Entry Interests to be Redeemed

If fewer than all outstanding Bonds are called for optional redemption at one time, the Bonds to be called will be called as selected by, and selected in a manner as determined by, the School District.

If less than all of an outstanding Bond of one maturity and interest rate within a maturity, if applicable, under a book-entry system is to be called for redemption (in the amount of \$5,000 or any whole multiple of \$5,000), the Bond Registrar will give notice of redemption only to DTC as

registered owner. The selection of the book-entry interests in that Bond to be redeemed is discussed below under **Notice of Call for Redemption; Effect**.

If bond certificates are issued to the ultimate owners, and if fewer than all of the Bonds of a single maturity and interest rate within a maturity, if applicable, are to be redeemed, the selection of Bonds (or portions of Bonds in the amount of \$5,000 or any whole multiple) to be redeemed will be made by lot in a manner determined by the Bond Registrar.

In the case of a partial redemption by lot when Bonds of denominations greater than \$5,000 are then outstanding, each \$5,000 unit of principal will be treated as if it were a separate Bond of the denomination of \$5,000.

Notice of Call for Redemption; Effect

The Bond Registrar is to cause notice of the call for redemption, identifying the Bonds or portions of Bonds to be redeemed, to be sent by first-class mail, at least 30 days prior to the redemption date, to the registered owner (initially, DTC) of each Bond to be redeemed at the address shown on the Register on the 15th day preceding that mailing. Any defect in the notice or any failure to receive notice by mailing will not affect the validity of any proceedings for the redemption of any Bonds.

On the date designated for redemption, Bonds or portions of Bonds called for redemption shall become due and payable. If the Bond Registrar then holds sufficient money for payment of debt charges payable on that redemption date, interest on each Bond (or portion of a Bond) so called for redemption will cease to accrue on that date.

So long as all Bonds are held under a book-entry system by a securities depository (such as DTC), a call notice is to be sent by the Bond Registrar only to the depository or its nominee. Selection of book-entry interests in the Bonds called, and giving notice of the call to the owners of those interests called, is the sole responsibility of the depository and of its Direct Participants and Indirect Participants. Any failure of the depository to advise any Direct Participant, or of any Direct Participant or any Indirect Participant to notify the Beneficial Owners, of any such notice and in its content or effect will not affect the validity of any proceedings for the redemption of any Bonds or portions of Bonds. See **Appendix E**.

SECURITY AND SOURCES OF PAYMENT

The Bonds will be voted general obligation debt of the School District payable from the sources described, subject to bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance or transfer, and other laws relating to or affecting the rights and remedies of creditors generally; to the application of equitable principles, whether considered in a proceeding at law or in equity; to the exercise of judicial discretion; and to limitations on legal remedies against public entities.

Basic Security

The basic security for payment of the Bonds is the requirement that the Board of Education of the School District levy ad valorem property taxes that are without limitation as to amount or rate to pay debt charges on the Bonds. The State constitution specifically prohibits a subdivision such as the School District from incurring general obligation indebtedness unless the authorizing legislation makes provision “for levying and collecting annually by taxation an amount sufficient to pay” the debt charges on the bonds. (Ohio Constitution Article XII Section 11.)

The Ohio Supreme Court has stated:

“Section 11 of Article XII of the Constitution of Ohio imposes a mandatory duty upon the State and its political subdivisions to pay the interest and principal of their indebtedness before provisions are to be made for current operating expenses.” *State ex rel. Nat’l City Bank v. Bd. of Ed. of the Cleveland City School District*, 52 Ohio St. 2d 81, 85 (1977).

See the further discussions under **Ad Valorem Property Taxes and School District Debt and Other Long-Term Obligations**.

Ohio law requires the Board to levy and collect that property tax to pay debt charges on the Bonds as they come due, unless and to the extent those debt charges are paid from other sources.

The Authorizing Legislation provides further security by making a pledge of the full faith and credit and the general property taxing power of the School District for the payment of debt charges on the Bonds as they come due. Included in that pledge are all funds of the School District, except those specifically limited to another use or prohibited from that use by the Ohio Constitution, or Ohio or federal law. Those exceptions include tax levies voted for specific purposes or expressly pledged to certain obligations. A similar pledge is made in each resolution authorizing voted or unvoted general obligation debt.

Enforcement of Rights and Remedies

In addition to the right of individual bondholders to sue upon their particular Bonds, Ohio law authorizes the holders of not less than 10% in principal amount of the outstanding Bonds, whether or not then due and payable or reduced to judgment, to bring mandamus or other actions to enforce all contractual or other rights of the bondholders, including the right to require the Board of Education of the School District to levy, collect and apply the voted property taxes and other pledged receipts, if any, to pay debt charges and to perform its duties under law. Those bondholders may, in the case of any default in payment of debt charges, bring action to require the School District to account as if it were the trustee of an express trust for the bondholders or to enjoin any acts that may be unlawful or in violation of bondholder rights. See also **Appendix E**.

The State has pledged to and agreed with holders of securities such as the Bonds that

“...the state will not, by enacting any law or adopting any rule, repeal, revoke, repudiate, limit, alter, stay, suspend, or otherwise reduce, rescind, or impair the power or duty of a subdivision to exercise, perform, carry out, and fulfill its responsibilities or covenants under this chapter [Chapter 133, the State’s Uniform Public Securities Law] or legislation or agreements as to its Chapter 133. securities, including a credit enhancement facility, passed or entered into pursuant to this chapter, or repeal, revoke, repudiate, limit, alter, stay, suspend, or otherwise reduce, rescind, or impair the rights and remedies of any such holders fully to enforce such responsibilities, covenants, and agreements or to enforce the pledge and agreement of the State contained in this division, or otherwise exercise any sovereign power materially impairing or materially inconsistent with the provisions of such legislation, covenants, and agreements.” (Section 133.25(D) of the Revised Code.)

Bankruptcy

Federal and State laws provide procedures for the adjustment of indebtedness of political subdivisions, such as the School District. Chapter 9 of the U.S. Bankruptcy Code would permit the

School District to make such an adjustment if (i) it were “insolvent” (*i.e.*, the School District was not paying its debt charges as they came due or it was unable to pay those debt charges as they became due), (ii) it met certain other criteria (*e.g.*, having negotiated in good faith with its creditors and failed to reach agreement or such negotiation was impractical because of time restrictions, the number of creditors or other reasons) and (iii) it were authorized under State law (by legislation or by a governmental officer) to seek relief under Chapter 9. The State’s Uniform Public Securities Law provides that the School District or any other subdivision must obtain the approval of the State Tax Commissioner in order to file a bankruptcy petition stating that it is insolvent and “that it desires to effect a plan for the composition or adjustment of its debts and to take such further proceedings” under the Bankruptcy Code. That law also states:

“No taxing subdivision shall be permitted, in availing itself of such acts of congress [the Bankruptcy Code], to scale down, cut down, or reduce the principal sum of its securities, except that interest thereon may be reduced in whole or in part.” (Section 133.36 of the Revised Code.)

The County may also initiate proceedings under the Bankruptcy Code. Because it collects, distributes or otherwise provides revenues to the School District, the School District’s financial condition could be affected by such an action.

Refunding

State law authorizes the refunding of all or a portion of the Bonds. If the School District places in escrow either money or direct obligations of, or obligations guaranteed as to payment by, the United States, or a combination of both, that with investment income thereon will be sufficient for the payment of debt charges on the refunded Bonds, those Bonds will no longer be considered to be outstanding. They will also not be considered in determining any direct or indirect limitation on School District indebtedness, and the levy of taxes to pay debt charges on them will not be required. For this purpose, direct obligations of or obligations guaranteed by the United States include rights to receive payments or portions of payments of the principal of or interest or other investment income on (i) those U.S. obligations and (ii) other obligations fully secured as to payment by those U.S. obligations and the interest or other investment income on those obligations.

LITIGATION

To the knowledge of the appropriate School District and Board officials, no litigation or administrative action or proceeding is pending restraining or enjoining, or seeking to restrain or enjoin, the issuance and delivery of the Bonds, or the levy and collection of taxes to pay the debt charges on the Bonds, or contesting or questioning the proceedings and authority under which the Bonds have been authorized and are to be issued, sold, signed or delivered, or the validity of the Bonds. The School District will deliver to the Underwriter a certificate to that effect at the time of original delivery of the Bonds to the Underwriter.

The School District is not currently a party to any legal proceedings seeking damages or injunctive or other relief.

Under current Ohio law, School District money, accounts and investments are not subject to attachment to satisfy tort judgments in State courts against the School District.

See also **The School System — Insurance** for information regarding the School District’s liability insurance coverage.

LEGAL MATTERS

Certain legal matters incident to the issuance of the Bonds and with regard to certain tax matters (see **Tax Matters**) are subject to the opinion of Squire Patton Boggs (US) LLP, Bond Counsel to the School District. The signed legal opinion of Bond Counsel, substantially in the form attached hereto as **Appendix D**, dated and premised on law in effect on the date of issuance of the Bonds, will be delivered on the date of issuance of the Bonds. The text of the opinion to be delivered may vary from the text as set forth in **Appendix D** if necessary to reflect facts and law on the date of issuance. The opinion will speak only as of its date, and subsequent distribution of it by recirculation of this Official Statement or otherwise shall create no implication that Bond Counsel has reviewed or expresses any opinion concerning any of the matters referred to in the opinion subsequent to its date.

Squire Patton Boggs (US) LLP, in its capacity as Bond Counsel, has drafted those portions of this Official Statement under the captions **Certain Terms of the Bonds** (excluding certain information concerning the book-entry system there and in **Appendix E**), **Security and Sources of Payment** and **Tax Matters**.

Certain legal matters will be passed upon for the Underwriter by its counsel, Roetzel & Andress, LPA.

Squire Patton Boggs (US) LLP, both in its capacity as Bond Counsel and Disclosure Counsel to the School District, and others, including the Underwriter, have assisted the School District with its preparation of certain other portions of this Official Statement and participated with responsible School District officials and staff in telephone conferences where other statements and information contained in this Official Statement were reviewed for accuracy and completeness. Bond Counsel and those other parties, however, have not been engaged to, and will not, independently confirm or verify such statements or information or any other statements or information provided by the School District or others, and will not be responsible for the accuracy, completeness or fairness of any such statements or information or any other reports, financial information, offering or disclosure documents or other information pertaining to the Bonds that may be prepared or made available by the School District or others to potential or actual purchasers of the Bonds, to owners of the Bonds, including Beneficial Owners, or to others.

The legal opinions and other letters of counsel to be delivered concurrently with the delivery of the Bonds express the professional judgment of the attorneys rendering the opinions or advice regarding the legal issues and other matters expressly addressed therein. By rendering a legal opinion or advice, the giver of such opinion or advice does not become an insurer or guarantor of the result indicated by that expression of professional judgment, of the transaction on which the opinions or advice are rendered, or of the future performance of parties to the transaction. Nor does the rendering of an opinion or letter guarantee the outcome of any legal dispute that may arise out of the transaction.

The Board has also retained the legal services of Squire Patton Boggs (US) LLP from time to time as special counsel in connection with matters that do not relate to School District financings. That law firm also serves and has served as bond counsel for one or more of the political subdivisions that the School District territorially overlaps and has served as counsel to the Underwriter in connection with matters that do not relate to the School District.

TAX MATTERS

In the opinion of Squire Patton Boggs (US) LLP, Bond Counsel, under existing law: (i) interest on the Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the Code), and is not an item of tax

preference for purposes of the federal alternative minimum tax imposed on individuals; and (ii) interest on, and any profit made on the sale, exchange or other disposition of, the Bonds are exempt from all Ohio state and local taxation, except the estate tax, the domestic insurance company tax, the dealers in intangibles tax, the tax levied on the basis of the total equity capital of financial institutions, and the net worth base of the corporate franchise tax. Bond Counsel expresses no opinion as to any other tax consequences regarding the Bonds.

The opinion on federal tax matters will be based on and will assume the accuracy of certain representations and certifications, and continuing compliance with certain covenants, of the School District contained in the transcript of proceedings and that are intended to evidence and assure the foregoing, including that the Bonds are and will remain obligations the interest on which is excluded from gross income for federal income tax purposes. Bond Counsel will not independently verify the accuracy of the School District's certifications and representations or the continuing compliance with the School District's covenants.

The opinion of Bond Counsel is based on current legal authority and covers certain matters not directly addressed by such authority. It represents Bond Counsel's legal judgment as to exclusion of interest on the Bonds from gross income for federal income tax purposes but is not a guaranty of that conclusion. The opinion is not binding on the Internal Revenue Service (IRS) or any court. Bond Counsel expresses no opinion about (i) the effect of future changes in the Code and the applicable regulations under the Code or (ii) the interpretation and the enforcement of the Code or those regulations by the IRS.

The Code prescribes a number of qualifications and conditions for the interest on state and local government obligations to be and to remain excluded from gross income for federal income tax purposes, some of which require future or continued compliance after issuance of the obligations. Noncompliance with these requirements by the School District may cause loss of such status and result in the interest on the Bonds being included in gross income for federal income tax purposes retroactively to the date of issuance of the Bonds. The School District has covenanted to take the actions required of it for the interest on the Bonds to be and to remain excluded from gross income for federal income tax purposes, and not to take any actions that would adversely affect that exclusion. After the date of issuance of the Bonds, Bond Counsel will not undertake to determine (or to so inform any person) whether any actions taken or not taken, or any events occurring or not occurring, or any other matters coming to Bond Counsel's attention, may adversely affect the exclusion from gross income for federal income tax purposes of interest on the Bonds or the market value of the Bonds.

Interest on the Bonds may be subject: (1) to a federal branch profits tax imposed on certain foreign corporations doing business in the United States; (2) to a federal tax imposed on excess net passive income of certain S corporations; and (3) to the alternative minimum tax imposed under Section 55(b) of the Code on "applicable corporations" (within the meaning of Section 59(k) of the Code). Under the Code, the exclusion of interest from gross income for federal income tax purposes may have certain adverse federal income tax consequences on items of income, deduction or credit for certain taxpayers, including financial institutions, certain insurance companies, recipients of Social Security and Railroad Retirement benefits, those that are deemed to incur or continue indebtedness to acquire or carry tax-exempt obligations, and individuals otherwise eligible for the earned income tax credit. The applicability and extent of these and other tax consequences will depend upon the particular tax status or other tax items of the owner of the Bonds. Bond Counsel will express no opinion regarding those consequences.

Payments of interest on tax-exempt obligations, including the Bonds, are generally subject to IRS Form 1099-INT information reporting requirements. If a Bond owner is subject to backup withholding under those requirements, then payments of interest will also be subject to

backup withholding. Those requirements do not affect the exclusion of such interest from gross income for federal income tax purposes.

Bond Counsel's engagement with respect to the Bonds ends with the issuance of the Bonds, and, unless separately engaged, Bond Counsel is not obligated to defend the School District or the owners of the Bonds regarding the tax status of interest thereon in the event of an audit examination by the IRS. The IRS has a program to audit tax-exempt obligations to determine whether the interest thereon is includible in gross income for federal income tax purposes. If the IRS does audit the Bonds, under current IRS procedures, the IRS will treat the School District as the taxpayer and the beneficial owners of the Bonds will have only limited rights, if any, to obtain and participate in judicial review of such audit. Any action of the IRS, including but not limited to selection of the Bonds for audit, or the course or result of such audit, or an audit of other obligations presenting similar tax issues, may affect the market value of the Bonds.

Prospective purchasers of the Bonds upon their original issuance at prices other than the respective prices indicated on the Cover, and prospective purchasers of the Bonds at other than their original issuance, should consult their own tax advisors regarding other tax considerations such as the consequences of market discount, as to all of which Bond Counsel expresses no opinion.

Risk of Future Legislative Changes and/or Court Decisions

Legislation affecting tax-exempt obligations is regularly considered by the United States Congress and may also be considered by the State legislature. Court proceedings may also be filed, the outcome of which could modify the tax treatment of obligations such as the Bonds. There can be no assurance that legislation enacted or proposed, or actions by a court, after the date of issuance of the Bonds will not have an adverse effect on the tax status of interest or other income on the Bonds or the market value or marketability of the Bonds. These adverse effects could result, for example, from changes to federal or state income tax rates, changes in the structure of federal or state income taxes (including replacement with another type of tax), or repeal (or reduction in the benefit) of the exclusion of interest on the Bonds from gross income for federal or state income tax purposes for all or certain taxpayers.

For example, federal tax legislation that was enacted on December 22, 2017 reduced corporate tax rates, modified individual tax rates, eliminated many deductions, repealed the corporate alternative minimum tax that was in effect at that time, and eliminated the tax-exempt advance refunding of tax-exempt bonds and tax-advantaged bonds, among other things. Additionally, investors in the Bonds should be aware that future legislative actions might increase, reduce or otherwise change (including retroactively) the financial benefits and the treatment of all or a portion of the interest on the Bonds for federal income tax purposes for all or certain taxpayers. In all such events, the market value of the Bonds may be affected and the ability of holders to sell their Bonds in the secondary market may be reduced.

Investors should consult their own financial and tax advisors to analyze the importance of these risks.

Original Issue Discount and Original Issue Premium

Certain of the Bonds (Discount Bonds) may be offered and sold to the public at an original issue discount (OID). OID is the excess of the stated redemption price at maturity (the principal amount) over the "issue price" of a Discount Bond. The issue price of a Discount Bond is the initial offering price to the public (other than to bond houses, brokers or similar persons acting in the capacity of underwriters or wholesalers) at which a substantial amount of the Discount Bonds of the same maturity is sold pursuant to that offering. For federal income tax purposes, OID accrues to the owner of a Discount Bond over the period to maturity based on the constant

yield method, compounded semiannually (or over a shorter permitted compounding interval selected by the owner). The portion of OID that accrues during the period of ownership of a Discount Bond (i) is interest excluded from the owner's gross income for federal income tax purposes to the same extent, and subject to the same considerations discussed above, as other interest on the Bonds, and (ii) is added to the owner's tax basis for purposes of determining gain or loss on the maturity, redemption, sale or other disposition of that Discount Bond. A purchaser of a Discount Bond in the initial public offering at the issue price (described above) for that Discount Bond who holds that Discount Bond to maturity will realize no gain or loss upon the retirement of that Discount Bond.

Certain of the Bonds (Premium Bond) may be offered and sold to the public at a price in excess of their stated redemption price at maturity (the principal amount). That excess constitutes bond premium. For federal income tax purposes, bond premium is amortized over the period to maturity of a Premium Bond, based on the yield to maturity of that Premium Bond (or, in the case of a Premium Bond callable prior to its stated maturity, the amortization period and yield may be required to be determined on the basis of an earlier call date that results in the lowest yield on that Premium Bond), compounded semiannually. No portion of that bond premium is deductible by the owner of a Premium Bond. For purposes of determining the owner's gain or loss on the sale, redemption (including redemption at maturity) or other disposition of a Premium Bond, the owner's tax basis in the Premium Bond is reduced by the amount of bond premium that is amortized during the period of ownership. As a result, an owner may realize taxable gain for federal income tax purposes from the sale or other disposition of a Premium Bond for an amount equal to or less than the amount paid by the owner for that Premium Bond. A purchaser of a Premium Bond in the initial public offering who holds that Premium Bond to maturity (or, in the case of a callable Premium Bond, to its earlier call date that results in the lowest yield on that Premium Bond) will realize no gain or loss upon the retirement of that Premium Bond.

Owners of Discount and Premium Bonds should consult their own tax advisors as to the determination for federal income tax purposes of the existence of OID or bond premium, the determination for federal income tax purposes of the amount of OID or bond premium properly accruable or amortizable in any period with respect to the Discount or Premium Bonds, other federal tax consequences in respect of OID and bond premium, and the treatment of OID and bond premium for purposes of state and local taxes on, or based on, income.

ELIGIBILITY FOR INVESTMENT AND AS PUBLIC MONEY SECURITY

To the extent that the matter as to the particular investor is governed by Ohio law, and subject to any applicable limitations under other provisions of Ohio law, the Bonds are lawful investments for banks, savings and loan associations, credit union share guaranty corporations, trust companies, trustees, fiduciaries, insurance companies (including domestic for life and domestic not for life), trustees or other officers having charge of sinking and bond retirement or other funds of the State and State subdivisions and taxing districts, the Commissioners of the Sinking Fund, the Administrator of Workers' Compensation, and State retirement systems (Teachers, Public Employees, Public School Employees, and Police and Fire), notwithstanding any other provisions of the Revised Code or rules adopted pursuant to those provisions by any State agency with respect to investments by them.

The Bonds are acceptable under Ohio law as security for the repayment of the deposit of public money.

Beneficial Owners of the Bonds should make their own determination as to such matters as legality of investment in or pledgability of book-entry interests.

MUNICIPAL ADVISOR

The School District has retained Sudsina & Associates, LLC (the Municipal Advisor), to provide financial advice in connection with the School District's issuance of the Bonds. The Municipal Advisor is not obligated to undertake, and has not undertaken to make, an independent verification or to assume responsibility for the accuracy, completeness or fairness of the information contained in this Official Statement. The Municipal Advisor is an independent advisory firm and is not engaged in the business of underwriting, trading or distributing municipal securities or other public securities.

UNDERWRITING

The Bonds are being purchased by Stifel, Nicolaus & Company, Incorporated (the Underwriter), at a price of \$ _____. The aggregate initial offering price of the Bonds is \$ _____; therefore, the gross underwriting spread is \$ _____. In the Bond Purchase Agreement between the Underwriter and the School District, from the purchase price, the Underwriter has agreed to wire funds to the Bond Registrar at closing for further distribution by the Bond Registrar at closing to pay certain costs of issuance of the Bonds (\$ _____).

The Underwriter has provided the information in this Official Statement pertaining to the Offering Prices and to the offering of the Bonds in the seventh paragraph of **Regarding This Official Statement**. As noted in that paragraph, the Underwriter may offer and sell the Bonds to certain dealers (including dealers depositing into investment trusts) and others at prices lower than the Offering Prices. The Offering Prices may be changed after the initial offering by the Underwriter. The purchase of the Bonds by the Underwriter is subject to certain conditions and requires that the Underwriter will purchase all of the Bonds, if any are purchased.

RATING

The Bonds have been rated "Aa2" by Moody's Ratings. No application for a rating has been made by the School District to any other rating service.

The rating reflects only the views of the rating service, and any explanation of the meaning or significance of the rating may only be obtained from the rating service. The School District furnished to the rating service certain information and materials, some of which may not have been included in this Official Statement, relating to the Bonds and the School District. Generally, rating services base their ratings on such information and materials and on their own investigation, studies and assumptions.

There can be no assurance that a rating when assigned will continue for any given period of time or that it will not be lowered or withdrawn entirely by a rating service if in its judgment circumstances so warrant. Any lowering or withdrawal of a rating may have an adverse effect on the marketability or market value of the Bonds.

The School District expects to furnish the rating service with information and materials that may be requested. The School District, however, assumes no obligation to furnish requested information and materials, and may issue debt for which a rating is not requested. Failure to furnish requested information and materials, or the issuance of debt for which a rating is not requested, may result in the suspension or withdrawal of a rating on the Bonds.

TRANSCRIPT AND CLOSING CERTIFICATES

A complete transcript of proceedings and a certificate (described under **Litigation**) relating to litigation will be delivered by the School District when the Bonds are delivered by the School District to the Underwriter. The School District at that time will also provide to the Underwriter a certificate, signed by the School District officials who sign this Official Statement and addressed to the Underwriter, relating to the accuracy and completeness of this Official Statement and to its being a “final official statement” in the judgment of the Board for purposes of SEC Rule 15c2-12(b)(3).

CONTINUING DISCLOSURE AGREEMENT

The School District has agreed, for the benefit of the holders and Beneficial Owners from time to time of the Bonds, in accordance with SEC Rule 15c2-12 (the Rule), to provide or cause to be provided to the Municipal Securities Rulemaking Board such annual financial information and operating data, audited financial statements and notices of the occurrence of certain events in such manner as may be required for purposes of paragraph (b)(5)(i) of the Rule (the Continuing Disclosure Agreement). See **Appendix F** for the proposed form of the Continuing Disclosure Agreement. The foregoing information, data and notices can be obtained from:

Wendy Fanta
Treasurer/Chief Financial Officer
Board of Education
North Ridgeville City School District, Ohio
34620 Bainbridge Road
North Ridgeville, Ohio 44039
Telephone: (440) 353-1145
E-mail: wendyfanta@ncrs.net

The performance by the School District of the Continuing Disclosure Agreement will be subject to the annual appropriation by the Board of Education of the School District of any funds that may be necessary to perform it. The Continuing Disclosure Agreement will remain in effect only for such period that the Bonds are outstanding in accordance with their terms and the School District remains an obligated person with respect to the Bonds within the meaning of the Rule.

The Treasurer is the designated person within the School District charged with ensuring the School District’s compliance with the Continuing Disclosure Agreement. The School District expects to engage Disclosure Counsel on an annual basis to assist it in meeting the requirements of the Continuing Disclosure Agreement.

The School District believes that, in the previous five years, it has complied in all material respects with its previous undertaking entered into pursuant to the Rule.

BOND REGISTRAR

U.S. Bank Trust Company, National Association (U.S. Bank) will act as bond registrar, paying agent, transfer agent and authenticating agent for the Bonds (the Bond Registrar). The Bond Registrar will keep all books and records necessary for registration, exchange and transfer of the Bonds, in accordance with the terms of agreements between it and the School District. The Bond Registrar is a national banking association.

U.S. Bank maintains its principal corporate trust office in St. Paul, Minnesota. It has branch offices throughout the State and regularly acts as bond registrar and escrow trustee for bond

issues of Ohio local governments. It has designated its Cleveland, Ohio corporate trust office in connection with the Bonds.

The Bond Registrar acts in a similar capacity in connection with other obligations of the School District.

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THE SCHOOL DISTRICT

GENERAL INFORMATION

The School District, one of over 600 city, local and exempted village school districts in the State, provides education to grades K through 12 and special education and peer group pre-K students. It is located in Lorain County in north central Ohio, approximately 20 miles southwest of the City of Cleveland and approximately 10 miles southeast of the City of Lorain. The School District's territory is coterminous with the territory of the City.

In the 2020 Census classifications, the School District was in the Cleveland-Elyria-Mentor Metropolitan Statistical Area (MSA), comprised of the five counties of Cuyahoga, Geauga, Lake, Lorain and Medina. It was also in the Cleveland-Akron Consolidated Statistical Area (CSA). Only limited statistics are now available for the new MSA and CSA.

The School District's 2020 population was 33,961. The U.S. Census Bureau estimates that the School District's 2023 population was 36,043. See **Economic and Demographic Information – Population**. Its area is approximately 25 square miles. Land use, as measured by the assessed value of real property, is presented in the following table.

Percent of Assessed Valuation of Real Property	
Residential	90.3%
Commercial/Industrial	7.3
Public Utility	1.9
Agricultural	0.5
Undeveloped	(a)

(a) Included in above categories.

Source: County Auditor.

The School District's general area is served by diversified transportation facilities, including three State and U.S. highways and interstate highways I-480, I-90 and I-80 (the James W. Shocknessy Ohio Turnpike). The County is served by Amtrak and the CSX, Norfolk Southern and Lorain and West Virginia railroads. Air freight and passenger air service is provided through Cleveland Hopkins International Airport, located within 15 miles of the School District in adjacent Cuyahoga County. The Lorain County Regional Airport, located within 12 miles of the School District, provides general aviation service for corporate and other private aircraft. Public mass transit for the area is provided by the Lorain County Transit Authority.

The School District is provided with banking and financial services by numerous commercial banks and savings and loan associations operating offices within the School District, with principal offices elsewhere.

Three daily and two weekly newspapers serve the School District. The School District is within the broadcast area of numerous television stations and AM and FM radio stations. Multichannel cable TV service, including educational, governmental and public access channels, is provided by Time Warner Cable.

Within commuting distance are several public and private two-year and four-year colleges and universities providing a wide range of educational facilities and opportunities. These include The University of Akron, Cleveland State University and Kent State University (three of Ohio's 14 state

universities), Baldwin Wallace University, Case Western Reserve University, John Carroll University, Oberlin College (located in the County), Ursuline College, Bowling Green State University's Firelands Campus, Cuyahoga Community College, Oberlin College and Lorain County Community College (LCCC) and Cuyahoga County Community College. LCCC offers numerous academic programs at its University Partnership Ridge Campus in the School District. Vocational education is provided by the Career Center.

The Cleveland Clinic Foundation and the University Hospitals System (UH), two major health care systems, operate a number of health care facilities located in the cities of Avon, Elyria, Westlake and Fairview Park and within a 10-mile radius of the City. Among those facilities are three acute-care hospitals, UH's Elyria Medical Center located in the City of Elyria and St. John Medical Center located in the City of Westlake, and the Cleveland Clinic Foundation's Fairview Hospital located in the City of Fairview Park. Mercy Regional Medical Center, located in the City of Lorain, also serves the area. A number of other health care facilities, including many others of The Cleveland Clinic Foundation, the UH System and Cuyahoga County's MetroHealth System, are within 30 to 45 minutes commuting distance.

The City owns and operates four parks covering 92 acres of developed and undeveloped land. Facilities in those parks include basketball, volleyball and tennis courts, baseball/softball fields, soccer fields, picnic areas and a stocked fishing lake. An additional 66 acres in the City has been leased for private use as a sports park. In addition, the School District is within the Lorain County Metropolitan Park District, created to preserve natural resources and provide park and recreation facilities within the County. The Park District's Sandy Ridge Reservation, located in the City, consists of 310 acres featuring a wildlife preserve with small ponds, a trail with information signs, an observation mound, a playground, an education center and a picnic.

Within a 30-minute drive from the School District is the City of Cleveland, which is noted for its many cultural institutions, including the internationally acclaimed Cleveland Orchestra and Cleveland Museum of Art. Theaters and entertainment centers include Playhouse Square (the country's largest performing arts center outside of New York that includes a complex of nine theaters and performance spaces with seating for over 9,000), Karamu House and Severance Hall. Other cultural institutions include the Cleveland Opera Theater and the Great Lakes Theater. Baldwin Wallace College, located in nearby Berea, and Oberlin College offer a full range of cultural opportunities for residents of the School District. The music conservatories of those institutions are among the finest for the preparation of musicians.

The Rock and Roll Hall of Fame and Museum, a 150,000-square-foot facility, and the Great Lakes Center for Science and Technology, both major visitor attractions, are located on the City of Cleveland's North Coast Harbor. Other nearby museums include the Crawford Auto-Aviation Museum, Cleveland Botanical Garden, Cleveland Museum of Natural History, and Western Reserve Historical Society, all located within a 45-minute drive from the School District.

Professional sports are available at various facilities located in the City of Cleveland. The Gateway Sports Complex, located in the central business district of the City of Cleveland, includes Progressive Field, home of the Cleveland Guardians professional baseball franchise of the American League of Major League Baseball, and the Rocket Mortgage Arena, home of the Cleveland Cavaliers professional basketball franchise of the National Basketball Association. Cleveland Browns Stadium, located on the lakefront in downtown Cleveland, is the home of the Cleveland Browns professional football franchise of the National Football League.

BOARD AND ADMINISTRATION

The Board of Education is a body politic and corporate charged with the responsibility of managing and controlling affairs of the School District and is, with the School District, governed by the general laws of the State. The Board is comprised of five members elected for overlapping four-calendar-year terms. The present Board members are:

Name	Began Service As Board Member in	Present Term Expires December 31	Vocation in Private Life
Jeff Grigsby(a)	2021	2025	Server Administrator
David Hanes	2023	2027	Retired Operating Room Technologist
Kelly McCarthy(a)(b)	2011	2025	Administrative Assistant
Marci Saxon(a)	2014	2025	Sales Representative
Frank Vacha(c)	2007	2027	Park & Rec. Supervisor

(a) Preliminary results indicate that Mr. Grigsby and Ms. McCarthy were each elected to an additional term, and Mr. Andrew Wampleman was elected to an initial term, at the election held on November 4, 2025. Ms. Saxon withdrew her candidacy for an additional term at that election.

(b) Vice President.

(c) President.

The Superintendent, appointed by the Board for a maximum term of five years, is the executive officer of the School District and has responsibility for directing and assigning teachers and other employees, assigning the pupils to the proper schools and grades, and performing such other duties as determined by the Board. The current Superintendent is Roxann Ramsey-Caserio, serving since August 1, 2018 and whose present term runs to July 31, 2027. Previously, Ms. Ramsey-Caserio served as Assistant Superintendent for Lakewood City School District for three years. The Superintendent's professional memberships include the Buckeye Association of School Administrators (BASA).

The Treasurer, appointed by the Board, is the fiscal officer of the Board and the School District. Wendy Fanta, the present Treasurer (for a term ending on July 31, 2028), has held that position since August 1, 2025. Prior to assuming that position, Ms. Fanta was the Interim Treasurer. Ms. Fanta's professional memberships include the Ohio Association of School Business Officials (OASBO) and the Ohio School Boards Association (OSBA). For a discussion of the duties of the Treasurer as fiscal officer see **Financial Matters**.

THE SCHOOL SYSTEM

General Information

As of October 2024, 4,686 students were enrolled in the School District's five schools. Of the School District's students, 173 also attended Career Center classes during part of the day. For the last complete academic year the average class size was 24 students. See **Enrollment** and **School District Facilities**.

The School District's high school is fully accredited by the North Central Association of Colleges and Schools. The curriculum offers a wide range of electives and comprehensive courses of study in college preparatory, vocational and physical education programs. A full range of extracurricular programs and activities is available, beginning in the elementary grades. All School District schools have libraries, lunch programs and multipurpose rooms or gyms for student activities.

Approximately 69% of the members of the School District's teaching staff have master's degrees. The School District's faculty has an average of ten years' teaching experience, compared to the statewide average of 15.5 years (as of Fiscal Year 2024).

Classroom teachers at all levels are supported by specialists in reading, guidance, art, music and physical education. All elementary schools have full-time teacher aides. Nurses, psychologists, aides assisting disabled students, and speech pathologists are employed to work with students at all levels. The School District's Pupil Personnel Services program includes school health and psychological services, pupil appraisal, counseling and guidance services, special education services, English Language Learner services and speech-language and hearing services. Additionally, a home/school liaison psychologist is employed to provide psychological services to students and their families. Guidance counselors are available at the elementary, middle and high school levels.

The School District is one of 13 school districts included in the Career Center, which also includes the Amherst Exempted Village, Avon Local, Avon Lake City, Clearview Local, Columbia Local, Elyria City, Firelands Local, Keystone Local, Midview Local, Oberlin City, Sheffield-Sheffield Lake City and Wellington Exempted Village School Districts. The Career Center serves nearly 1,400 high school students enrolled in either a two-year intensive training or one-year work/study program, and approximately 500 adults in day and evening classes.

Vocational education courses at the high school include marketing, industrial technologies and fabrication and family and consumer science.

The School District offers a program of instruction for students identified as gifted and talented in grades Pre-K through 8. Students are evaluated for entry into this program based on criteria involving IQ and achievement test scores, sociograms and parental assessments. Additionally, accelerated programs are available to students in grades 9 through 12. The School District also operates Ranger High Tech Academy, a choice school focused on STEM and computer programming.

The School District's academic program also includes these attributes, among others:

- A focus on STEM (Science, Technology, Engineering and Math)
- Teacher-developed social studies units for students in grades K through 8.
- An integrated language arts program that emphasizes the writing process.
- School access to computers for students in all grades Pre-K through 12. Students in grades 3-12 each receive a Chromebook for use at school and home.
- Learning experiences outside the School District, including various trips for high school students and annual trips to Washington, D.C. for middle school students.
- An award-winning vocal and instrumental music department and high ratings received at various State competitions.
- A homework assistance program provided for students at the high school level.
- An extensive range of co-curricular programs, including an Academic Challenge team.
- A discipline-based art education program, with a curriculum developed by School District teachers that is used as a model by other school districts for their programs.

- Agreements with Lorain County Community College for business courses providing dual high school and college credit for qualifying students.
- An extensive credit recovery program at the high school.
- An extensive parent volunteer program.
- A family mathematics evening program, providing parent-student training in problem solving.
- Accelerated and enriched classes in all major disciplines for students at the junior high and high school levels.

The School District, in conjunction with Right at School, operates a before and after school care program which serves approximately 91 students by providing supervised care and activities at Lear North Elementary School.

The North Ridgeville Educational Endowment Fund (the Endowment Fund) was established by the Board in 1989 to provide funds for extended educational activities and projects not provided for by general School District funds. The Endowment Fund is funded through a membership drive, fund raisers and events which have raised \$8,000 to \$10,000 annually. These moneys have been used, in the form of grants to teachers and otherwise, to provide students with supplemental reading materials, computer equipment, guest speakers, academic achievement awards and other items to enrich educational opportunities.

In addition to participation by area residents in these activities, community involvement is evidenced by citizen membership on various Board and School District committees that include, among others, buildings and grounds, transportation and curriculum advisement. Board and City officials meet regularly to discuss matters of mutual interest. Board members are also appointed by the City to serve on the City's Recreation Board and Community Improvement Corporation.

The Board has established a formal community information program which distributes an annual report/newsletter to residents and operates various social media platforms including Facebook, Twitter and You Tube video channel.

Historically, the State has evaluated and measured the performance of its school districts and their individual schools and annually reported the results to the public. Due to the COVID-19 pandemic (see **COVID-19 Pandemic**), the State government enacted legislation that, among other things, mandated that, for the 2019-20 and 2020-2021 school years, the Ohio Department of Education and Workforce not (i) publish report card ratings, (ii) assign overall letter grades to school districts and buildings, (iii) assign grades to other measures or (iv) rank school districts. Additionally, the absence of report card ratings for those school years did not enter into determinations of sanctions or penalties or create a new starting point for determinations based on ratings over multiple years.

In 2021, the State government enacted legislation changing the previously used method of evaluating and measuring school district performance and its related reporting to school districts and the public beginning with the 2021-22 school year. Further information relating the State's methodology of evaluating and measuring the performance of its school districts and their individual schools, as well as the results from year to year (including the results of the performance of the School District and its individual schools), may be obtained from the Ohio Department of Education & Workforce.

North Ridgeville High School received the Ohio Department of Education and Workforce's "Momentum Award" in recognition of improvement in growth and achievement on the

Ohio Schools Report Card for the 2022-2023 academic year. According to the Ohio Department of Education and Workforce, “the momentum award is for districts and buildings that have demonstrated improvement in achievement while also continuing to show growth. The momentum award is for districts and buildings that have improved their performance index by three or more points from the 2021-2022 report card to the 2022-2023 report card and received a value-added progress rating of four starts or more”. The momentum award was received by 310 schools of the nearly 3,600 schools in the State.

Employees

The School District has 586 full-time and 51 part-time employees. The number of full-time employees has increased by 51 since the end of Fiscal Year 2021. A statewide public employee collective bargaining law applies generally to public employee relations and collective bargaining.

In Fiscal Year 2025, the Board paid from its General Operating Funds \$34,667,423 in salaries and wages and \$11,481,461 for fringe benefits such as employer retirement systems contributions, workers’ and unemployment compensation and medical insurance premiums. The Board projects paying \$35,977,663 in salaries and wages and \$12,252,716 for such fringe benefits from its General Operating Funds in Fiscal Year 2026. See **Appendix A**.

Of the current employees, 370 are certificated professionals (certified by the State Department of Education) serving as classroom teachers, education specialists and administrators, of whom all have at least a bachelor’s degree. The total number of teachers in the School District is 335, of which 227 (67%) hold advanced degrees. The current starting salary for a teacher with a bachelor’s degree is \$40,398; the maximum teacher salary (for a teacher with a master’s degree plus 30 semester hours and 30 years’ experience) is \$92,189. The average current salary of School District teachers is \$63,100, compared to a State average (Fiscal Year 2024) of \$68,236.

320 of the School District’s 335 teachers and educational specialists (excluding 35 administrators) are members of the North Ridgeville Education Association (the Association), that is a labor organization affiliated with the Ohio Education Association. The current contract between the Board and the Association is a three-year contract that will expire on June 30, 2027. That contract provides for Association members to receive salary increases of 3.0% each year in Fiscal Years 2025, 2026 and 2027.

210 of the School District’s 249 classified support staff (secretarial-clerical, custodial, maintenance, transportation and cafeteria staff) members are represented for bargaining purposes by the North Ridgeville Non-Teaching Education Association (NRNTEA). Those employees were previously represented by the Municipal Construction Equipment Operators’ Labor Council (MCEOPLC). The current NRNTEA contract is a three-year contract that will expire June 30, 2026. That contract also provides for NRNTEA members to receive salary increases of 2.5% each year in Fiscal Years 2024, 2025 and 2026.

On April 1, 2019, the School District became a member of the Suburban Health Consortium, a shared risk pool to provide employee medical and prescription drug benefits. Rates are set through an annual calculation process prepared by the Consortium's health insurance consultant. The School District pays a monthly contribution and a pro-rata share of their "buy-in" contribution to existing plan reserves which is placed in a common fund from which the claim payments are made for all participating districts. For 2024, the School District paid approximately 83% of the cost of the monthly premium for all employees.

Prior to April 1, 2019, benefits for hospitalization, medical, dental, vision, and prescription drugs, were provided by the Joint Insurance Health Plan Trust for the Benefit of North Ridgeville City School District Employees (the Trust). Effective April 1, 2019, the Trust

terminated provision of health, dental and vision benefits to the Board of Education's employees and their dependents through the Trust. In addition, the Trust ceased operations as of March 31, 2020, and all rights, obligations and responsibilities of the Trust were transferred to the Chief Executive Officer of the School District.

Through December 31, 2019, dental and vision benefits remained self-insured through the Trust. Since January 2020, those benefits have been provided under the Suburban Health Consortium risk pool umbrella.

Retirement Expenses

Present and retired employees of the School District are covered under two statewide public employee retirement (including disability retirement) systems. The State Teachers Retirement System (STRS) covers all teachers, principals, supervisors and administrators who are required to hold a certificate issued by the State Department of Education. Other eligible full-time employees are covered by the School Employees Retirement System (SERS).

STRS and SERS are two of five statewide public employee retirement systems created by and operating pursuant to Ohio law, all of which currently have unfunded actuarial accrued liabilities. The General Assembly has the power to amend the format of those systems and to revise rates and methods of contributions to be made by public employers and their employees and eligibility criteria, benefits or benefit levels for employee members. On September 12, 2012, the General Assembly passed five separate pension reform bills intended to assist each of the five retirement systems in addressing its unfunded actuarial accrued liabilities. Those bills applicable to STRS and SERS became effective on January 7, 2013.

The law applicable to STRS has provided for (a) no change in the School District's contribution rate with respect to its employees' earnable salaries and (b) increases in the STRS employees' contribution rate from 10% to 14% in annual increments of 1% that became effective in July in each of the years from 2013 through 2016. Among other changes and with certain transition provisions for current employees, the minimum age and service requirements for eligibility for retirement and disability benefits have been increased, the calculation of an employee's final average salary on which pension benefits are based has been revised to include the five highest years (rather than the three highest years), STRS pension benefits are being calculated on a lower, fixed formula and provisions with respect to future annual cost-of-living adjustments have been changed to reduce those adjustments to 2% (from 3%). The STRS board has also been provided with authority to make future adjustments to the member contribution rate, retirement age and service requirements, and cost-of-living adjustments as the need or opportunity arises, and depending on the funding progress. Under current law, STRS has a maximum 30-year period to amortize its unfunded accrued pension liability. According to STRS's most recent Actuarial Valuation and Review (dated as of July 1, 2023), STRS's actuarial consultant projected that the period required to fully amortize STRS's actuarial unfunded accrued liability is 10.1 years.

The law applicable to SERS has provided for no change to the School District's or SERS employees' contribution rates, future cost-of-living adjustments or the calculation of an employee's final average salary on which pension benefits (the average of the three highest years). However, among other changes and with certain transition provisions for current employees, the minimum age and service requirements for eligibility for retirement and disability benefits were increased and provisions for disability benefits and service credit purchases were revised.

In Fiscal Year 2024, employees covered by STRS are contributing at a statutory rate of 14% of earnable compensation, and employees covered by SERS have contributed and continue to contribute at a statutory rate of 10% of earnable compensation. As the employer, the School District's statutory contribution rate for all of those employees has been and continues to be 14% of the same

base. These employee and employer contribution rates are the maximums permitted under current State law.

As of Fiscal Year 2024, the School District had the net pension liability reported and explained in the Notes to the Fiscal Year 2024 Financial Statements.

For further information on STRS and SERS and their pension plans, see the Notes to the Fiscal Year 2024 Financial Statements. Financial and other information for STRS and SERS can also be found on the respective website for each retirement system including its Annual Comprehensive Financial Report.

Federal law requires School District employees hired after March 31, 1986 to participate in the federal Medicare program, which requires matching employer and employee contributions, each being 1.45% of the wage base. Otherwise, District employees who are covered by a State retirement system are not currently covered under the federal Social Security Act. STRS and SERS are not subject to the funding and vesting requirements of the federal Employee Retirement Income Security Act of 1974.

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School District Facilities; Insurance

The School District's classroom and other facilities are:

Facility(a)	Year of Construction and Addition or Major Improvement	Number of Classrooms	Capacity(b)	Enrollment(c)	Estimated Value(d)
Early Childhood Learning Center (Pre-K and K)	2016	22	550	520	\$ 10,949,000
Elementary School Liberty (1-2)	1976,2024	28	644	600	13,722,590
North Ridgeville Academic Center (3 through 8)	2016, 2017	120	2,160	1,865	83,503,000
High School (9 through 12) North Ridgeville Senior High	1965, 1970, 1994, 2023	41	943	1,407	46,251,000
Ranger High Tech Academy (STEM) (2 through 8)	2016	14	400	294	9,070,271

Nonclassroom facilities(a)	Year of Construction or Purchase	Estimated Value(b)
Bus Garage	1968	\$ 591,731
Maintenance Building	1992	817,506
Athletic Stadium, Field House and Track	2016	9,020,529

(a) See **The Project**.

(b) Based on a pupil/teacher ratio of 24:1 for standard-sized classrooms.

(c) As of October 2024.

(d) School District property is exempt from ad valorem taxation. Figures are based on current insurance values for replacement (building, fixtures and contents).

The current insurance value for the replacement (building, fixtures and contents) of all School District property is \$172,249,907. School District property is exempt from ad valorem property taxation.

The School District owns approximately 62 acres of undeveloped land. The Board currently intends to maintain ownership to meet the future needs of the School District.

The Project

The Board has previously adopted a resolution certifying to the Ohio Facilities Construction Commission (the Commission or OFCC) its intention to participate in OFCC's Expedited Local Partnership School Facilities Assistance Program (ELPP), a program created to enable a school district to expend local resources to proceed with new construction of (or additions or major repairs to address) a part of a school district's classroom facilities needs prior to its eligibility

for State assistance under OFCC's Classroom Facilities Assistance Program (CFAP). The School District does not currently expect to become eligible for participation in CFAP for at least five years.

In May 2024, the School District and OFCC entered into an Expedited Local Partnership Program Project Agreement (ELPP Agreement) confirming the scope of the overall Master Facilities Plan and the respective State (26%) and School District (74%) shares of the estimated total basic project cost of the facilities included in that Plan.

The project to be pursued pursuant to the ELPP Agreement consists of construction of a new Elementary School to house grades kindergarten through 3; construction of a new High School to house grades 9 through 12; renovations and additions to North Ridgeville Education Center to house grades PreK and kindergarten; and allowance to abate and demolish the existing Lear North Elementary School, Liberty Elementary School and North Ridgeville High School (collectively, the OFCC Project). The OFCC Project has been estimated to cost \$129,830,553, with the State paying \$33,750,893 (26%) of the cost and the School District paying \$96,079,660 (74%), including \$19,425 for certain "Project Agreement LFIs".

Proceeds of the Bonds will be limited to construction of a new High School and abatement and demolition the existing North Ridgeville High School, construction of an additional gym, an approximately 1,000 seat performing arts center and a new natatorium complex at the new High School, a new transportation and maintenance building on the site of the existing Lear North Elementary School and abatement and demolition of existing transportation and maintenance buildings (the Project). The existing North Ridgeville High School will remain in operation and use until completion of the new High School.

As noted, under ELPP, the School District will pursue such classroom facilities improvements without immediate co-funding from the State. Along the way, the School District will spend money on qualifying costs, thus accumulating an "ELPP Credit". Later, when it is eligible for participation in CFAP, the School District will apply the ELPP Credit against its share of the cost of the overall Master Facilities Plan. The School District expects to pay costs of constructing the Project with proceeds of the Bonds. In addition, the School District has taken into account in its planning the use of an additional pro-rated amount of 0.5-mill of its existing 3.0-mill permanent improvement levy to satisfy OFCC's "maintenance levy" requirement for participation in CFAP. The School District expects the new transportation and maintenance building to be completed by February 2026 and the new High School to be completed within approximately three to four years, with abatement, demolition and site work to continue through 2028.

Insurance

Property (buildings and contents), boiler and machinery insurance, and casualty and fleet insurance, are provided through the Ohio Schools Council Association Group Purchasing Consortium. The Netherlands Insurance Company (member of Liberty Mutual Group) is the carrier for the School District's insurance. Blanket limit for the property insurance is \$172,249,907 and for the boiler and machinery insurance is \$100,000,000, both with \$1,000 deductibles. For the casualty and fleet insurance there is a combined single limit of \$10,000,000 with \$5,000 comprehensive and \$1,000 collision deductibles. The renewal date is July 1, 2025. In addition, the School District carries cybersecurity insurance. The CyberRisk aggregate limit is \$3,000,000 with a \$25,000 retention.

Cybersecurity

The School District, like many other public and private entities, relies on a large and complex technology environment to conduct its operations and faces multiple cybersecurity threats, including, but not limited to, hacking, phishing, viruses, malware and other attacks on its computing and other digital networks and systems (collectively, Systems Technology). As a recipient and

provider of personal, private, or sensitive information, the School District may be the target of cybersecurity incidents that could result in adverse consequences to the School District and its Systems Technology, requiring action to mitigate the consequences. Cybersecurity incidents could result from unintentional events or from deliberate attacks by unauthorized entities or individuals attempting to gain access to the School District's Systems Technology for the purposes of misappropriating assets or information or causing operational disruption and damage.

To mitigate the risk of operations impact and/or damage from cybersecurity incidents or cyberattacks, the School District invests in multiple forms of cybersecurity and operational safeguards. While School District cybersecurity and operational safeguards are periodically tested, no assurances can be given by the School District that such measures will ensure against cybersecurity threats and attacks, and any breach could damage the School District's Systems Technology and cause material disruption to the School District's finances or operations. The costs of remedying any such damage or protecting against future attacks could be substantial and may exceed applicable insurance coverages. See **The School System — School District Facilities; Insurance**. Furthermore, cybersecurity breaches could expose the School District to material litigation and other legal risks, which could cause the School District to incur material costs.

The School District has not experienced a material cybersecurity incident within the past five years.

The 2025 State Budget Act requires all school districts to adopt a cybersecurity program by July 1, 2026. The cybersecurity program, at a minimum, should include annual cybersecurity training for employees, a cyber incident response plan and practices to assess and remediate cyber risks. In addition, beginning September 30, 2025, in the event of a cybersecurity or ransomware incident, a school district must notify the Ohio Homeland Security's Cyber Integration Center within seven days, and the Auditor of State within 30 days, of discovery of the incident. In addition, payment or compliance with ransomware demands is prohibited unless the board of education first adopts a resolution approving the action and stating why payment or compliance is in the school district's best interest.

Enrollment

The following table shows historical and projected enrollment in the School District's schools.

School Year	Enrollment(a)	
	Total	1st Grade
1980-81	5,063	312
1990-91	3,616	209
2000-01	3,310	238
2010-11	3,841	330
2020-21	4,495	334
2021-22	4,681	300
2022-23	4,756	339
2023-24	4,686	294
2024-25	4,656	322
2025-26	4,621	302

(a) Actual figures are ADM (average daily membership) figures from an "at date enrollment" during annual October enrollment census. Figures include Career Center students.

Certain additional School District student statistics are as follows:

School Year	<u>Per Pupil Expenditure(a)(b)</u>		<u>Assessed Valuation Per Pupil(c)</u>	
	School District	State Average	School District	State Average
2019-20	\$ 8,279	\$ 9,883	\$206,279	\$169,137
2020-21	8,458	10,334	213,495	184,467
2021-22	9,733	11,306	N/A(d)	N/A(d)
2022-23	9,780	11,896	257,922	200,675
2023-24	10,308	12,396	340,705	233,914

(a) General Fund and other operating funds.

(b) As reported, iLRC (Download Center) – Ohio Department of Education & Workforce.

(c) As reported, Tax Data Series – Ohio Department of Taxation.

(d) State reporting did not include Assessed Valuation Per Pupil for School Year 2021-22.

There are two nonpublic schools located in the School District, of which one is nonsectarian (Lake Ridge Academy) and one parochial (St. Peter's). Their combined enrollment in Fall 2024 was 674, of whom an estimated 253 were School District residents.

The School District has an open enrollment policy, pursuant to which a limited number (generally less than 50) of open enrollment students attend School District schools. The School District's open enrollment program is not material to its operations or finances.

Charter Schools; Tuition Vouchers

In recent years, community or "charter" schools have drawn approximately 57 (on an FTE basis) students per year from within the School District.

The State has implemented several programs, described below, under which certain students may receive tuition vouchers to attend nonpublic schools.

Under the EdChoice Scholarship Program, certain students who would otherwise attend underperforming schools or whose families meet certain low-income guidelines may receive vouchers for tuition at nonpublic schools. Additionally, under the Jon Peterson Special Needs Scholarship Program, students with an Individualized Education Program (IEP) from their school district of residence may receive vouchers to pay for tuition at nonpublic schools and for additional services from private service providers. And, under the Autism Scholarship Program, students identified as children with autism by, and who have an IEP from, their school districts of residence may receive vouchers to attend a special education program other than the one operated by the school districts of residence.

Historically, funding for charter school students and for students in the EdChoice Scholarship, Jon Peterson, and Autism Scholarship Programs was received by the school district of the student's residence and then diverted to the educating institution. As a result of the 2021 State Budget Act (see **State School Funding System**), these State funds are now provided directly to the educating institution, resulting in a lack of related information being readily available to the School District.

On January 4, 2022, the Ohio Coalition for Equity and Adequacy of School Funding among others, filed a complaint with the Franklin County Court of Common Pleas alleging that the EdChoice Scholarship Program was unconstitutional. On June 24, 2025, the court agreed, finding that the EdChoice Scholarship Program unconstitutionally provided funding to private schools at the expense of public schools and enjoined the program. However, in recognition of the impact of this ruling on school funding and the high likelihood of an appeal, the judgment was stayed pending such

appeal, a notice of which was subsequently filed by the State. It is not currently expected that there will be a ruling on that appeal until at least 2026. Consequently, notwithstanding the court ruling, the EdChoice Scholarship Program will continue as currently implemented until such time as a final court determination is made.

Transportation

The School District provides transportation for students resident in the School District to both public schools and nonpublic schools as shown below for the 2024-25 school year. A portion of the cost of transporting nonpublic school students is reimbursed by the State under a per student/per mile formula.

Type of School	Number Transported
Public	1,808
Nonpublic	222
Disabled Education	122
Community School	0

COMMUNITY DEVELOPMENT AND BUSINESS ACTIVITY

The School District is primarily a residential area, with many residents commuting daily to work in the City of Cleveland and other areas in the County and adjacent Cuyahoga County. Approximately one-fourth of the land in the School District is still undeveloped or used for agricultural purposes. Because of its location adjacent to the substantially fully developed Cities of Westlake and North Olmsted, access to I-80, I-90, I-480 and State Route 10, and close proximity to Cleveland Hopkins International Airport, new residential, commercial and light industrial and warehousing development is occurring and expected to continue over the next several years.

Named after the five historical lake ridges, the City is the fastest-growing city in northern Ohio. The City's estimated 2022 population is 4.4 times larger than in 1960 when North Ridgeville became a city. In the last 20 years, the City's population has increased nearly 60% and now has the third largest population in the County after the Cities of Lorain and Elyria

The City is in the process of updating its master plan referred to as "Ridgeville Ready" (the Plan). The Plan is being developed to respond to the City's growth challenges including housing, economic development, infrastructure, recreation and leadership. The City conducted three rounds of public engagement, 10 steering committee meetings, focus groups and a project web site to shape the vision. The Plan will update zoning codes to guide growth and improve development standards; preserve/acquire land for employment uses; create new tools to support small businesses; require preservation of usable open space for new subdivisions; improve mobility and connectivity; and plan for additional resources to serve growth.

Public Projects

The City has engaged in significant improvements to its street, sanitary sewer, waterworks and transportation systems to accommodate the growth and development it has enjoyed over the past 15 years and additional improvements are currently under construction and planned for the next several years. Examples of the City's infrastructure improvements in 2023 included 13 streets paved as well as the City Hall parking lot; 16 new water mains installed; 27 curb box replaced; 31 service line repairs/replaced; 28 fire hydrant replaced; 7.3 miles of sanitary sewer maintenance; 9.2 miles of storm sewer maintenance; 12 miles of ditch cleaning; and 20 miles of tree clearing/bank work.

In March 2024, the City opened a new police station funded through the issuance of bonds approved by voters in 2021. The new, approximately 21,500 square foot police station includes better technology and equipment upgrades for greater efficiency. In addition, the City built a 7,800 square foot pre-engineered metal storage building for evidence processing, training, found property, gear storage and kennel.

In January 2024, the City was notified of its successful funding application to Northeast Ohio Areawide Coordinating Agency (NOACA) for the Sugar Ridge Road/Bender Road roundabout. The City was awarded \$2.174 million towards the project for construction and right-of-way acquisition. Other capital improvements planned for 2024 include a State Route (SR) 83 and Chestnut Ridge Road roundabout; full-depth concrete repairs; crack seal pavement (approximately 50 lane miles); road rehabilitation; Mill Creek conservation and flood control; Cypress Avenue roadway extension; SR 83 storm sewer extension; box culvert replacement; 35 fire hydrant replacements; catch basin rehabilitation; SR 83 sanitary sewer extension; additional Old Town Hall repairs; repurposing the former police station; Senior Center ADA improvements; and updating the City's IT infrastructure.

In February 2024, the City kicked off a process to create a Citywide Active Transportation Plan. A consulting team from Envision Group is working with a local steering committee of representatives from the City, School District and other community stakeholders to propose multi-modal improvements and make policy recommendations to encourage safe and efficient transportation alternatives for residents and visitors. The project will result in a plan for improved community connectivity, with a focus on serving pedestrians and bicyclists. The City, in cooperation with the Ohio Department of Transportation, the County and NOACA, has undertaken other transportation plans and studies.

Economic Development

To attract commercial and light industrial development, the City has established an Enterprise Zone (coterminous with the School District) and a Community Reinvestment Area. Under its Enterprise Zone program, the City offers businesses abatements of up to 100% of real property taxes on new property added to the tax duplicate, for a period of up to 10 years. The amounts, types and duration of the actual abatements offered by the City under this program are a function of the size of the proposed development and the number of jobs created. Under its Community Reinvestment Area program, the City offers an abatement of real property taxes on new property added to the tax duplicate, for a period of up to 15 years.

The City's Tax Increment Financing (TIF) program locks in the taxable value of real property in place at the time the City authorizes the TIF. A portion of the property taxes on the new value created by new investment are redirected to a separate fund that can be used to pay for improvements on land, to public infrastructure or other public purpose investments in the TIF area. The City has 13 TIF districts and the ability to create a TIF specific to a given project.

See also **Property Tax Abatements and Compensatory Payments and Contributions.**

Commercial Development

In 2018, University Hospitals completed construction of an outpatient ambulatory health center and freestanding emergency department facility that is operated 24 hours a day every day on a 30-acre site on Lorain Road near the intersection of I-480 and I-90 and I-80 (James W. Shocknessy Ohio Turnpike). That \$32.4 million center now provides laboratory services, physical therapy, primary and specialty care physician services, pediatrics, heart and vascular services as well as the emergency department. University Hospitals now has approximately 139 employees in that 50,300 square foot facility.

Two new assisted living facilities have opened in recent years. The first, known as The Avenue and located on Lear Nagle Road, is a 85,370 square-foot one-story center, including three courtyards and 103 private suites. The Avenue facility was completed in 2020 at a cost of approximately \$10.25 million. The second, known as The Danbury and located on Bagley Road, is a 97,100 square-foot facility consisting of approximately 106 units offering independent living, assisted living, and a memory care unit. The Danbury was completed in 2020 at a cost of approximately \$13 million.

Commercial projects in 2023 included 2B Clean Auto Detailing, 3rd Generation Construction, Bewley LLC, Biggby Coffee, Bogner's Life Celebration Center, Chase Bank, Chipotle, Culver's, Dayton Freight, Equinox Salon, Fujisan, Gradich's Salon, KLT Insurance, Kennedy Health and Fitness, Lorain County Health and Dentistry, NGM Outlet, Niko's Gyros To-Go, Ridge Barbershop, Scooter's Coffee, State Farm, Tacos del Pueblos, The Maker Lab, Thriving Smiles Pediatric Dentistry, Transcendence Health and Underdog Training Academy.

Industrial/Manufacturing Development

The City's Taylor Woods Industrial Park (the Park) is home to a number of manufacturing firms such as Invacare (medical equipment and supplies), Norlake (engineered transformer solutions), Wolff Bros. Supply, Inc. (plumbing, electrical and HVAC products), Poppee's Popcorn (confectionery products), and The Cuyahoga Group (food and beverage vending). Dayton Freight, a leading provider of less-than-truckload transportation services headquartered in Dayton, Ohio, has constructed a \$38 million service center in the Park. The new service center is located on approximately 30 acres and is an over 129,000 square foot facility with 118 doors. It is projected to bring in almost 150 jobs with the potential for expansion.

Another area earmarked for industrial development is the Mills Industrial Parkway (the Parkway) where firms such as Impact Industries Inc. (metal stamping), Storage A Go-Go, RMIP Storage, Eurotech (cabinet building and installation), Coca Crossfit (fitness) and Modular Dispensing Systems (cup dispensing), among others, are established. A large and recent development in the Parkway involved the Rudolph Libbe Group, one of the nation's 400 largest providers of construction and project engineering services. Rudolph Libbe opened offices in three facilities on the Parkway in 2018. Those facilities, which are located on seven acres of land and have an aggregate of more than 25,600 square feet of office space, were renovated at a cost of approximately \$1.7 million.

In 2017, Riddell Sports Group, Inc. completed construction of 347,205 square foot manufacturing and warehouse facility, including offices, on a 30-acre site adjacent to I-80 in the School District, at a cost of approximately a \$27.6 million for the consolidation of many of its operations. Riddell manufactures and sells football helmets, shoulder pads and related equipment and apparel, provides reconditioning services and other team sports products. This new facility is its primary manufacturing and distribution facility; it has other facilities in Rosemont, Illinois and Monterrey and Tijuana, Mexico. Riddell, through its affiliate, All American Sports Corporation, had approximately 1,000 employees in the City and is the School District's largest employer. See the table under **Employment and Income**. Support for the project, including a State infrastructure grant and tax increment financing, was provided by the State, the County, the Port Authority and the City. See **Property Tax Abatements and Compensatory Payments and Contributions**.

Residential Development

The City was once a hub for agriculture but in recent years has seen a significant amount of newer housing growth due to the variety of homes available at all cost levels, relatively low taxes and green space. Waterbury, an approximately 640-acre development, has approximately 2,000 residential units and Meadow Lakes, an approximately 570-acre development, has approximately 1,900 residential units. Other major residential developments include Avalon, Cross Creek, Cypress

Station, Eagle Meadow, Hampton Place, Mill Ridge, North Ridge Pointe, Ridgefield, Stone Creek and Timber Ridge. See also **Housing and Building Permits**.

For its existing housing stock, the City's Community Reinvestment Area Residential Tax Abatement Program is aimed at improving property values and stimulating reinvestment by abating or forgoing taxes on increases in assessed valuation associated with significant remodeling projects. Abatement is not available for new construction.

ECONOMIC AND DEMOGRAPHIC INFORMATION

Population

Recent Census population has been:

Year	District/ City(a)	County	PMSA/ MSA
1970	13,152	256,843	2,418,809(b)
1980	21,520	274,909	2,277,949(b)
1990	21,560	271,126	2,202,069(b)
2000	22,338	284,664	2,250,871(b)
2010	29,470	301,356	2,077,240(c)
2020	33,961	309,134	2,088,251(c)
2023	36,043	314,588	2,158,932(c)

(a) Sources: OMAC and U.S. Census Bureau.

(b) Numbers are for the prior Cleveland-Lorain-Elyria Primary Metropolitan Statistical Area (PMSA), which included the Counties of Ashtabula, Cuyahoga, Geauga, Lake, Lorain and Medina. In 2003, the PMSA was reclassified as an MSA excluding Ashtabula County. Comparable historical Census numbers for the new MSA are not available.

(c) Population figures represent the current MSA.

2023 Census figures showed the following breakdown by age groups of the population of the District/City.

Under 19	20-24	25-34	35-44	45-54	55-64	65+	Total
8,901	1,919	4,201	5,131	4,257	4,654	6,980	36,043

Educational attainment for the District/City's, the County's and the MSA's population (25 years or older) is set forth in the following table.

	District/City		County		MSA	
Less than 9th Grade	268	1.1%	5,008	2.3%	39,684	2.6%
9th to 12th Grade (no diploma)	695	2.8	13,795	6.3	88,741	5.8
High School graduate (includes GED)	6,812	27.0	68,540	31.1	447,754	29.0
Some college, no degree	5,921	23.5	48,188	21.9	314,884	20.4
Associate degree	2,715	10.8	23,299	10.6	135,222	8.8
Bachelor degree	5,997	23.8	38,245	17.4	308,055	20.0
Graduate or professional degree	2,815	11.2	23,202	10.5	207,608	13.5

Source: U.S. Census Bureau Selected Source Characteristics in the United States 2019-2023.

Employment and Income

The following table shows comparative employment and unemployment statistics for the indicated periods.

Year(a)	Employed in			Unemployment Rate				
	City	County	MSA	City	County	MSA	State	U.S.
2019	18,400	151,900	1,024,700	3.6%	4.4%	4.1%	4.2%	3.7%
2020	16,900	137,900	918,200	7.8	9.8	9.7	8.2	8.1
2021	17,600	143,200	955,600	4.4	5.6	5.7	5.1	5.3
2022	18,000	146,100	978,100	4.2	5.1	4.6	4.0	3.6
2023	18,300	149,200	996,200	3.3	3.8	3.7	3.5	3.6
2024	18,700	148,800	1,058,000	3.4	4.0	3.8	4.3	4.0
2025								
Jan.	18,300	146,700	1,036,600	4.2	5.0	4.6	5.3	4.4
Feb.	18,400	147,300	1,040,600	4.7	5.5	5.0	5.4	4.5
Mar.	18,600	149,300	1,054,800	4.0	4.5	4.2	5.2	4.2
Apr.	18,600	149,100	1,053,600	4.1	4.6	4.4	4.9	3.9
May	18,300	147,200	1,039,200	4.4	4.9	4.8	4.7	4.0
June	19,100	153,400	1,082,700	4.5	5.1	4.9	5.1	4.4
July	19,300	155,100	1,094,600	4.7	5.4	5.2	5.5	4.6
Aug.	19,200	154,000	1,086,700	3.4	4.0	3.8	4.9	4.3

(a) Not seasonally adjusted.

Source: Ohio Department of Job and Family Services – Bureau of Labor Market Information.

Most School District residents work outside the School District. The following employers (private and public) currently have the largest work forces within the City:

Employer	Nature of Activity or Business	Approximate Number of Employees
All American Sports Corporation (a)	Sports equipment design & manufacturing	930
The School District	Public education	832
O'Neill Management, LLC	Health and allied services	471
University Hospitals Health System	Health and allied services	449
Beckett Gas, Inc.	Manufacturer of gas burners	381
The City	Municipal government	255
The Cleveland Clinic Foundation	Health and allied services	232
Animal Clinic Northview Inc.	Veterinary services and medicine	192
R.W. Beckett Corporation	Manufacturer of oil burners	192
Group Management Serv. Inc	Business management and consulting	136

(a) An affiliate of Riddell Sports Group, Inc. See **Community Activity and Development- Manufacturing Development**.

Source: State of Ohio, Labor Market Information, the School District and the City.

The 2023 median family and household incomes, as reported by the Census Bureau in its “2019-2023 American Community Survey 5-Year Estimates,” are set forth in the following table.

	2023 Median Income	
	Family	Household
District/City	\$105,625	\$94,234
County	93,272	70,693
MSA	92,627	68,507
State	90,288	69,680
United States	96,922	78,538

According to the Ohio Department of Taxation, the average federal adjusted gross income for residents within the School District filing Ohio personal income tax returns for calendar year 2022 was \$80,407, compared to the averages of \$112,498 for all Ohio school districts (for all tax returns filed, the 2022 State average for tax returns that indicated school districts was \$78,768) and \$75,339 for all school districts in the County.

The income per household in the District/City, the County and the MSA is estimated to be distributed as set forth in the following table.

Income and Benefits(a)	District/City		County		MSA	
Less than \$10,000	229	1.7%	6,450	5.1%	53,192	5.7%
\$10,000 to \$14,999	168	1.2	5,595	4.4	41,203	4.4
\$15,000 to \$24,999	443	3.2	8,775	7.0	70,121	7.6
\$25,000 to \$34,999	561	4.1	9,547	7.6	72,783	7.8
\$35,000 to \$49,999	1,402	10.1	14,653	11.6	107,914	11.6
\$50,000 to \$74,999	2,536	18.3	21,352	17.0	157,096	16.9
\$75,000 to \$99,999	2,037	14.7	16,299	13.0	116,173	12.5
\$100,000 to \$149,999	3,037	22.0	21,488	17.1	148,379	16.0
\$150,000 to \$199,999	1,816	13.1	10,080	8.0	74,609	8.0
\$200,000 or more	1,595	11.5	11,617	9.2	85,924	9.3

(a) In 2023 inflation-adjusted dollars.

Source: U.S. Census Bureau Selected Source Characteristics in the United States 2019-2023.

The U.S. Census Bureau also estimates that 4.9% of people in the District/City, 12.8% of people in the County, and 13.6% of the people in the MSA have incomes that fall below the poverty level.

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Housing and Building Permits

The following is U.S. Census Bureau information concerning housing in the City, with comparative County and State statistics.

	2023 Median Value of Owner-Occupied Homes(a)	% Constructed Prior to 1940(a)	Number of Housing Units		% Change
			2010(b)	2023(a)	
City	\$254,700	2.1%	11,971	14,335	+16.5
County	207,200	14.7	127,036	135,584	+6.7
State	199,200	19.2	5,127,508	5,271,573	+2.8

(a) Source: U.S. Census Bureau Selected Source Characteristics in the United States 2019-2023.

(b) Source: U.S. Census Bureau 2010: Decennial Census Summary File.

The new housing units (including single family homes, condominiums and apartments) constructed in the School District in each of the past 10 years are shown in the following table.

Year	Number
2020	336
2021	280
2022	150
2023	92
2024	127

County Auditor figures for average sale prices of residential property in the County and the City are shown in the following table.

Year	County	City
2020	\$159,711	\$178,107
2021	161,035	180,990
2022	188,341	216,093
2023	190,064	220,237
2024	191,665	223,595

The number and value of all building permits (including commercial, industrial, residential and public, and both remodeling and new construction) issued by the City are shown in the following table.

Year	Number	Value
2020	3,327	\$ 94,237,806
2021	3,132	95,328,359
2022	2,886	99,694,055
2023	3,011	120,589,218
2024	3,053	90,719,709

Utilities; Public Safety and Services

Water service within the School District is provided by the City's water system and is purchased directly by the consumers. Private wells are also used by many residents. Sewage collection and disposal is provided by the City's sanitary sewer system. Private septic systems are also used by many residents. Electricity is obtained from Cleveland Electric Illuminating Company and Ohio Edison Company, subsidiaries of FirstEnergy Corp., and natural gas is supplied primarily by Columbia Gas of Ohio, Inc. Police and fire protection and emergency rescue services are provided by the City. Solid waste collection is provided by a private contractor. Telephone services are provided by Windstream. Multichannel cable TV service is provided by Time Warner Cable.

FINANCIAL MATTERS

Introduction

The School District's Fiscal Year corresponds with the July 1 to June 30 school year. Property taxes, including those levied to pay debt charges on the Bonds, are levied and collected on a calendar year basis.

The main sources of School District revenue have been and are property taxes and the State School Funding System distributions. See **Ad Valorem Property Taxes** and **State School Funding System**.

The Treasurer and the Board are responsible for the major financial functions of the School District. The Treasurer is the fiscal officer and chief accounting officer and keeps the books and accurate statements of all money received and expended, and receives, invests, maintains custody of and disburses all School District money.

Other important financial functions include general financial recommendations and planning by the Treasurer, the Superintendent of Schools and the administrative staff; budget preparation by the Treasurer; and express approval of all budgeting and appropriations by the Board.

For property taxation purposes, assessment of real property is by the County Auditor subject to supervision by the State Tax Commissioner, and assessment of public utility property is by the State Tax Commissioner. Property taxes and assessments are billed and collected by County officials.

Budgeting, Property Tax Levy and Appropriations Procedures

Detailed provisions for budgeting, property tax levies and appropriations are made in the Revised Code, including a requirement that the School District levy a property tax in a sufficient amount, with any other money available for the purpose, to pay the debt charges on securities payable from property taxes.

The law requires generally that a subdivision prepare, and then adopt after a public hearing, a tax budget approximately six months before the start of the next fiscal year. The tax budget is then presented for review by the county budget commission, which is comprised of the county auditor, treasurer and prosecuting attorney. A county budget commission may, however, waive the requirement for a tax budget and require an alternative form of more limited information required by the commission to perform its duties. The Lorain County Budget Commission has permitted an alternative form of a tax budget information document to be used by the School District and other subdivisions in the County.

Based on the tax budget information supplied by the School District, the County Budget Commission determines and approves levies for debt charges outside and inside the ten-mill limitation. The Revised Code provides that “if any debt charge is omitted from the budget, the commission shall include it therein.”

The County Budget Commission then certifies to each subdivision its action on the tax budget together with the estimate by the County Auditor of the tax rates outside and inside the ten-mill limitation. Thereafter, and before the end of the then Fiscal Year, the taxing authority (the Board, in the case of the School District) approves the tax levies and certifies them to the County Auditor. The approved and certified tax rates are then reflected in the tax bills sent to property owners. Real property taxes are payable in two equal installments, the first usually by February and the second in July.

The Board adopts a temporary appropriation measure each June for the ensuing Fiscal Year and a permanent appropriations measure by October for that Fiscal Year. Although called “permanent,” the annual appropriation measure may be, and often is, amended during the Fiscal Year. Annual appropriations may not exceed the County Budget Commission’s official estimates of resources, and the County Auditor must certify that the Board’s appropriation measures do not appropriate money in excess of the amounts set forth in those estimates.

State law requires that a school district set aside amounts for permanent improvements (acquisition, replacement, enhancement, maintenance or repair). Generally speaking, the set-aside requirement is 3% of the applicable formula amount for the preceding Fiscal Year multiplied by the school district’s student population for that year. See the Fiscal Year 2024 Financial Statements for more information.

Financial Reports and Audits

The School District maintains its accounts, appropriations and other fiscal records in accordance with the procedures established and prescribed by the Ohio Auditor of State (the State Auditor). The State Auditor is charged by law with the responsibility of inspecting and supervising the accounts and records of each taxing subdivision and most public agencies and institutions.

School District receipts and expenditures are compiled on a cash basis, pursuant to accounting procedures prescribed by the State Auditor that are generally applicable to all Ohio school districts. The records of these cash receipts and expenditures are converted annually for reporting purposes to a modified accrual basis of accounting for governmental funds and an accrual basis for proprietary funds. These accounting procedures conform to generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board (GASB). Those principles, among other things, provide for a modified accrual basis of accounting for the general fund, all special revenue funds and the debt service (bond retirement) fund and for a full accrual basis of accounting for all other funds, and for the preparation for each fund of balance sheets, statements of revenues and expenditures and statements showing changes in fund balances.

Annual financial reports are prepared by the School District and are filed as required by law with the State Auditor after the close of each Fiscal Year.

The most recent audit (including compliance audit) of the School District’s accounts was completed through Fiscal Year 2024. The audited Basic Financial Statements of the District for Fiscal Year 2024 are set forth as **Appendix C**; they were audited by the State Auditor, as stated in his report appearing in those statements. No material findings, citations or items for adjustment, or material weaknesses in internal controls at the financial statement level, were noted as part of the audit. There was one material weaknesses in internal controls for major programs, which has since been addressed.

Audits are made by the State Auditor, or by private auditing firms (CPAs) at the direction of that officer, pursuant to Ohio law and under certain federal program requirements. No other independent examination or audit of the School District's financial records is made.

See **Appendix A** for an unaudited comparative cash-basis summary of general operating fund activity for the last five Fiscal Years and forecasted for Fiscal Year 2026. That summary has been prepared using financial forecast information submitted by the School District to the State Department of Education and publicly available on that Department's website, with updates to forecasted figures for Fiscal Year 2026 provided by the Treasurer. See **Financial Forecast**. Governmental funds receipts and expenditures (cash basis) for the two prior Fiscal Years are set forth in **Appendix B**. See **Appendix C** for the School District's audited Fiscal Year 2024 Financial Statements, including the audit letter/independent accountant's report.

The audited financial statements are public records, no consent to their inclusion is required, and no bring-down procedures have been undertaken by the State Auditor since their date.

Investments and Deposits

Investments and deposits of School District funds are governed by the Uniform Depository Law (Chapter 135 of the Revised Code) applicable to all school districts. The Treasurer is responsible for those investments and deposits. Under recent and current practices, and the School District's approved investment policy, in addition to deposits evidenced by interest-bearing certificates of deposit, investments are made in the State Treasurer's subdivision investment pool (STAR Ohio), federal or federal agency securities, a money market fund, and commercial paper. See also the Notes to the Fiscal Year 2024 Financial Statements.

As of June 2025, the School District's \$159.2 million investment portfolio was invested as follows: \$16.4 million in STAR Ohio and available on one day's notice and \$142.8 million allocated as follows: 28.1% in U.S. Treasury Notes, 1.4% in negotiable certificates of deposit, 1.8% in money market funds and 68.7% in federal agency securities.

The School District does not invest in any securities that would be characterized as derivatives or in reverse repurchase agreements and purchases all investments with the intent to hold them to maturity. The weighted average maturity of the School District's investment portfolio is 2.09 years.

Financial Forecast

Pursuant to State law, the School District has historically prepared a five-year financial forecast (the Five-Year Forecast) that was adopted by the Board and filed with the Ohio Department of Education & Workforce (ODEW). The Five-Year Forecast reflected three years of historical general operating fund revenues, expenditures and balances, as well as a forecast of such revenues, expenditures and balances for the then-present Fiscal Year and four additional Fiscal Years. Notes to the Five-Year Forecast accompanied the projections. The Five-Year Forecast was to be approved by the Board by a date to be determined by the State, which State-mandated deadline could not be earlier than November 30 of each Fiscal Year, and then updated between April 1 and May 31. The 2025 State Budget Act amended State law such that the School District will be required to prepare a three-year financial forecast (the Three-Year Forecast) reflecting the appropriations, revenues and fund balance assumptions contained in the budget for the current Fiscal Year and projections of expenditures, revenues and fund balance for the three succeeding Fiscal Years. The Three-Year Forecast is to be submitted to ODEW not later than August 31 of each Fiscal Year and updated not later than the last day of February of each Fiscal Year, with the initial submission to be made by October 15, 2025 for Fiscal Year 2026. The School District's most recent Forecast was approved by

the Board in October 2025, and shows positive Fiscal-Year-end cash balances through Fiscal Year 2030.

GENERAL OPERATING FUNDS

The General Fund is the School District’s main operating fund, from which most expenditures are paid and into which most revenues are deposited. The General Fund receives money from many sources, but primarily from ad valorem property taxes and the education aid distributions from the State under the State School Funding System. For details concerning general operating fund revenues, expenditures and beginning and year-end balances in Fiscal Year 2025 and other recent Fiscal Years, see **Ad Valorem Property Taxes**, **State School Funding System**, and **Appendices A, B and C**.

Other than its authority to levy ad valorem property taxes, the only tax the Board may under existing State law impose, and only if approved by the School District’s electors, is an income tax on (a) the school district income of individuals and estates or (b) wages, salaries, tips and other employee compensation. The Board acted to put an income tax issues before the voters in 1989 and 2003. Those issues were defeated.

AD VALOREM PROPERTY TAXES

*The discussion of ad valorem property taxes herein should be read in the context of (i) legislation recently enacted, and legislation currently pending or which may be introduced in the General Assembly, (ii) ballot initiatives which may be proposed by electors and (iii) court proceedings which may be filed, which, in each case, if (as to pending matters) to become law, could alter or amend one or more of the ad valorem property tax matters referred to herein and which may have a materially adverse effect on the market value of the Bonds. See **Considerations Regarding Real Property Tax Reform**.*

Assessed Valuation

The following table shows the recent assessed valuations of property subject to ad valorem taxes levied by the School District.

Collection Year	Real(a)	Public Utility(b)	Total Assessed Valuation
2021	\$ 948,070,620	\$22,438,090	\$ 970,508,710
2022(c)	1,134,034,410	23,867,860	1,157,902,270
2023	1,178,548,960	25,617,120	1,204,166,080
2024	1,205,755,890	26,603,830	1,232,359,720
2025(d)	1,542,496,870	29,741,800	1,572,238,670

- (a) Other than real property of railroads. The real property of public utilities, other than railroads, is assessed by the County Fiscal Officer. Real property of railroads is assessed, together with tangible personal property of all public utilities, by the State Tax Commissioner.
- (b) Tangible personal property of all public utilities and real property of railroads; see footnote (a).
- (c) Reflects triennial adjustment.
- (d) Reflects sexennial reappraisal.

Source: County Fiscal Officer.

Taxes collected on “Real” in one calendar year are levied in the preceding calendar year on assessed values as of January 1 of that preceding year. “Public Utility” (real and tangible personal)

taxes collected in one calendar year are levied in the preceding calendar year on assessed values determined as of December 31 of the second year preceding the tax collection year.

Based on County Auditor records of assessed valuations for the 2025 collection year, the largest School District ad valorem property taxpayers are:

Name of Taxpayer	Nature of Business	Total Assessed Valuation	% of Total Assessed Valuation
Ohio Edison Company(a)	Electric utility	\$10,102,380	0.64%
Ridgeville Redwood Combined	Apartment complex	10,020,930	0.63
Performance LN Ridgeville Ohio LLC	Real estate	8,452,500	0.54
Columbia Gas of Ohio Inc.	Natural gas utility	8,103,180	0.52
Comprehensive Health Care of Ohio Inc.	Health care	8,048,510	0.51
Streams Edge Properties LLC	Real estate	7,449,190	0.47
American Transmission Systems Inc.(a)	Electric transmission	5,979,670	0.38
Lake Ridge Holdings Ltd.	Real estate	3,723,810	0.24
RW Beckett Corporation	Manufacturing	3,302,160	0.21
Columbia Gas Transmission LLC	Electric transmission	3,256,510	0.21

(a) Each of these companies is an affiliate of FirstEnergy Corp.

Pursuant to statutory requirements for sexennial reappraisals, in 2024 the County Auditor adjusted the true value of taxable real property to reflect current fair market values. These adjustments are reflected in the 2024 duplicate (collection year 2025) and in the ad valorem taxes distributed to the School District in 2025 and thereafter. The County Auditor is required to adjust (but without individual appraisal of properties except in the sexennial reappraisal), and has adjusted, taxable real property value triennially to reflect true values. The County Auditor completed such a triennial adjustment in 2021.

The “assessed valuation” of real property is fixed at 35% of true value and is determined pursuant to rules of the State Tax Commissioner. An exception is that real property devoted exclusively to agricultural use is to be assessed at not more than 35% of its current agricultural use value. Real property devoted exclusively to forestry or timber growing is taxed at 50% of the local tax rate upon its assessed value.

As a result of a phase-out of taxation of tangible personal property used in general business (excluding certain public utility property) and tangible personal property used by telephone, telegraph or interexchange telecommunications companies, and a reduction of the percentages of true value of electric utility production equipment and natural gas utility property assessed for taxation, eligible school districts have received reimbursement payments from the State to account for the loss of property tax revenue. Under legislation passed by the State General Assembly in 2015, such reimbursements have been combined and are to be distributed by the State in November and May of each Fiscal Year. The School District did not receive any such reimbursements in Fiscal Year 2023 or in any other Fiscal Year since Fiscal Year 2016 and does not anticipate receiving any such reimbursements in the future.

As indicated herein, the General Assembly has from time to time exercised its power to revise the laws applicable to the determination of assessed valuation of taxable property and the amount of receipts to be produced by ad valorem taxes levied on that property, and may continue to make similar revisions.

Ohio law grants tax credits to offset increases in taxes resulting from increases in the true value of real property. Legislation classifies real property as between residential and agricultural

property and all other real property, and provides for tax reduction factors to be separately computed for and applied to each class. These tax credits apply only to certain voted levies on real property, and they do not apply to unvoted levies or to voted levies to provide a specified dollar amount or to pay debt charges on general obligation debt, such as the Bonds. These credits are discussed further following **Tax Table A**.

Property Tax Abatements and Compensatory Payments and Contributions

The Board and the City worked closely together to establish an agreement concerning tax abatements and the sharing of revenues to compensate the School District for property tax revenues lost as a result of property tax abatements granted by the City. The agreement, approved in 1999 and last renewed in 2015, requires the City to pay to the School District, or cause to be paid to it, annually in each year during the period of abatement the lesser of (a) fifty percent of the income tax revenues (Income Taxes) the City derived in the prior year from all businesses located or persons residing on parcels for which property taxes have been or in the future will be abated (Abated Properties), or persons who meet the criteria established by City ordinance for payment of Income Taxes at the Abated Properties, or (b) an amount equal to the incremental property tax revenues the School District would have received from the Abated Properties if the tax abatement had not been granted by the City. All amounts paid to the School District pursuant to (a) or (b) above are net of a five percent administrative charge imposed by the City for its expenses in administering this program. Payments under the provisions of the agreement are subject to the annual appropriation procedures of the City. If the State of Ohio were to change the funding for school districts in a way that financially benefited the School District beyond its current level of funding, the reimbursement paid pursuant to the agreement may be modified and adjusted in proportion to the change in funding on a dollar for dollar basis.

The School District also receives donations solicited by the City from companies that have received tax abatements. The agreement with the City provides for 50% of the incremental income tax revenues generated through payroll less a 5.0% administration fee. In addition, Cash donations from the abated firms are sometimes negotiated and paid directly to the School District.

The following table shows the amounts of the compensatory payments received by the School District under that agreement in recent Fiscal Years:

Fiscal Year	Payments
2021	\$139,852
2022	147,665
2023	135,377
2024	227,355
2025 ^(a)	260,245

(a) Forecasted.

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The School District also receives donations solicited by the City from companies that have received tax abatements. Cash donations from the abated firms are negotiated and paid directly to the School District. The School District received the following amounts of such donations:

Fiscal Year	Donations
2021	\$ 60,953
2022	251,191
2023	67,790
2024	173,049
2025 ^(a)	293,250

(a) Forecasted.

Overlapping Governmental Entities

The major political subdivisions or other governmental entities that overlap all or a portion of the territory of the School District are listed below. The “(____%)” figure is that approximate percentage of a recent assessed valuation of the overlapping entity that is located within the School District.

- The County (functions allocated to counties by Ohio law, such as elections, health and human services, and judicial). (13.28%)
- City of North Ridgeville (100.00%) (municipal corporation responsibilities)
- Lorain County Career Center (Career Center) (vocational education program). (14.83%)
- Lorain County Community College District (two-year public higher education institution). (13.28%)
- Lorain County Metropolitan Park District (park and recreation areas). (13.28%)
- Lorain County Health District (health services). (13.56%)
- Lorain County Regional Airport Authority (regional airport). (13.28%)
- Lorain Port Authority (port services at the City of Lorain port). (13.28%)

Source: OMAC.

Each of these entities operates independently, with its own separate budget, taxing power and sources of revenue. Only the County, the City and the Career Center may, as may the School District, levy ad valorem property taxes within the ten-mill limitation (subject to available statutory allocation of the 10 mills) described under **Indirect Debt and Unvoted Property Tax Limitations**.

Tax Rates

All references to tax rates under this caption are in terms of stated rates in mills per \$1.00 of assessed valuation.

The following are the rates at which the School District and overlapping taxing subdivisions have in recent years levied ad valorem property taxes (the City and District are coterminous).

TAX TABLE A
Overlapping Tax Rates

Collection Year	City(a)	Lorain Public Library(b)	County and Others(c)	School District	Career Center	County Health District	Total
2021	10.87	1.91	15.580	50.51	2.45	0.50	81.820
2022	11.59	1.91	15.300	48.41	2.45	0.50	80.160
2023	11.52	1.91	15.430	48.26	2.45	0.50	80.070
2024	11.43	1.91	16.080	53.70	2.45	0.50	86.070
2025	11.11	1.91	16.020	50.60	2.45	0.50	82.590

(a) Other than the City's levy for Lorain Public Library.

(b) This is a voted tax levied by the City for the Lorain Public Library which provides service for residents of the City.

(c) Includes voted taxes levied by the County, the Lorain County Community College District and the Lorain County Metropolitan Park District.

Source: County Auditor.

Statutory procedures limit, by the application of tax credits, the amount realized by each taxing subdivision from real property taxation to the amount realized from those taxes in the preceding year plus both:

- the proceeds of any new taxes (other than renewals) approved by the electors, calculated to produce an amount equal to the amount that would have been realized if those taxes had been levied in the preceding year; and
- amounts realized from new and existing taxes on the assessed valuation of real property added to the tax duplicate since the preceding year.

These procedures were instituted initially in 1976 to limit in part the effect of increasing property values on the growth of those property taxes.

The tax credit provisions do not apply to amounts realized from (i) taxes levied at whatever rate is required to produce a specified amount or an amount to pay debt charges on the Bonds as voted general obligations, (ii) taxes levied inside the ten-mill limitation, (iii) taxes provided for by a municipal charter (such as all of those of the City), or (iv) school district levies for operating purposes once the "20-mill floor" has been reached. To calculate the limited amount to be realized, a reduction factor is applied to the stated rates of the levies subject to these tax credits. A resulting "effective tax rate" reflects the aggregate of those reductions, and is the rate based on which real property taxes are in fact collected. As an example, the total overlapping tax rate for the 2025 tax collection year of 82.590 mills within the School District was reduced by reduction factors of 0.313349 for residential/agricultural property and 0.247742 for all other real property, which resulted in "effective tax rates" of 56.709133 mills for residential and agricultural property and 62.127496 mills for all other real property. See **Tax Table A**.

Residential and agricultural real property tax amounts paid by taxpayers generally have been further reduced by an additional 10% (12.5% in the case of owner-occupied residential property); however, legislation passed by the State's General Assembly in 2013 eliminated such reductions for additional and replacement levies approved at elections after September 29, 2013, and

for other taxes (or increases in taxes) not levied for tax year 2013. See **Collections** for a discussion of reimbursements by the State to taxing subdivisions for these reductions and related changes made by that State legislation.

The following are the rates at which the School District levied property taxes for the general categories of purposes for the years shown, both inside and outside the ten-mill limitation.

TAX TABLE B
School District Tax Rates

Unvoted (Inside the Ten-Mill Limitation)

Collection Year	Operating
2021	6.10
2022	6.10
2023	6.10
2024	6.10
2025	6.10

Voted

Collection Year	Operating	Debt Retirement	Permanent Improvements	Total
2021	37.85	3.56	3.00	44.41
2022	36.30	3.01	3.00	42.41
2023	36.24	2.92	3.00	42.16
2024	36.22	8.38	3.00	47.60
2025	34.26	7.24	3.00	44.50

The voted levies for “Debt Retirement” continue for the life of the bonds authorized by the voters, in annual amounts sufficient to pay debt charges on those bonds as they come due.

The total School District operating millage of 40.36 mills for collection year 2025 included voted levies aggregating 26.60 mills and 7.66 from the voted fixed-dollar levy discussed below. The balance of 6.10 mills constitutes the School District’s mandated share of the unvoted 10 mills.

See the discussion of the ten-mill limitation, and the priority of claim on that millage for debt charges on unvoted general obligation debt, under **Indirect Debt and Unvoted Property Tax Limitations**.

The following table presents certain information concerning the School District’s millage-based voted property tax levies levied for collection year 2025, each of which is levied for a continuing period of time.

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Purpose	Voter Authorized	Millage Rate	
		Res./Agr.	Levied for Collection Year 2025 All Other
Current Expenses	21.70	11.219833	10.847482
Current Expenses	4.90	2.680172	3.052523
Permanent Improvements	2.50	0.576130	1.259652
Permanent Improvements	0.50	0.272859	0.415336

For collection year 2025, the School District had an effective tax rate on residential and agricultural property of 20.848994 mills (including 14.748994 for voted levies and the 6.10-mill mandated share of the unvoted 10 mills) and an effective tax rate on commercial and industrial property of 21.674993 mills (15.574993 for voted levies and 6.10-mill mandated share of the unvoted 10 mills) for current operating expenses. State law establishes a “20-mill floor” for a school district’s levy for current operating expenses (excluding for this purpose emergency tax levies, substitute levies and other “fixed dollar” levies for operating purposes). For school districts that have reached that floor, such as the School District for residential and agricultural property, the effect of the reduction mechanism discussed above is negated, and the School District receives the proceeds of 20 mills of property tax levied against all such property subject to ad valorem property taxes without reduction. The effect of reaching that floor is that the School District receives increases and decreases in property tax receipts for operating purposes more nearly commensurate with increases and decreases in its assessed valuation. There can be no assurance that the School District will remain at that floor as to residential and agricultural property or whether or when the School District will reach that floor as to commercial and industrial property. See also **Considerations Regarding Real Property Tax Reform**.

At an election in Fiscal Year 2020, voters of the School District approved a “substitute levy” to be levied at a rate necessary to generate an the initial amount of \$10,644,301 to provide for the necessary requirements of the School District commencing in tax year 2020 (collection year 2021) in place of the four prior emergency levies that had been levied through tax year 2019 (collection year 2020) at rates necessary to generate \$1,717,171, \$2,710,100, \$1,900,000 and \$4,317,030 annually to provide for the emergency requirements of the School District. The substitute levy was approved to run for a period of 10 years (through collection year 2030). The substitute levy was levied at a rate of 7.66 mills for tax collection year 2025.

Provisions of the 2025 State Budget Act eliminate substitute levies, including the renewal of existing substitute levies, beginning January 1, 2026. See also **Considerations Regarding Real Property Tax Reform**. Existing substitute levies may be levied until their current expiration date. The School District cannot at this time determine what, if any, action it will take regarding this change.

Each levy approved for a continuing period is subject to reduction through a statutory procedure requiring both (i) a petition signed by 10% of the electors of the School District voting in the last general election (to be filed at least 60 days before the general election in any year) stating the amount of the proposed reduction and (ii) the approval of the reduction by a majority vote at the general election, with the reduction to commence at the expiration of the then-current year. No such petition has ever been filed with respect to a School District levy.

The following table shows the results of issues placed before the electors of the School District since 2000:

TAX TABLE C
Bond and Tax Levy Issues Voted Upon
2000 through 2025 (Present)

Bond Issues					
Election Date	Amount	For	Against	Result	
11/07/23	\$143,015,000	8,069	7,825	Approved	
05/02/23	190,025,000	3,589	3,612	Defeated	
11/08/22	190,025,000	7,276	8,382	Defeated	
11.05/19	136,565,000	4,474	5,224	Defeated	
11/05/13	58,100,000	4,361	3,871	Approved	
03/04/08	54,250,000	4,590	5,131	Defeated	
11/06/07	54,250,000	3,640	3,703	Defeated	
Permanent Improvement Levies					
Election Date	Millage	Type	For	Against	Result
11/05/13	0.50	New	4,361	3,871	Approved
Education Technology Levy					
Election Date	Millage	Type	For	Against	Result
11/08/16	0.31	New	8,068	8,230	Defeated
Emergency Levies					
Election Date	Amount	Type	For	Against	Result
05/03/22	\$5,673,720	New	2,885	4,299	Defeated
05/07/13	1,717,171	Renewal	2,340	1,288	Approved
11/06/12	4,317,030	New	8,705	6,566	Approved
11/08/11	3,552,900	New	5,106	5,666	Defeated
08/02/11	3,552,900	New	1,856	2,606	Defeated
05/03/11	3,552,900	New	1,777	2,321	Defeated
05/04/10	1,900,000	New	4,198	2,836	Approved
11/03/09	1,371,000	New	4,526	4,888	Defeated
11/03/09	2,710,100	Renewal	6,195	3,176	Approved
05/08/07	1,717,171	Renewal	1,676	813	Approved
02/08/05	2,710,100	Renewal	3,127	2,022	Approved
02/08/05	2,750,000	New	2,275	2,878	Defeated
11/02/04	2,550,000	New	5,802	6,561	Defeated
03/02/04	2,550,000	New	2,774	3,392	Defeated
11/05/02	1,717,171	Renewal	4,316	2,738	Approved
05/07/02	2,144,100	New	1,492	2,125	Defeated
03/07/00	2,710,100	Renewal	3,304	1,496	Approved

Substitute Levies					
Election Date	Amount	Type	For	Against	Result
03/17/20	\$10,644,301	Substitute	4,454	3,323	Approved
11/05/19	10,644,301	Substitute	4,776	4,896	Defeated

Income Tax Levy			
Election Date	For	Against	Result
11/04/03	2,372	4,149	Defeated

Collections

The following are the amounts billed and collected for School District ad valorem property taxes on real and public utility property for the tax collection years shown.

Collection Year	Current Billed	Current Collected	Current % Collected	Delinquent	
				Current	Accumulated
2020	\$34,639,448	\$33,764,556	98.2%	\$ 874,892	\$1,447,145
2021	35,439,502	34,734,609	98.0	704,893	929,403
2022	39,578,388	38,295,898	96.8	1,282,490	1,496,375
2023	40,980,039	40,357,378	98.5	622,661	1,097,259
2024	48,657,985	47,801,205	98.2	856,780	1,031,275

Source: County Auditor.

Included in the “Current Billed”, “Current Collected” and “Current % Collected” figures above are payments made from State revenue sources under three Statewide real property tax relief programs – the Homestead Exemption, the Non-Business Credit and the Owner-Occupancy Credit.

A Homestead Exemption provides a property tax credit for the residence, or “homestead,” of certain qualifying individuals, e.g., a homeowner who is either (i) 65 years of age or older, (ii) permanently and totally disabled or (iii) certain surviving spouses of an individual who previously received the exemption, who meet certain income guidelines. In addition, there is an enhanced credit for military veterans who are totally disabled or spouses of first responders killed in the line of duty, without regard to income guidelines. For Collection Year 2025, the Homestead Exemption exempts \$26,200 of the homestead’s market value from taxation (\$52,300 for the enhanced exemption), thereby reducing the property owner’s ad valorem property tax liability. Payments to taxing subdivisions have been made in amounts approximately equal to the Homestead Exemption granted. The State assistance reflected in the School District’s tax collections for Collection Year 2024 related to the Homestead Exemption was \$888,177. The 2025 State Budget Act authorizes counties to offer a property tax exemption that would “piggyback” on the existing Homestead Exemption. The exemption would be available to the same homeowners who meet the means test for the existing exemption, and offer the same benefit amount, as the State Homestead Exemption described above, but with no reimbursements to local governments. The County has not implemented this “piggyback” exemption for Collection Year 2026. It is estimated that this County “piggy-back” exemption will result in approximately \$885,000 of lost revenues to the School District, split between Fiscals Year 2026 and 2027.

The Non-Business Credit (formerly the “10% Rollback”) and the Owner-Occupancy Credit (formerly the “2.5% Rollback”) apply to all non-business properties, and reduces each property owner’s ad valorem property tax liability as to “qualifying levies” by 10% and, if the property is owner-occupied and the owner does not claim any other property as a primary residence, an additional 2.5%, respectively. Payments to taxing subdivisions have been made in amounts approximately equal to the Non-Business Credit and Owner-Occupancy Credit granted. The State assistance reflected in the School Districts’ tax collections for Collection Year 2024 related to the Non-Business Credit and Owner-Occupancy Credit was \$4,078,141. The 2025 State Budget Act authorizes counties to offer a credit for owner-occupied homes that would “piggyback” on the existing Owner-Occupancy Credit. The locally authorized credit can equal up to 2.5% of the amount of taxes to be levied by qualifying levies on the property or home, but with no reimbursements to local governments. The County has implemented this “piggy-back” credit beginning with Collection Year 2026. It is estimated that this County “piggy-back” credit will result in approximately \$869,000 of lost revenues to the School District, split between Fiscals Year 2026 and 2027. The Non-Business Credit and Owner-Occupancy Credit and related reimbursements have been eliminated with respect to new or replacement tax levies approved at elections after September 29, 2013, and for other taxes (or increases in taxes) not levied for tax year 2013 (all other levies being “qualifying levies”). See **Tax Rates**.

Real property taxes are payable in two installments, the first usually by February and the second in July.

Delinquencies

The following is a general description of delinquency procedures under Ohio law, the implementation of which may vary in practice among the counties.

Under the Revised Code, taxes become a lien of the State on the first day of January, annually, and continue until the taxes, including any penalties, interest or other charges, are paid. Real estate taxes and special assessments that are not paid in the year they are due are to be certified by the county auditor’s office as delinquent. Any amount of a previous tax bill not paid before new tax bills are mailed for the next half of the year is considered delinquent and becomes subject to a 10% penalty. A list of delinquent properties is compiled by the county auditor (the “delinquent land duplicate”). If delinquent taxes (and special assessments) are not paid within 60 days after a copy of the county auditor’s delinquent land duplicate is delivered to the county treasurer, then the county treasurer is to enforce the lien of the State that attached on January 1 of the year the taxes first became payable. Under State law (Section 323.25 of the Revised Code), the county treasurer is to enforce the lien “in the same way mortgage liens are enforced,” that is, by an action in the court of common pleas for foreclosure and sale of the property in satisfaction of the delinquency. If the county treasurer fails to bring an action to enforce the lien, then the State Tax Commissioner is to do so. In addition, one year after certification of a delinquent land list, the county prosecuting attorney is authorized to institute foreclosure proceedings in the name of the county treasurer to foreclose the lien.

The property owner may arrange a payment plan with the county treasurer providing for payments over a period not to exceed five years. If payments are made when due under the plan, no further interest will be assessed against delinquent balances covered by the plan; a default in any payment under the plan or in the payment of current taxes will invalidate the taxpayer’s participation in the plan. If a payment plan is not adhered to or if none is arranged, foreclosure proceedings may be initiated by the county. Mass foreclosure proceedings and sales are permitted after three years’ delinquency. Proceeds from delinquent property foreclosure sales become part of and are distributed as current collections to the taxing subdivisions.

In recent years, the State legislature has enacted several programs with respect to forestalling the foreclosure process or the forfeiture of property due to tax delinquency that may have

the effect of delaying or eliminating the collection of certain property taxes. Notwithstanding the delay or loss of the tax revenues from those properties, an issuer of general obligation notes or bonds, such as the School District, remains obligated to pay the debt charges on those notes or bonds from the available revenues. See **Security and Sources of Payment**.

Of the 19,247 nonexempt parcels in the School District for collection year 2024, the number of delinquent parcels was 527, against none of which property tax foreclosure proceedings were commenced by County officials.

There was no one taxpayer that accounted for more than 5% of any of the accumulated delinquencies, shown in the table above for tax collection year 2024.

Considerations Regarding Real Property Tax Reform

From time to time, (i) legislative proposals may be introduced in the General Assembly, (ii) ballot initiatives may be proposed by electors and (iii) court proceedings may be filed, which, in each case, if to become law, could alter or amend one or more of the ad valorem property tax matters referred to herein and which may have a materially adverse effect on the market value of the Bonds. There can be no assurance that legislation enacted, ballot initiatives approved, or actions by a court, after the date of issuance of the Bonds, will not have a materially adverse effect on the market value or marketability of or security for the Bonds. Prospective purchasers of the Bonds should consult their own counsel regarding pending or proposed State property tax legislation, related ballot initiatives and court proceedings, as to all of which the School District and Bond Counsel express no opinion.

Specifically, on May 9, 2025, the Ohio Attorney General's Office certified, and on May 14, 2025, the Ohio Ballot Board voted to certify a petition title and summary of a proposed amendment to the Ohio Constitution from Citizens for Property Tax Reform, "Abolishment of Taxes on Real Property", proposing to add a new Section 14 to Article XII of the Ohio Constitution abolishing taxes on real property. The proposed amendment is limited to the abolishment of real property taxes and does not address any implications of that. In order to appear on the ballot, the petitioners must collect signatures from registered voters equal to at least 10% of the vote cast in the most recent gubernatorial election. Those signatures must come from voters in at least 44 of Ohio's 88 counties, and for each of those counties the number must equal at least 5% of the vote cast in the most recent gubernatorial election. If sufficient signatures are verified by the Ohio Secretary of State's Office at least 65 days before the election, the full text of the proposed amendment would be placed on the ballot at the next regular or general election that occurs subsequent to 125 days after the filing of such petition. At soonest, the proposed amendment could appear on the ballot at the November 3, 2026 election; however, there can be no assurance when or if the proposed amendment would be on the ballot.

Additionally, the 2025 State Budget Act contained provisions limiting a variety of levy options for school districts such as the School District after January 1, 2026. These included replacement levies, fixed-sum ("emergency") levies, substitute levies and renewals with an increase. The Governor vetoed this provision, but, on July 21, 2025, the Ohio House of Representatives, and on September 30, 2025, the Ohio Senate, voted to override the veto. As a result, the vetoed statutory changes will become law on or about December 30, 2025. Among others, a practical effect of those provisions is that school districts (such as the School District – see **Ad Valorem Property Taxes – Tax Rates**) with emergency levies, substitute levies or combined school district income tax and fixed-sum property tax levies with a limited term will no longer be able to renew those levies after January 1, 2026. The 2025 State Budget Act also included a number of other property tax related measures which were also vetoed by the Governor. It is unclear if the General Assembly intends to vote to override any of those vetoes. If the vetoes are overridden and the provisions become law, it is possible that they could have a

material impact on the School District. Many of the provisions and concepts that were the subject of the Governor’s vetoes are now contained in other pending legislation, described below.

On November 19, 2025, the Ohio Senate approved four bills relating to various aspects of ad valorem property tax reform:

- House Bill 129, which, generally, would include revenues from existing emergency and substitute levies (i.e., those approved before January 1, 2026) in the calculation of the 20-mill floor beginning with collection year 2026. Additionally, school districts would be permitted to renew existing emergency and substitute levies as fixed sum levies, with provision for further renewals, for up to five-year periods, and preserving rollbacks on those levies (subject to House Bill 186 – see below).
- House Bill 186, which, generally, caps property tax growth related to the 20-mill floor to inflation, retroactively applies a credit applicable to recent sexennial reappraisals and triennial updates, provides a “backfill” of lost revenues through suspension of a scheduled sales tax holiday in 2026, thus ensuring that school districts receive at least the same amount of property taxes as for tax year 2024, and phases out the Non-Business Credit and increases the Owner-Occupancy Credit.
- House Bill 309, which, generally, enhances the authority of county budget commissions to reduce voter-approved levies if deemed unnecessary or excessive, after a public hearing.
- House Bill 335, which, generally, caps property tax growth related to inside millage to inflation.

After the Ohio Senate amended and then passed House Bills 129, 186, 309 and 335, the Ohio House of Representatives concurred with the Senate-passed versions that same day, and each has or will soon be forwarded to the Governor. There can be no assurance whether the Governor will sign or veto any or all of these bills. If signed by the Governor into law, each could have a material impact on the School District.

STATE SCHOOL FUNDING SYSTEM

The State’s General Assembly has historically provided financial assistance to city, exempted village, local, municipal and joint vocational school districts as a part of its undertaking to secure a thorough and efficient system of common schools throughout the State as required by the Ohio Constitution. The levels of that financial assistance (State Education Aid) and methods used in allocating it among the school districts have been established and frequently modified in the State’s biennial budget and other legislation passed by the General Assembly from time to time.

The 2025 State Budget Act extends the operation of the State Education Aid system established by the 2021 State Budget Act as previously extended by the 2023 State Budget Act, with certain changes. The 2021 State Budget Act incorporated and adopted aspects of the “Fair School Funding Plan” (FSFP), a three-year, bipartisan effort by school district board members and administrators, State legislators, trade associations and other interested parties to create a funding model that would more equitably distribute money among the State’s school districts, with an emphasis on additional funds being provided by the State rather than being raised by school districts through local ad valorem property tax levies, school district income taxes or otherwise.

Under the 2025 State Budget Act, State Education Aid is estimated to modestly increase average per-pupil aid for each year of the biennium. Generally speaking, under each of the 2021 State

Budget Act, 2023 State Budget Act and 2025 State Budget Act, funding was and will be increased, though the 2025 State Budget Act slows that increase from the prior State Budget Acts, with a majority of the additional revenue going to the poorest school districts in the State and with the largest per-pupil increases, on average, going to urban school districts and the largest average percentage increases going to smaller urban school districts. It is anticipated that no school district will receive less net State Education Aid under the 2025 State Budget Act than under the 2023 State Budget Act. Net State Education Aid has and will increase for almost all school districts during the biennium, modestly in most instances.

The 2021 State Budget Act made significant changes to the calculation and payment of State Education Aid, which continue under the 2025 State Budget Act. Generally speaking, students are funded where they are educated, instead of where they live. Students at community schools, STEM schools and those participating in a scholarship program (e.g. EdChoice, Autism Scholarship, Jon Peterson Special Needs Scholarship) and those participating in open enrollment are directly funded at their educating entity. This change eliminated the previous practice of deduction and transfer of funds from resident school districts to educating entities for those students. As a result, school districts with large numbers of students who leave through choice options receive less State Education Aid without the inclusion of those students.

For purposes of determining the State share of the base cost of core foundation funding, an overall base cost is calculated for each school district using formulas to create estimated base costs of (i) direct classroom instruction, (ii) instructional and student support, (iii) school district leadership and accountability, (iv) building leadership and operations and (v) athletic co-curricular activities. The school district's calculated base cost is then to be allocated between a State share and a school district share based on the school district's "per-pupil local capacity" which is a function of its ad valorem property tax valuation per-pupil and measures of income wealth in the school district. The State share for school districts with lower ad valorem property tax valuations per-pupil and/or lower income wealth per-pupil is larger. However, in no case is the State share of the school district's calculated base cost less than 10% (maintained under the 2025 State Budget Act after being increased in the 2023 State Budget Act from 5% under the 2021 State Budget Act). The 2025 State Budget Act requires the use of Fiscal Year 2022 data to calculate the base cost, which is the same as under the 2023 State Budget Act.

Under the core foundation funding formula, in addition to the State share described above, school districts may also receive, as applicable, State Education Aid in the form of (i) targeted assistance based on relative tax valuation and income factors and student population, (ii) a weighted amount based on six categories of disabilities for special education and related services, (iii) supplemental disadvantaged pupil impact aid based on the relative proportion of a school district's students identified as economically disadvantaged, (iv) a weighted amount for each of three English learner categories, (v) gifted funds for identification, referral, professional development, coordinators and intervention specialists, (vi) a weighted amount for each of five career-technical categories and (vii) a weighted amount for career-technical education associated services. The amount of a school district's State Education Aid in the form of special education, English learner, gifted and career-technical education funding is generally to be determined in the same manner as its State share of the school district's base cost.

As provided in the 2023 State Budget Act, the 2025 State Budget Act continues to provide for private school voucher eligibility for all students in grades K-12, with the value of the EdChoice Scholarship dependent on family income. Children whose families earn up to 450% of the federal poverty level (\$135,000 for a family of four) will be able to obtain a full EdChoice Scholarship to cover costs of attending participating private schools (estimated to be \$6,165 for students in grades K-8 and \$8,407 for students in grades 9-12), with pro-rated, means-tested amounts available for families earning in excess of that amount, resulting in all K-12 students being eligible for a scholarship worth at least 10% of the maximum regardless of income. In all, the 2023 State Budget Act increased

voucher funding 77% from prior voucher funding. The School District cannot predict the future impact, if any, of these changes to voucher eligibility on its student enrollment and resulting State Education Aid. See **The School System – Enrollment – Charter Schools; Tuition Vouchers** for a discussion regarding recent court ruling potentially affecting the EdChoice voucher program.

The 2023 State Budget Act renamed the Department of Education as the Department of Education and Workforce (DEW) and created the position of Director of DEW, appointed by the Governor with the advice and consent of the State Senate. Within DEW, the Division of Primary and Secondary Education and Career-Technical Education were created, each of which is headed by a Deputy Director appointed by the Director with the advice and consent of the State Senate. Most of the powers of the previous State Board of Education, and State Superintendent of Public Instruction, were transferred to DEW, excluding educator licensure, licensee disciplinary actions, school district territory transfers and certain other areas.

The School District believes applicable school funding provisions in the 2025 State Budget Act will not negatively affect the School District's State Education Aid.

There can be no assurance concerning future funding levels or systems or formulae for allocation of State Education Aid or the continuing. Funding has also been subject to adjustment during a biennium. As indicated above, the General Assembly has the power to modify the system of State school funding and has often exercised that authority. The School District cannot predict whether, when or in what form any future system of State school funding will be enacted into law.

The following table presents certain information concerning State Education Aid payments to the School District under the various State funding systems and formulae in place for the Fiscal Years indicated.

Fiscal Year	State Education Aid	State Education Aid as a % of General Fund Total Revenues and Other Financing Sources(a)	State Education Aid as a % of General Fund Total Expenditures and Other Financing Uses(a)
2021(b)	\$12,899,695	27.5%	26.7%
2022(b)(c)	12,422,792	25.1	25.4
2023(c)	12,712,379	24.6	25.8
2024(c)	12,778,550	24.1	23.9
2025(c)	12,677,474	22.0	20.2
2026(c)(d)	12,687,927	20.7	21.6

- (a) See **Appendix A** for details regarding revenues and expenditures.
- (b) See **COVID-19 Pandemic**.
- (c) Reflects changes under the State Budget Act, resulting in students being funded where they are educated instead of where they live. See discussion above and under **The School System – Enrollment – Charters Schools; Tuition Vouchers** and **Appendix A**.
- (d) Forecasted, based on the School District's most recently filed financial forecast. See **Financial Matters – Financial Forecast**.

See **Appendix A** for further information regarding other revenue sources for the General Fund and other operating funds.

It is to be noted again that the Bonds are payable from a tax levy voted for the purpose of paying debt charges. Any reduced State appropriations have no impact on that levy, and that levy's proceeds may not lawfully be used for current expenses or other purposes.

Casino Tax Revenues

In Fiscal Year 2013, the School District began receiving revenues from a tax on casino revenues imposed by the State pursuant to a vote of the electors of the State authorizing the constitutional amendment permitting four casinos to be constructed and operated in the cities of Cincinnati, Cleveland, Columbus, and Toledo.

Of the revenues from that tax, 34% are allocated to school districts in the State under a formula related to the number of pupils. The School District's shares of the proceeds of that tax, established by the constitutional amendment, were as follows in Fiscal Year 2025 and other recent Fiscal Years:

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Fiscal Year	Amount
2021	\$185,328 ^(a)
2022	275,039
2023	287,020
2024	297,004
2025	297,573

(a) COVID-19 Pandemic.

SCHOOL DISTRICT DEBT AND OTHER LONG-TERM OBLIGATIONS

The following describes the security for general obligation debt such as the Bonds, applicable debt and ad valorem property tax limitations, and outstanding and projected bond and note indebtedness and certain other long-term financial obligations of the School District.

As used in the discussions that follow, the term "BANs" refers to notes issued in anticipation of the issuance of general obligation bonds.

As further described below, the Bonds are:

- voted general obligations of the School District (certain overlapping subdivisions also may issue general obligation debt)
- subject to the 9% direct debt limitation but not subject to the indirect debt and related property tax limitation.

The School District is not, and to the knowledge of current School District officials has not in at least the last 50 years been, in default in the payment of debt service on any of the bonds or notes on which the School District is obligor.

Security for General Obligation Debt; Bonds and BANs

The following describes the security for the School District's general obligation debt, such as the voted Bonds.

Voted Bonds. The basic security for voted School District general obligation bonds is the authorization by the electors for the Board to levy, and its levy pursuant to constitutional and statutory requirements of, ad valorem taxes, without limitation as to rate or amount, on all real and tangible personal property subject to ad valorem taxation by the Board. These taxes are outside of the ten-mill limitation and are to be sufficient in amount to pay (to the extent not paid from other sources) as they come due the debt charges on the voted bonds (subject to bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance or transfer, and other laws relating to or affecting the rights and remedies of creditors generally; to the application of equitable principles, whether considered in a proceeding at law or in equity; to the exercise of judicial discretion; and to limitations on legal remedies against public entities).

Upon the issuance of the Bonds, the School District will have \$189,780,658* of voted general obligation bonds outstanding (see **Debt Tables**). All references to the School District's outstanding debt in this Official Statement exclude any accretions to the value of capital appreciation bonds, if any.

Unvoted Bonds. The basic security for the limited amount of School District unvoted general obligation bonds (see **School District Debt and Other Long-Term Obligations – Statutory Direct Debt Limitations**) is the Board's ability to levy, and its levy pursuant to constitutional and statutory requirements of, ad valorem taxes on all real and tangible personal property subject to ad valorem taxation by the Board, within the ten-mill limitation described below. These taxes are to be sufficient in amount to pay (to the extent not paid from other sources) as they come due the debt charges on unvoted general obligation bonds. The law provides that the levy necessary for debt charges has priority over any levy for other purposes within that tax limitation; that priority may be subject to bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance or transfer, and other laws relating to or affecting the rights and remedies of creditors generally; to the application of equitable principles, whether considered in a proceeding at law or in equity; to the exercise of judicial discretion; and to limitations on legal remedies against public entities. See the discussion under **School District Debt and Other Long-Term Obligations – Indirect Debt and Unvoted Property Tax Limitations** of the ten-mill limitation, and the priority of claim on it for debt charges on unvoted general obligation debt of the School District and all overlapping taxing subdivisions.

The School District has no unvoted general obligation bonds outstanding.

BANs. BANs may be retired at maturity from the proceeds of the sale of renewal notes or of the bonds anticipated by the BANs, or available funds of the School District, or a combination of these sources. While BANs are outstanding, Ohio law requires the levy of ad valorem property taxes in an amount not less than what would have been levied if bonds had been issued without the prior issuance of the BANs. That levy need not actually be collected if payment in fact is to be provided from other sources, such as the proceeds of the bonds anticipated or of renewal BANs. BANs, including renewal BANs, may be issued and outstanding from time to time up to a maximum period of 240 months from the date of issuance of the original notes. Any period in excess of five years must be deducted from the permitted maximum maturity of the bonds anticipated. Portions of the principal amount of BANs outstanding for more than five years must be retired in amounts at least equal to, and payable not later than, those principal maturities that would have been required if the bonds had been issued at the expiration of the initial five-year period.

The School District has no outstanding BANs.

* Preliminary, subject to change.

Statutory Direct Debt Limitations

The Revised Code provides two debt limitations on general obligation debt that are directly based on tax (assessed) valuation, applicable to all school districts, including the School District.

- The net principal amount of both voted and unvoted debt of the School District, excluding “exempt debt” (discussed below), may not exceed 9% of the total tax (assessed) valuation of all property in the School District as listed and assessed for taxation, except in the case of a “special needs” school district. A portion (\$48,279,178) of the School District’s current general obligation debt is subject to this limitation.
- The net principal amount of unvoted debt of the School District, excluding exempt debt, may not exceed 1% of that valuation, as discussed below.

These two limitations, which are referred to as the “direct debt limitations,” may be amended from time to time by the General Assembly.

The School District’s ability to incur unvoted debt (whether or not exempt from the direct debt limitations) is also restricted by the indirect debt limitation discussed under **Indirect Debt and Unvoted Property Tax Limitations**.

As stated above, the Revised Code provides as a general limitation that the net principal amount of general obligation debt of a school district incurred without a vote of the electors, in general, may not exceed 1% of the school district’s total tax valuation. A further general limitation, from which certain energy conservation and exempt debt (discussed below) may be excluded, is 1/10th of 1% of its total tax valuation. The School District at present has no unvoted debt subject to this limitation. School districts may issue unvoted general obligation debt and other debt under certain circumstances for energy conservation programs, which general obligation debt may not exceed 9/10ths of 1% of the school district’s tax valuation. The School District at present has no outstanding unvoted debt subject to that limitation. Debt charges on any unvoted debt, unless paid from other sources, must be paid from the millage levied within the ten-mill limitation, resulting in a reduction in money available for operating expenses.

The Bonds are voted debt and will not be subject to the unvoted debt limitations.

Certain debt that the School District may issue is exempt from the 9%, 1/10th of 1%, 9/10ths of 1% and 1% direct debt limitations (exempt debt). Exempt debt includes, without limitation, current tax revenue anticipation notes, tax anticipation notes, securities issued to pay final judgments or court-approved settlements, securities issued to acquire school buses and other equipment used in transporting pupils, securities evidencing State solvency assistance loans, certain securities issued to acquire computers and related hardware and certain unvoted securities issued for a school district’s share of the basic project cost necessary to participate in a cooperative project with the Ohio Facilities Construction Commission (the Commission) under Chapter 3318 of the Revised Code that are secured by a pledge of proceeds of a school district income tax or a voted property tax levy. In addition, under Section 133.06(I) of the Revised Code, debt issued solely to raise (i) a school district’s share of the basic project cost and any additional funds necessary to participate in a cooperative project with the Commission under Chapter 3318 of the Revised Code, (ii) the cost of items designated by that Commission as required locally funded initiatives in connection with such a project, (iii) the cost of other related locally funded initiatives in an amount that does not exceed 50% of the district’s portion of the basic project cost, and (iv) the cost of acquiring sites for such a project, is exempt from the 9% direct debt limitation. BANs issued in anticipation of exempt bonds also are exempt debt. The School District has no such exempt debt outstanding.

In the calculation of debt subject to the direct debt limitations, the amount in a school district's bond retirement fund allocable to the principal amount of nonexempt debt is deducted from gross nonexempt debt. Without consideration of amounts, if any, in the Bond Retirement Fund, and based on outstanding debt and the current tax (assessed) valuation, the School District's voted and unvoted nonexempt debt capacities are:

Limitation(a)	Nonexempt Debt Outstanding*	Additional Debt Capacity Within Limitation*
9% = \$141,501,480	\$ 141,501,480	\$ 0 ^(b)
.1% = \$ 1,572,238	\$ 0	\$ 1,572,238
.9% = \$ 14,150,148	\$ 0	\$ 14,150,148
1% = \$ 15,722,386	\$ 0	\$ 15,722,386

(a) The School District's current tax (assessed) valuation for purposes of determining its direct debt limitations is \$1,572,238,670.

(b) Pursuant to Section 133.06(I) of the Revised Code, a school district may incur net indebtedness in excess of the 9% limitation when necessary to raise the school district's portion of the basic project cost and any additional funds necessary to participate in a project under Chapter 3318 of the Revised Code, including the cost of items designated by the Ohio School Facilities Commission as required locally funded initiatives, the cost of other locally funded initiatives in an amount that does not exceed 50% of the school district's portion of the basic project cost, and the cost for site acquisition. As a result, any portion of the otherwise nonexempt debt authorized by the School District's voters at the election on November 7, 2023, in excess of the 9% limitation is exempted from that limitation.

This is further detailed in **Debt Table A**.

Indirect Debt and Unvoted Property Tax Limitations

Voted general obligation debt such as the Bonds may be issued by the School District if authorized by a vote of the electors. Ad valorem taxes, without limitation as to amount or rate, to pay debt charges on voted bonds are authorized by the electors at the same time they authorize the issuance of the bonds.

General obligation debt also may be issued by the School District without a vote of the electors, but subject to the 1% and 1/10th and 9/10ths of 1% limitations discussed above, unless it is exempt debt. This unvoted debt may not be issued unless the ad valorem property tax for the payment of debt charges on those bonds (or the bonds in anticipation of which BANs are issued), and all outstanding unvoted general obligation bonds (including bonds in anticipation of which BANs are issued) of the combination of overlapping taxing subdivisions including the School District resulting in the highest tax required for such debt charges, in any year is 10 mills or less per \$1.00 of assessed valuation. This indirect debt limitation, the product of what is commonly referred to as the "ten-mill limitation," is imposed by a combination of provisions of the Ohio Constitution and the Revised Code.

The ten-mill limitation is the maximum aggregate millage for all purposes that may be levied on any single piece of property by all overlapping taxing subdivisions without a vote of the electors. The 10 mills are allocated pursuant to a statutory formula among certain overlapping taxing subdivisions in the County, including the School District. For collection year 2025, the entire 10 mills was levied by the combination of the School District and taxing subdivisions overlapping the School District. The allocation of the 10 mills (sometimes referred to as the "inside millage") for those collection years was as follows: 2.30 City, 1.60 County and 6.10 School District; that allocation has remained constant for at least the last five years.

* Preliminary, subject to change.

Because the School District is restricted in the amount of unvoted debt it can issue, the major impact of the indirect debt limitation generally results from the ability of overlapping political subdivisions to issue unvoted general obligation debt in amounts that require unvoted taxes for the payment of debt charges on that debt to be levied at a rate in excess of the rates within the ten-mill limitation allocated by statutory formula to the subdivisions. The result of a subdivision having to draw on millage to pay debt charges in an amount exceeding its allocated rate within the ten-mill limitation would be to reduce the millage within the ten-mill limitation available to the overlapping subdivisions, including the inside millage then levied by the Board for operating purposes.

Present Ohio law requires the inside millage allocated to a taxing subdivision to be used first for the payment of debt charges on its unvoted general obligation debt, unless provision has been made for that payment from other sources, with the balance usable for other purposes. To the extent this inside millage is required for debt charges of a taxing subdivision (which may exceed the formula allocation to that subdivision), the amount that would otherwise be available to that subdivision for general fund purposes is reduced. Because the inside millage that may actually be required to pay debt charges on a subdivision's unvoted general obligation debt may exceed the formula allocation of that millage to the subdivision, the excess reduces the amount of inside millage available to overlapping subdivisions. A law applicable to all Ohio cities and villages, however, requires that any lawfully available receipts from a municipal income tax or from voted property tax levies be allocated to pay debt charges on the municipality's unvoted debt before the formula allocations of the inside millage to overlapping subdivisions can be invaded for that purpose.

In the case of BANs issued in anticipation of unvoted general obligation bonds, the highest estimate of annual debt charges for the anticipated bonds is used to calculate the millage required.

The total millage theoretically required by the City and the County (the overlapping taxing subdivisions that have issued unvoted debt secured by their ability to levy property taxes within the ten-mill limitation) for debt charges on their outstanding unvoted general obligation debt is estimated to be 2.1268 mills for 2026, the year of the highest potential debt charge requirements. There thus remain 7.8732 mills within the ten-mill limitation that have yet to be allocated to debt charges and that are available to the School District and overlapping subdivisions in connection with the issuance of additional unvoted general obligation debt.

Debt Outstanding

The Debt Tables attached provide information concerning the School District's outstanding debt represented by bonds, School District and overlapping subdivisions general obligation debt allocations, projected debt charges on the School District general obligation debt, including the Bonds, and the School District's outstanding general obligation bonds. See **Debt Tables**.

The following table shows the principal amount of School District general obligation debt outstanding as of June 30 in the years shown.

Year	Total
2021	\$ 51,862,406
2022	49,183,776
2023	48,725,001
2024	171,016,533
2025	169,920,658

Bond Retirement Fund

The Bond Retirement Fund is the fund from which the School District pays debt charges on its general obligation debt and into which money required to be applied to those payments is deposited. See **Appendices B-1 and B-2** for year-end balances, receipts and disbursements for the prior two Fiscal Years for this fund. The following table is an unaudited summary of Bond Retirement Fund receipts and disbursements for prior Fiscal Years and projected for the current Fiscal Year.

Fiscal Year	Receipts	Disbursements	June 30 Balance
2021	\$ 3,683,396	\$ 3,838,355	\$ 1,850,834
2022	13,839,955 ^(a)	13,697,140 ^(a)	1,993,647
2023	3,980,755	3,917,676	2,056,726
2024	25,967,553	4,053,743	23,970,536
2025	11,341,515	25,189,861	10,122,189
2026 ^(b)	12,507,038	14,734,106	7,895,121

(a) Receipts include proceeds of the Series 2021 Bonds received on September 8, 2021, and disbursements reflect the subsequent deposit of those proceeds after an escrow fund held by an escrow trustee to defease Series 2014B Bonds on that date.

(b) Forecasted.

Special Obligation Debt

A school district may issue special obligation debt that is payable solely from certain anticipated tax revenues or other revenues and not secured by a pledge of the school district's full faith and credit or general taxing power. Special obligation debt is not subject to either the statutory direct debt limitations or to the indirect debt and property tax limitations.

The School District currently has no such special obligation debt outstanding.

Cash Flow Financings

The School District may incur special obligation debt for operating purposes, such as current tax revenue anticipation notes or tax anticipation notes, only under certain limited statutory authority.

The School District does not and did not at any time during the past five Fiscal Years have any such debt outstanding.

Lease Purchase Obligations; Certificates of Participation

The Revised Code provides that school districts may enter into "lease purchase agreements" to finance certain permanent improvements, such as land acquisition, office equipment, motor vehicles and facilities and improvements to facilities for school district purposes. The payments under the lease purchase agreements usually include principal and interest components, and the rights to receive those payments are sometimes securitized, marketed and sold in the form of certificates of participation. A school district's payment obligations under a lease purchase agreement (lease purchase obligations) are subject to the annual appropriation of available funds for that purpose by the school district's board. The lease purchase obligations and related certificates of participation do not constitute debt and are thus not subject to either the direct or indirect debt limitations.

To the knowledge of current School District officials the Board has not ever failed to appropriate funds for any School District lease-purchase obligations.

Other Long-Term Financial Obligations

The School District has the following other long-term obligations outstanding:

- Retirement obligations and net pension and other post-employment benefit (OPEB) liabilities described under Retirement Expenses and in Notes to the Fiscal Year 2024 Financial Statements.
- Compensated absences (for vacation and sick leave) obligations identified in Notes to the Fiscal Year 2024 Financial Statements.

The School District has no long-term financial obligations other than those described herein.

Future Financings

At this time, the Board has no other plans to undertake or participate in any other new major capital improvement projects for which it plans to borrow additional money or enter into long-term financial undertakings, or to issue any current revenue or tax anticipation notes.

COVID-19 PANDEMIC

The spread of the strain of coronavirus commonly known as COVID-19 (COVID-19 or the Pandemic) began altering the behavior of businesses and people in the second half of Fiscal Year 2020 in a manner that had negative effects on global, state and local economies and, in turn, on state and local governments and their revenues and expenses.

As the initial effects of the Pandemic became known, the State reduced the aggregate State Education Aid provided to Ohio school districts in both Fiscal Years 2020 and 2021. The Pandemic also materially affected school district operations throughout the State in those Fiscal Years.

The School District was allocated federal assistance from the Elementary and Secondary School Emergency Relief (ESSER) Fund (ESSER I assistance) created under the Coronavirus Aid, Relief, and Economic Security (CARES) Act addressing the impact that COVID-19 had on elementary and secondary schools across the nation. Public schools receiving such assistance were required to consult with and ensure the provision of, equitable services to students and teachers in nonpublic schools within their boundaries. The School District received \$257,459 of such ESSER I assistance.

Under the Coronavirus Response and Relief Supplemental Appropriations (CRRSA) Act, signed into law on December 27, 2021, the federal government provided additional assistance through the ESSER Fund (ESSER II assistance). The School District received \$1,071,166 of such ESSER II assistance.

In March 2021, the American Rescue Plan Act of 2021 (ARPA) was enacted into federal law, allocating over \$121 billion in additional funds to K-12 education nationally (ESSER III funds). ESSER III funds were permitted to be used for essentially the same purposes as ESSER I and ESSER II, but ARPA required that at least 20% of the funds be reserved to address learning losses. The School District was awarded ESSER III assistance in the amount of \$2,407,395, to be spent through

September 20, 2024. The School District utilized the funds to offset the cost of addressing learning losses and other General Fund expenditures.

The State distributed a portion of CARES Act funding under the Coronavirus Relief Fund (CRF) to K-12 schools for use in Fiscal Year 2021. The School District received \$369,451 in total additional funds in Fiscal Year 2021. Such CRF funds were to be used for expenditures incurred due to the COVID-19 pandemic, for expenses beginning March 1, 2020 through December 30, 2021.

The amounts of the reductions in State Education Aid and in any of its local tax sources, additional grant assistance received as well as both Pandemic-related expenses and operational cost savings resulting from the temporary school closures experienced by the School District during the pendency of the Pandemic, if any, are reflected in the information provided in this Annual Information Filing. See, e.g., **State School Funding System** and **Appendices A and B**.

The Pandemic's full effect on the School District's finances and operations, including on subsequent levels of State Education Aid and other State and federal assistance, and on the collection of local taxes, cannot be fully known.

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CONCLUDING STATEMENT

To the extent that any statements made in this Official Statement involve matters of opinion or estimates, whether or not expressly stated to be such, they are made as such and not as representations of fact or certainty and no representation is made that any of those statements have been or will be realized. Information in this Official Statement has been derived by the School District from official and other sources and is believed by the School District to be accurate and reliable. Information other than that obtained from official records of the School District has not been independently confirmed or verified by the District and its accuracy is not guaranteed.

Neither this Official Statement nor any statement that may have been or that may be made orally or in writing is to be construed as or as part of a contract with the original purchasers or subsequent holders or Beneficial Owners of the Bonds.

This Official Statement has been prepared and delivered by the School District and signed for and on behalf of the Board and the School District by the officials identified below.

NORTH RIDGEVILLE CITY SCHOOL DISTRICT, OHIO

By: _____
President, Board of Education

Superintendent

Treasurer, Board of Education

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DEBT TABLE A

Principal Amounts of Outstanding General Obligation (GO) Debt; Leeway for Additional Debt within Direct Debt Limitations^(a)

A.	Total debt (including the Bonds):			\$189,780,658
B.	Exempt debt:			\$ 48,279,178 ^(b)
C.	Total nonexempt debt [A minus B]:			\$141,501,480
D.	Unvoted debt limitations:	1% of tax (assessed) valuation	1/10th of 1% of tax (assessed) valuation	9/10ths of 1% of tax (assessed) valuation
		\$15,722,386	\$ 1,572,238	\$ 14,150,148
E.	Total nonexempt limited tax bonds and notes outstanding:			
	Bonds	\$ 0	\$ 0	\$ 0
	Notes	0	0	0
F.	Debt leeway within unvoted debt limitations [D minus E]:	\$15,722,386*	\$ 1,572,238*	\$ 14,150,148*
G.	9% of tax (assessed) valuation (voted and unvoted debt limitation):			\$141,501,480
H.	Total nonexempt bonds and notes outstanding:			
	Bonds (including the Bonds)		\$141,501,148	
	Notes		\$ 0	\$141,501,148
I.	Debt leeway within 9% debt limitation [G minus H]:			\$ 0 ^{*(b)}

* Debt leeway in this table determined without considering money in the Bond Retirement Fund.

- (a) The School District's current tax (assessed) valuation for purposes of determining its direct debt limitations is \$1,572,238,670. See **School District Debt and Other Long-Term Obligations – Statutory Direct Debt Limitations**.
- (b) Pursuant to Section 133.06(I) of the Revised Code, a school district may incur net indebtedness in excess of the 9% limitation when necessary to raise the school district's portion of the basic project cost and any additional funds necessary to participate in a project under Chapter 3318 of the Revised Code, including the cost of items designated by the Ohio School Facilities Commission as required locally funded initiatives, the cost of other locally funded initiatives in an amount that does not exceed 50% of the school district's portion of the basic project cost, and the cost for site acquisition. As a result, any portion of the otherwise nonexempt debt authorized by the School District's voters at the election on November 7, 2023, in excess of the 9% limitation is exempted from that limitation.

DEBT TABLE B

Various School District and Overlapping GO Debt Allocations (Principal Amounts)

	Amount	Per Capita(a)	% of School District's Current Assessed Valuation(b)
District Nonexempt GO Debt	\$141,501,480	\$3,925.91	9.0%
Total School District GO Debt (exempt and nonexempt)	189,780,658	5,265.40	12.1
Highest Total Overlapping GO Debt(c)	235,398,735	6,531.05	14.9

(a) Based on 2023 (estimated for School District) population of 36,043.

(b) School District's current assessed valuation is \$1,572,238,670.

(c) Includes, in addition to "Total School District GO Debt," allocations of total GO debt of overlapping debt issuing subdivisions (as of December 16, 2025), resulting in the calculation of highest total overlapping debt based on percent of tax (assessed) valuation of territory of the subdivisions located within the School District (% figures are resulting percent of total debt of subdivisions allocated to the School District in this manner), as follows:

\$ 10,376,328 County (13.28%);
\$ 35,125,000 City (100%); and
\$ 116,749 Lorain County Career Center 14.83%).

Source of tax (assessed) valuation and confirmation of GO debt figures for overlapping subdivisions: OMAC*.

*Ohio Municipal Advisory Council (OMAC) compiles information from official and other sources. OMAC believes the information it compiles is accurate and reliable, but OMAC does not independently confirm or verify the information and does not guaranty its accuracy. OMAC has not reviewed this Annual Information Filing to confirm that the information attributed to it is information provided by OMAC or for any other purpose.

DEBT TABLE C

Debt Charges Requirements on School District GO Debt

Year	The Bonds*	Outstanding Bonds	Total, All payable from Unlimited Ad Valorem Taxes*
2026	\$1,234,125.52	\$10,017,106.25	\$11,251,231.77
2027	1,289,087.50	10,036,556.25	11,325,643.75
2028	1,288,087.50	9,961,056.25	11,249,143.75
2029	1,286,587.50	9,985,106.25	11,271,693.75
2030	1,289,587.50	10,015,256.25	11,304,843.75
2031	1,286,837.50	10,098,856.25	11,385,693.75
2032	1,288,587.50	10,123,493.75	11,412,081.25
2033	1,284,587.50	10,141,131.25	11,425,718.75
2034	1,285,087.50	10,216,718.75	11,501,806.25
2035	1,284,837.50	10,577,643.75	11,862,481.25
2036	1,288,837.50	10,618,018.75	11,906,856.25
2037	1,286,837.50	10,724,593.75	12,011,431.25
2038	1,289,087.50	10,763,518.75	12,052,606.25
2039	1,285,337.50	10,842,031.25	12,127,368.75
2040	1,285,837.50	10,961,181.25	12,247,018.75
2041	1,285,337.50	11,002,731.25	12,288,068.75
2042	1,288,837.50	11,047,031.25	12,335,868.75
2043	1,286,087.50	11,173,381.25	12,459,468.75
2044	1,287,337.50	11,212,931.25	12,500,268.75
2045	1,287,337.50	11,258,431.25	12,545,768.75
2046	1,286,087.50	11,381,356.25	12,667,443.75
2047	1,288,587.50	11,428,012.50	12,716,600.00
2048	1,284,587.50	7,290,262.50	8,574,850.00
2049	1,284,337.50	7,292,075.00	8,576,412.50
2050	1,287,587.50	7,291,668.75	8,579,256.25
2050	1,289,087.50	7,293,825.00	8,582,912.50
2051	1,288,837.50	7,290,962.50	8,579,800.00
2052	1,286,837.50	7,291,550.00	8,578,387.50
2053	1,288,087.50	7,294,800.00	8,582,887.50
2054	1,287,337.50	7,294,925.00	8,582,262.50
2055	1,287,450.00	7,293,375.00	8,580,825.00
2056	1,285,200.00	7,291,150.00	8,576,350.00
2057	1,285,587.50	7,292,425.00	8,578,012.50
2058	1,288,350.00	7,292,250.00	8,580,600.00
2059	1,288,225.00	7,294,700.00	8,582,925.00
2060	1,285,212.50	7,294,100.00	8,579,312.50
2062	1,289,312.50	0.00	1,289,312.50

* Assumes the Bonds have estimated interest rates ranging from 5.000% to 5.250%; subject to change, based on actual sale.

DEBT TABLE D

Outstanding GO Bonds and Special Obligation (Non-GO) Debt

Outstanding General Obligation Bonds				
The following debt is reflected in Debt Tables A, B and C .				
Issue	Date of Issuance	Final Maturity	Original Principal Amount	Outstanding Principal Amount
School Facilities Improvement Refunding Bonds, Series 2016	11/29/2016	2038	\$ 8,120,658	\$ 7,655,658
School Facilities Improvement Refunding Bonds, Series 2017	12/28/2017	2047	34,829,286	31,260,000
School Facilities Improvement Refunding Bonds, Series 2021	09/08/2021	2034	8,000,000	7,855,000
School Improvement Bonds, Series 2024	06/25/2024	2061	121,845,000	121,840,000
The Bonds*	12/16/2025	2062	21,170,000	21,170,000

* Preliminary, subject to change.

APPENDIX A

Historical Revenues and Expenditures General Operating Funds for Fiscal Years 2021 through 2025 and Forecasted for Fiscal Year 2026(a)(b)(c)

The figures in the table below are based on the School District's five-year financial forecasts as reported to the State as required by Section 5705.391 of the Revised Code (the most recent of which was last updated in October 2025).

	2021	2022	2023	2024	2025	Forecasted 2026
Revenues:						
General Property Tax (Real Estate)(d)	\$25,388,266	\$27,544,914	\$30,088,120	\$31,920,196	\$34,102,745	\$37,526,882(h)
Tangible Personal Property Tax	960,500	999,076	898,015	0	978,814	1,284,392
Unrestricted Grants-in-Aid(e)	12,537,959	11,224,841	11,565,090	11,434,841	11,476,606	11,705,272
Restricted Grants-in-Aid(e)	361,733	1,197,951	1,147,289	1,343,709	1,200,868	982,655
Property Tax Allocation	3,884,934	4,174,802	4,475,389	4,602,970	5,087,803	5,600,731
All Other Revenues(f)	2,568,802	4,179,924	3,350,157	3,702,766	4,775,818	4,252,031
Total Revenues	\$45,702,195	\$49,321,508	\$51,524,060	\$53,004,482	\$57,622,653	\$61,351,963
Other Financing Sources:						
Proceeds from Sale of Notes	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Operating Transfers – In	1,600,000	0	0	0	0	0
Advances – In	1,681,254	0	0	0	0	0
All Other Financing Sources	40,480	104,819	85,850	34,023	33,889	38,649
Total Other Financing Sources	3,321,734	104,819	85,850	34,023	33,889	38,649
Total Revenues and Other Financing Sources	\$49,023,929	\$49,426,327	\$51,609,910	\$53,038,505	\$57,656,542	\$61,390,612
Expenditures:						
Personal Services	\$26,146,611	\$29,483,590	\$29,283,001	\$32,704,417	\$34,667,423	\$36,278,701
Employees' Retirement/Insurance Benefits	8,822,240	9,149,326	9,969,013	10,729,864	11,481,461	12,510,428
Purchased Services(f)	7,210,647	5,881,356	6,191,880	6,134,372	6,539,723	6,971,658
Supplies and Materials	1,242,194	1,512,338	1,399,431	1,936,232	1,800,922	1,827,986
Capital Outlay	463,914	1,553,585	1,043,543	416,717	392,234	342,693
Debt Service: Principal – Other	0	0	0	0	0	0
Debt Service – Interest	0	0	0	0	0	0
Other Objects	788,424	1,300,659	1,450,879	1,579,938	1,456,562	1,427,710
Total Expenditures	\$44,674,030	\$48,880,854	\$49,337,747	\$53,501,540	\$56,338,326	\$59,359,177
Other Financing Uses:						
Operating Transfers – Out	\$ 2,891,633	\$ 0	\$ 0	\$ 0	\$ 6,500,000(g)	\$ 0
Advances – Out	0	0	0	0	0	0
All Other Financing Uses	102	0	0	0	0	0
Total Other Financing Uses	\$ 2,891,735	0	0	0	0	0
Total Expenditures and Other Financing Uses	\$47,565,765	\$48,880,854	\$49,337,747	\$53,501,540	\$62,838,326	\$59,359,177
Excess of Rev & Other Financing Sources over (under) Expenditures and Other Financing Uses	\$ 1,458,164	\$ 545,473	\$ 2,272,163	\$ (463,035)	\$(5,181,784)	\$ 2,031,435
Cash Balance July 1 – Excl Proposed Renewal/ Replacement and New Levies	\$23,215,961	\$24,674,125	\$25,219,598	\$27,491,761	\$27,028,726	\$21,846,942
Cash Balance June 30	\$24,674,125	\$25,219,598	\$27,491,761	\$27,028,726	\$21,846,942	\$23,878,377

(a) Numbers may not foot due to rounding.

(b) See **COVID-19 Pandemic**.

(c) See **Financial Matters –Financial Forecast**.

(d) See **Ad Valorem Property Taxes – Considerations Regarding Real Property Tax Reform**.

(e) Increase in "Restricted Grants-in-Aid" is due primarily to an adjustment in State reporting standards, commencing in Fiscal Year 2022, requiring that receipt of certain State Education Aid, including but not limited to, Disadvantaged Pupil Impact Aid, Career Technical, Gifted Students, English Learners and Student

Wellness and Success funding, be reflected in “Restricted Grants-in-Aid” instead of in “Unrestricted Grants-in-Aid,” as was the case in prior Fiscal Years; “Unrestricted Grants-in-Aid” amounts also reflect a correlated decrease.

- (f) Until Fiscal Year 2022, State funding relating to open enrollment, charter schools and certain scholarship programs was provided to the School District (included under “All Other Operating Revenues”), then diverted directly to the receiving institution (reflected in “Purchased Services”). Due to changes in state school funding in the State Budget Act, beginning in Fiscal Year 2022, the State now pays those funds directly to the educating institution and they are no longer reflected in the School District’s Financial Forecast. See **The School System – Enrollment – Charters Schools; Tuition Vouchers and State School Funding System.**
- (g) Reflects transfer to Capital Projects Fund. See also **Exhibit B-2.** Pursuant to Section 5705.13(C) of the Revised Code, the Board, by resolution, may rescind the Capital Projects Fund and in that event the money in the Capital Projects Fund may be transferred back to the fund or funds from which the money originally was transferred, i.e., the General Fund.
- (h) Does not reflect the anticipated loss of revenue due to the County’s “piggyback” Homestead Exemption and Owner-Occupancy Credit. See **Ad Valorem Property Taxes – Collections.**

APPENDIX B-1

Financial Report (Cash Basis All-Funds Summary) for Fiscal Year 2024(a)

DESCRIPTION	BEGINNING BALANCE	RECEIPTS	EXPENDITURES	ENDING BALANCE
General	\$27,491,759	\$ 53,038,506	\$53,501,539	\$ 27,028,726
Bond Retirement	2,056,726	25,967,553	4,053,743	23,970,536
Permanent Improvement	961,811	884,000	665,421	1,180,390
Building	77,124	124,968,542	2,986,790	122,058,876
Food Service	1,567,485	1,640,039	1,727,112	1,480,412
Trust Funds	7,644	23	1,000	6,667
Uniform School Supplies	3,705	0	3,503	202
Classroom Facilities	3,288,336	120,687	3,409,023	0
Public School Support	206,691	352,687	319,942	239,436
Other Grants	66,227	85,814	80,405	71,636
District Agency Fund	23,098	31,031	20,533	33,595
Employee Benefits Self Ins	35,785	0	35,785	0
Classroom Facility Maintenance	626,152	162,027	348,537	439,642
Student Managed Activity	103,654	136,554	113,484	126,724
Athletic and Music	98,539	440,151	321,509	217,181
Auxiliary Services	31,808	281,712	276,192	37,328
Misc. State Grants	24,533	44,027	48,254	20,306
ESSER	11,051	308,292	319,343	0
IDEA Part B	0	1,096,490	1,094,669	1,821
Limited English Proficiency	0	2,274	2,274	0
Title I Disadvantage Children	1,035	392,617	392,681	970
IDEA Preschool	0	33,207	33,207	0
Title IV	0	51,902	51,902	0
Improving Teacher Quality	11,798	73,977	85,000	775
Misc. Federal Grants	233,880	18,0472	413,364	988
Total	\$36,928,839	\$210,292,583	\$70,305,212	\$176,916,211

(a) Numbers may not foot due to rounding.

APPENDIX B-2

Financial Report (Cash Basis All-Funds Summary) for Fiscal Year 2025(a)

DESCRIPTION	BEGINNING BALANCE	RECEIPTS	EXPENDITURES	ENDING BALANCE
General	\$ 27,028,726	\$ 57,656,542	\$ 62,838,326	\$ 21,846,942
Bond Retirement	23,970,536	11,341,515	25,189,861	10,122,189
Permanent Improvement	1,180,390	892,739	302,173	1,770,957
Building	122,058,876	4,147,108	6,272,471	119,933,513
Food Service	1,480,412	1,565,981	1,769,290	1,277,104
Trust Funds	6,667	0	0	6,667
Uniform School Supplies	202	0	202	0
Public School Support	239,436	437,450	362,891	313,994
Other Grants	71,636	69,789	57,607	83,817
District Agency Fund	33,595	17,391	11,838	39,148
Classroom Facility Maintenance	439,642	162,027	306,125	295,544
Capital Projects	0	6,500,000(b)	0	6,500,000
Student Managed Activity	126,724	130,796	120,223	137,296
Athletic and Music	217,181	532,637	643,616	106,203
Auxiliary Services	37,328	309,567	274,119	72,776
Misc. State Grants	20,306	59,996	0	80,302
IDEA Part B	1,821	967,800	1,133,463	(163,841)
Limited English Proficiency	0	4,169	4,165	4
Title I Disadvantage Children	970	411,396	495,483	(83,116)
Drug Free School Grant	0	35,002	35,002	0
IDEA Preschool	0	33,465	33,465	0
Improving Teacher Quality	775	84,603	101,945	(16,567)
Misc. Federal Grants	988	16,745	17,733	0
Total	\$176,916,211	\$85,376,719	\$99,969,999	\$162,322,931

(a) Numbers may not foot due to rounding.

(b) See **Appendix A**.

APPENDIX C

Audited Basic Financial Statements from the School District's Financial Report for Fiscal Year 2024

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OHIO AUDITOR OF STATE KEITH FABER

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

INDEPENDENT AUDITOR'S REPORT

North Ridgeville City School District
Lorain County
34620 Bainbridge Road
North Ridgeville, Ohio 44039

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 North Ridgeville City School District, Lorain County, Ohio (the District), as of and for the year ended June 30, 2024, 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 North Ridgeville City School District, Lorain County, Ohio, as of June 30, 2024, and the respective changes in financial position and, where applicable, cash flows thereof 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 3 to the financial statements, during fiscal year 2024, the District restated the June 30, 2023 net position of its Governmental Activities to reflect adjustments made to compensated absences, capital assets, and accretion on capital appreciation bonds. Additionally, as noted in Note 3 to the financial statements, the District changed the classification of both the Bond Retirement Fund and Building Fund from nonmajor to major in 2024. Our opinion is not modified with respect to these matters.

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have issued our report dated October 16, 2025, 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
Ohio Auditor of State



Tiffany L. Ridenbaugh, CPA, CFE, CGFM
Chief Deputy Auditor

October 16, 2025

**NORTH RIDGEVILLE CITY SCHOOL DISTRICT
LORAIN COUNTY, OHIO**

STATEMENT OF NET POSITION
JUNE 30, 2024

	Governmental Activities
Assets:	
Equity in pooled cash and investments	\$ 176,285,723
Receivables:	
Property taxes	44,332,643
Payment in lieu of taxes	858,749
Accrued interest	219,720
Intergovernmental	181,522
Prepayments	69,207
Net OPEB asset	3,555,617
Capital assets:	
Nondepreciable/amortized capital assets	4,088,821
Depreciable/amortized capital assets, net	55,785,507
Capital assets, net	<u>59,874,328</u>
Total assets	<u>285,377,509</u>
Deferred outflows of resources:	
Unamortized deferred charges on debt refunding	2,762,398
Pension	12,174,299
OPEB	2,825,272
Total deferred outflows of resources	<u>17,761,969</u>
Liabilities:	
Accounts payable	298,868
Contracts payable	1,313,265
Accrued wages and benefits payable	5,460,866
Intergovernmental payable	233,167
Pension and postemployment benefits payable	1,091,839
Accrued interest payable	650,637
Notes payable	820,000
Long-term liabilities:	
Due within one year	1,182,990
Due in more than one year:	
Net pension liability	50,883,324
Net OPEB liability	3,521,361
Other amounts due in more than one year	194,567,973
Total liabilities	<u>260,024,290</u>
Deferred inflows of resources:	
Property taxes levied for the next fiscal year	41,435,491
Payment in lieu of taxes levied for the next fiscal year	631,394
Unamortized deferred charges on debt refunding	1,023,830
Pension	2,955,348
OPEB	5,896,797
Total deferred inflows of resources	<u>51,942,860</u>
Net position:	
Net investment in capital assets	3,569,449
Restricted for:	
Debt service	7,904,925
Permanent improvements	440,332
Capital projects	3,127,959
Classroom facilities maintenance	416,071
Food service operations	1,279,588
Extracurricular activities	323,927
Other local grants	63,928
State funded programs	20,306
OPEB	3,555,617
Unrestricted (deficit)	(29,529,774)
Total net position (deficit)	<u>\$ (8,827,672)</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**NORTH RIDGEVILLE CITY SCHOOL DISTRICT
LORAIN COUNTY, OHIO**

STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

			Program Revenues		Net (Expense) Revenue and Changes in Net Position
		Charges for Services and Sales	Operating Grants, Contributions and Interest	Capital Grants and Contributions	Governmental
Governmental activities:	Expenses				Activities
Instruction:					
Regular	\$ 27,675,417	\$ 1,226,819	\$ 1,560,824	\$ -	\$ (24,887,774)
Special	12,173,781	127,254	1,631,049	-	(10,415,478)
Vocational	211,317	-	7,836	-	(203,481)
Other	49,441	-	-	-	(49,441)
Support services:					
Pupil	3,818,579	251,908	396,044	-	(3,170,627)
Instructional staff	1,768,116	-	204,886	-	(1,563,230)
Board of education	260,380	-	-	-	(260,380)
Administration	3,616,516	-	-	-	(3,616,516)
Fiscal	1,561,903	-	-	-	(1,561,903)
Business	538,919	-	-	-	(538,919)
Operations and maintenance	4,426,444	13,366	44,027	367,713	(4,001,338)
Pupil transportation	4,105,415	6,539	515,086	-	(3,583,790)
Central	1,303,729	-	3,495	-	(1,300,234)
Operation of non-instructional services:					
Food service operations	1,788,023	953,406	775,544	-	(59,073)
Other non-instructional services	350,348	550,935	336,972	-	537,559
Extracurricular activities	1,223,840	-	222,771	-	(1,001,069)
Interest and fiscal charges	3,522,014	-	-	-	(3,522,014)
Totals	\$ 68,394,182	\$ 3,130,227	\$ 5,698,534	\$ 367,713	(59,197,708)

General revenues:

Property taxes levied for:	
General purposes	30,957,744
Debt service	7,534,580
Capital projects	642,062
Classroom facilities maintenance	162,027
Payments in lieu of taxes	1,086,104
Grants and entitlements not restricted to specific programs	15,691,912
Investment earnings	518,156
Miscellaneous	325,184
Total general revenues	56,917,769

Change in net position (2,279,939)

**Net position (deficit) at beginning of
year, as previously reported** (5,845,809)

Adjustment for capital asset
beginning balance restatement (2,479,767)

Adjustment for long-term obligation
beginning balance restatement 1,777,843

**Net position (deficit) at beginning
of year (restated)** (6,547,733)

Net position (deficit) at end of year \$ (8,827,672)

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**NORTH RIDGEVILLE CITY SCHOOL DISTRICT
LORAIN COUNTY, OHIO**

BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2024

	General	Bond Retirement	Building	Nonmajor Governmental Funds	Total Governmental Funds
Assets:					
Equity in pooled cash and investments	\$ 26,670,896	\$ 23,065,549	\$ 122,963,587	\$ 3,585,691	\$ 176,285,723
Receivables:					
Property taxes	32,661,488	10,284,623	-	1,386,532	44,332,643
Payment in lieu of taxes	858,749	-	-	-	858,749
Accrued interest	135,849	-	83,871	-	219,720
Intergovernmental	68,127	-	-	113,395	181,522
Prepayments	67,746	-	-	1,461	69,207
Total assets	<u>\$ 60,462,855</u>	<u>\$ 33,350,172</u>	<u>\$ 123,047,458</u>	<u>\$ 5,087,079</u>	<u>\$ 221,947,564</u>
Liabilities:					
Accounts payable	\$ 219,901	\$ -	\$ -	\$ 78,967	\$ 298,868
Contracts payable	-	-	1,313,265	-	1,313,265
Accrued wages and benefits payable	5,204,868	-	-	255,998	5,460,866
Matured compensated absences payable	15,522	-	-	-	15,522
Intergovernmental payable	224,582	-	-	8,585	233,167
Pension obligation and postemployment benefits payable	1,046,940	-	-	44,899	1,091,839
Accrued interest payable	-	-	-	1,315	1,315
Notes payable	-	-	-	820,000	820,000
Total liabilities	<u>6,711,813</u>	<u>-</u>	<u>1,313,265</u>	<u>1,209,764</u>	<u>9,234,842</u>
Deferred inflows of resources:					
Property taxes levied for the next fiscal year	30,458,430	9,674,464	-	1,302,597	41,435,491
Payment in lieu of taxes levied for the next fiscal year	631,394	-	-	-	631,394
Delinquent property tax revenue not available	398,676	112,722	-	15,335	526,733
Intergovernmental revenue not available	-	-	-	113,395	113,395
Accrued interest not available	63,905	-	27,250	-	91,155
Total deferred inflows of resources	<u>31,552,405</u>	<u>9,787,186</u>	<u>27,250</u>	<u>1,431,327</u>	<u>42,798,168</u>
Fund balances:					
Nonspendable:					
Prepays	67,746	-	-	1,461	69,207
Restricted:					
Debt service	-	23,562,986	-	-	23,562,986
Permanent improvements	-	-	-	424,997	424,997
Capital projects	-	-	121,706,943	-	121,706,943
Classroom facilities maintenance	-	-	-	416,071	416,071
Food service operations	-	-	-	1,308,756	1,308,756
Extracurricular activities	-	-	-	323,927	323,927
Other local grants	-	-	-	63,928	63,928
State funded programs	-	-	-	20,306	20,306
Assigned:					
Student instruction	132,615	-	-	-	132,615
Student and staff support	573,787	-	-	-	573,787
Subsequent year appropriations	5,034,218	-	-	-	5,034,218
Unassigned (deficit)	<u>16,390,271</u>	<u>-</u>	<u>-</u>	<u>(113,458)</u>	<u>16,276,813</u>
Total fund balances	<u>22,198,637</u>	<u>23,562,986</u>	<u>121,706,943</u>	<u>2,445,988</u>	<u>169,914,554</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 60,462,855</u>	<u>\$ 33,350,172</u>	<u>\$ 123,047,458</u>	<u>\$ 5,087,079</u>	<u>\$ 221,947,564</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**NORTH RIDGEVILLE CITY SCHOOL DISTRICT
LORAIN COUNTY, OHIO**

RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO
NET POSITION OF GOVERNMENTAL ACTIVITIES
JUNE 30, 2024

Total governmental fund balances			\$ 169,914,554
<i>Amounts reported for governmental activities on the statement of net position are different because:</i>			
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.			59,874,328
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred inflows in the funds.			
Property taxes receivable	\$ 526,733		
Accrued interest receivable	91,155		
Intergovernmental receivable	113,395		
Total		<u>731,283</u>	
Unamortized premiums on bonds issued are not recognized in the funds.			(8,887,273)
Unamortized amounts on refundings are not recognized in the funds.			1,738,568
Accrued interest payable is not due and payable in the current period and therefore is not reported in the funds.			(649,322)
The net pension/OPEB assets and liabilities are not due and payable in the current period; therefore, the assets, liabilities and related deferred inflows/outflows are not reported in governmental funds.			
Deferred outflows - pension	12,174,299		
Deferred inflows - pension	(2,955,348)		
Net pension liability	(50,883,324)		
Deferred outflows - OPEB	2,825,272		
Deferred inflows - OPEB	(5,896,797)		
Net OPEB asset	3,555,617		
Net OPEB liability	(3,521,361)		
Total		<u>(44,701,642)</u>	
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.			
General obligation bonds	(170,175,000)		
Capital appreciation bonds	(21,534)		
Accretion of interest - capital appreciation bonds	(121,461)		
Bond anticipation notes	(15,000,000)		
Financed purchases	(82,742)		
Compensated absences	(1,447,431)		
Total		<u>(186,848,168)</u>	
Net position of governmental activities			<u>\$ (8,827,672)</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**NORTH RIDGEVILLE CITY SCHOOL DISTRICT
LORAIN COUNTY, OHIO**

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	General	(Formerly Nonmajor) Bond Retirement	(Formerly Nonmajor) Building	Nonmajor Governmental Funds	Total Governmental Funds
Revenues:					
Property taxes	\$ 31,523,703	\$ 7,515,958	\$ -	\$ 827,154	\$ 39,866,815
Payment in lieu of taxes	1,086,104	-	-	-	1,086,104
Intergovernmental	17,478,850	155,272	-	3,352,000	20,986,122
Investment earnings	454,251	-	337,531	51,676	843,458
Tuition and fees	1,298,769	-	-	-	1,298,769
Extracurricular	461,210	-	-	372,430	833,640
Rental income	13,366	-	-	24,380	37,746
Charges for services	18,836	-	-	953,406	972,242
Contributions and donations	24,229	-	-	226,130	250,359
Miscellaneous	300,955	-	-	3,885	304,840
Total revenues	<u>52,660,273</u>	<u>7,671,230</u>	<u>337,531</u>	<u>5,811,061</u>	<u>66,480,095</u>
Expenditures:					
Current:					
Instruction:					
Regular	25,716,666	-	-	471,751	26,188,417
Special	10,913,274	-	-	1,495,897	12,409,171
Vocational	220,420	-	-	-	220,420
Other	51,605	-	-	-	51,605
Support services:					
Pupil	3,874,097	-	-	41,849	3,915,946
Instructional staff	1,572,829	-	-	204,396	1,777,225
Board of education	265,271	-	-	-	265,271
Administration	3,610,638	-	-	-	3,610,638
Fiscal	1,367,672	102,422	-	99,261	1,569,355
Business	519,811	-	-	-	519,811
Operations and maintenance	3,159,930	-	-	707,440	3,867,370
Pupil transportation	3,694,583	-	-	-	3,694,583
Central	1,335,494	-	-	-	1,335,494
Operation of non-instructional services:					
Food service operations	-	-	-	1,848,065	1,848,065
Other non-instructional services	-	-	-	355,029	355,029
Extracurricular activities	769,246	-	-	479,937	1,249,183
Facilities acquisition and construction	-	-	3,395,069	669,711	4,064,780
Debt service:					
Principal retirement	-	536,446	-	-	536,446
Interest and fiscal charges	-	1,842,316	-	5,369	1,847,685
Bond and note issuance costs	-	953,992	-	-	953,992
Accretion on capital appreciation bonds	-	1,286,533	-	-	1,286,533
Total expenditures	<u>57,071,536</u>	<u>4,721,709</u>	<u>3,395,069</u>	<u>6,378,705</u>	<u>71,567,019</u>
Excess of (deficiency) of revenues over (under) expenditures	<u>(4,411,263)</u>	<u>2,949,521</u>	<u>(3,057,538)</u>	<u>(567,644)</u>	<u>(5,086,924)</u>
Other financing sources (uses):					
Premium on sale of bonds and notes	-	3,336,868	-	-	3,336,868
Sale of bonds	-	15,000,000	106,845,000	-	121,845,000
Sale of notes	-	-	15,000,000	-	15,000,000
Transfers in	-	-	2,842,357	237,021	3,079,378
Transfers (out)	-	(237,021)	-	(2,842,357)	(3,079,378)
Total other financing sources (uses)	<u>-</u>	<u>18,099,847</u>	<u>124,687,357</u>	<u>(2,605,336)</u>	<u>140,181,868</u>
Net change in fund balances	(4,411,263)	21,049,368	121,629,819	(3,172,980)	135,094,944
Fund balances as previously reported	26,609,900	-	-	8,209,710	34,819,610
Adjustment - changes in nonmajor fund to major funds	<u>-</u>	<u>2,513,618</u>	<u>77,124</u>	<u>(2,590,742)</u>	<u>-</u>
Fund balances at beginning of year, as adjusted	<u>26,609,900</u>	<u>2,513,618</u>	<u>77,124</u>	<u>5,618,968</u>	<u>34,819,610</u>
Fund balances at end of year	<u>\$ 22,198,637</u>	<u>\$ 23,562,986</u>	<u>\$ 121,706,943</u>	<u>\$ 2,445,988</u>	<u>\$ 169,914,554</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**NORTH RIDGEVILLE CITY SCHOOL DISTRICT
LORAIN COUNTY, OHIO**

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

Net change in fund balances - total governmental funds \$ 135,094,944

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

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

Capital asset additions	\$ 4,163,844	
Current year depreciation/amortization	(2,991,331)	
Total		1,172,513

The net effect of various miscellaneous transactions involving capital assets (i.e., sales, disposals, trade-ins, and donations) is to decrease net position. (131,668)

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

Property taxes	(570,402)	
Earnings on investments	91,155	
Intergovernmental	113,395	
Total		(365,852)

Repayment of principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities on the statement of net position.

General obligation bonds	70,000	
Capital appreciation bonds	303,467	
Accreted interest on capital appreciation bonds	1,286,533	
Financed purchase	162,979	
Total		1,822,979

Issuance of bonds and notes are reported as other financing sources in the funds; however, in the statement of activities, they are not reported as other financing sources as they increase liabilities on the statement of net position. (136,845,000)

Premiums on bonds are amortized over the life of the issuance in the statement of activities. (3,336,868)

Governmental funds report expenditures for interest when it is due. In the statement of activities, interest expense is recognized as the interest accrues, regardless of when it is due. The following items resulted in additional interest being reported in the statement of activities:

Change in accrued interest payable	(495,922)	
Accreted interest on capital appreciation bonds	(545,748)	
Amortization of bond premiums	341,375	
Amortization of deferred charges on refunding loss	(117,549)	
Amortization of deferred charges on refunding gain	97,507	
Total		(720,337)

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

Pension	5,162,553	
OPEB	149,796	
Total		5,312,349

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

Pension	(5,611,960)	
OPEB	1,480,489	
Total		(4,131,471)

Some expenses reported in the statement of activities, compensated absences, do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. (115,743)

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

(35,785)

Change in net position of governmental activities \$ (2,279,939)

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**NORTH RIDGEVILLE CITY SCHOOL DISTRICT
LORAIN COUNTY, OHIO**

STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION
PROPRIETARY FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Governmental Activities - Internal Service Fund
Operating expenses:	
Purchased services	<u>\$ 35,785</u>
Change in net position	(35,785)
Net position at beginning of year	<u>35,785</u>
Net position at end of year	<u><u>\$ -</u></u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**NORTH RIDGEVILLE CITY SCHOOL DISTRICT
LORAIN COUNTY, OHIO**

**STATEMENT OF CASH FLOWS
PROPRIETARY FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	Governmental Activities - Internal Service Fund
Cash flows from operating activities:	
Cash payments for purchased services	<u>\$ (35,785)</u>
Net cash used in operating activities	<u>(35,785)</u>
Net (decrease) in cash and investments	(35,785)
Cash and investments at beginning of year	<u>35,785</u>
Cash and investments at end of year	<u><u>\$ -</u></u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**NORTH RIDGEVILLE CITY SCHOOL DISTRICT
LORAIN COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

NOTE 1 - DESCRIPTION OF THE SCHOOL DISTRICT

The North Ridgeville City School District (the “School District”) was established for the purpose of exercising the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The School District is a city school district as defined by Section 3311.03 of the Ohio Revised Code. The School District operates under an elected Board of Education consisting of five members and is responsible for providing public education to residents of the School District. Average daily membership on, or as of, June 30, 2024 was 4,443. The School District employs 333 certificated staff members and 263 non-teaching and support staff employees.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. 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. For the School District, this includes general operations, food service, and student related activities of the School District.

Within the School District boundaries, there are various nonpublic schools. Current State legislation provides funding to these nonpublic schools. These monies are received and disbursed by the School District on behalf of the nonpublic schools by the Treasurer of the School District, as directed by the nonpublic schools. These transactions are reported as a governmental activity of the School District.

Component units are legally separate organizations for which the School District is financially accountable. The School District is financially accountable for an organization if the School District appoints a voting majority of the organizations' 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 provided financial support to the organization; or the School District is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the School District in that the School District approves the budget, the issuance of debt, or the levying of taxes. The School District has no component units.

The School District is associated with Connect, the Lorain County Joint Vocational School District, and the Ohio School Council Association which are considered to be jointly governed organizations. The School District also participates in a public risk pool managed by the Ohio Schools Boards Association Workers' Compensation Group Rating Program. These organizations and their relationships with the School District are described in more detail in Notes 9 and 15 to these financial statements.

B. Basis of Presentation

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

Government-wide Financial Statements - The statement of net position and the statement of activities display information about the School District as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The activity of the internal service fund is eliminated to avoid “doubling up” revenues and expenses.

**NORTH RIDGEVILLE CITY SCHOOL DISTRICT
LORAIN COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

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 for 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. Revenues which are not classified as program revenues are presented as general revenues of the School District, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the School District.

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

C. Fund Accounting

The School District uses funds to maintain its financial records during the fiscal year. Fund accounting is designed to demonstrate legal compliance and to aid management by segregating transactions related to certain School District functions or activities. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The various funds of the School District are grouped into the categories governmental, proprietary, and fiduciary.

GOVERNMENTAL FUNDS

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

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.

Bond retirement Fund - The bond retirement fund is used to account for the accumulation of restricted resources and payment of general obligation bond principal, interest and related costs.

Building Fund - The building fund is used to account for the receipts and disbursements related to all special bond funds in the School District. All proceeds from the sale of bonds, notes, or certificates of indebtedness, except premium and accrued interest, must be paid into this fund. Disbursements recorded in the fund represent the costs of acquiring capital facilities including real property.

**NORTH RIDGEVILLE CITY SCHOOL DISTRICT
LORAIN COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

Other governmental funds of the School District are used to account for:

Nonmajor special revenue funds - Special revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted to expenditure for specified purposes other than debt service or capital projects.

Nonmajor capital projects funds - Capital projects funds are used to account for and report financial resources that are restricted to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets.

PROPRIETARY FUNDS

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

Internal Service Fund – the internal service fund accounts for the financing of services provided by one department or agency to other departments or agencies of the School District on a cost reimbursement basis. The School District's internal service fund accounts for the activities of the medical insurance.

D. Measurement Focus

Government-wide Financial Statements - The government-wide financial statements are prepared using the economic resources measurement focus. All assets and deferred outflows of resources and all liabilities and deferred inflows of resources associated with the operation of the School District are included on the Statement of Net Position. The Statement of Activities presents increases (revenues) and decreases (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 along with current liabilities and deferred inflows of resources generally are included on the balance sheet. The statement of revenues, expenditures and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include reconciliations with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

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

E. Basis of Accounting

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

**NORTH RIDGEVILLE CITY SCHOOL DISTRICT
LORAIN COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

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

Nonexchange transactions, in which the School District receives value without directly giving equal value in return, include property taxes, grants, entitlements, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied (See Note 5). Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted; matching requirements, in which the School District must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to the School District on a reimbursement basis. On a modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

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

Deferred Outflows/Inflows of Resources - In addition to assets, the statements of financial position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources 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 deferred charges on refunding, for pension and OPEB. The deferred outflows of resources related to pension and OPEB plans are explained in Notes 10 and 11.

In addition to liabilities, the statements of financial position report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net assets that applies to a future period and will not be recognized until that time. For the School District, deferred inflows of resources include property taxes, pension, OPEB and unavailable revenue. Property taxes represent amounts for which there is an enforceable legal claim as of June 30, 2024, but which were levied to finance fiscal year 2025 operations. These amounts have been recorded as a deferred inflow on both the government-wide statement of net position and governmental fund financial statements. Unavailable revenue is reported only on the governmental funds balance sheet, and represents receivables which will not be collected within the available period. For the School District, unavailable revenue includes delinquent property taxes. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available. The details of these unavailable revenues are identified on the Reconciliation of Total Governmental Fund Balances to Net Position of Governmental Activities fund. Deferred inflows of resources related to pension and OPEB plans are reported on the government-wide statement of net position. (See Notes 10 and 11)

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

**NORTH RIDGEVILLE CITY SCHOOL DISTRICT
LORAIN COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

F. Budgetary Process

All funds, other than the internal service fund and custodial funds, are legally required to be budgeted and appropriated. The major documents prepared are the tax budget, the appropriation resolution and the certificate of estimated resources, which are prepared on the budgetary basis of accounting. The tax budget demonstrates a need for existing or increased tax rates. The certificate of estimated resources establishes a limit on the amounts that the Board of Education may appropriate. The appropriation resolution is the Board's authorization to spend resources and set annual limits on expenditures plus encumbrances at a level of control selected by the Board. The legal level of control has been established by the Board of Education at the fund level for all funds.

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

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

G. Cash and Investments

Cash received by the School District is deposited in one central bank account with individual fund balance integrity maintained through School District records. Monies for all funds are maintained in this account or temporarily transferred to the State Treasurer's investment pool (STAR Ohio) or other short term investments. Under existing Ohio statutes, interest earnings are allocated to funds based on average monthly cash balances. Interest revenue credited to the General Fund during fiscal year 2024 amounted to \$454,251 of which \$141,165 was assigned from other School District Funds.

Except for investment contracts and money market investments that had a remaining maturity of one year or less at the time of purchase, investments are reported at fair value, which is based on quoted market prices. Investment contracts and money market investments that had a remaining maturity of one year or less at the time of purchase are reported at cost or amortized cost.

During fiscal year 2024 investments were limited to Federal Home Loan Bank (FHLB) securities, Federal Farm Credit Bank (FFCB) securities, Federal Agricultural Mortgage Corporations (FAMC) securities, Federal Home Loan Mortgage Corporation (FHLMC) securities, Federal National Mortgage Association (FNMA) securities, corporate bonds, commercial paper, negotiable certificates of deposit, U.S. Treasury notes, U.S. government money market mutual funds and investments in the State Treasury Asset Reserve of Ohio (STAR Ohio).

The School District has invested in the State Treasury Asset Reserve of Ohio (STAR Ohio) during the year. Investment in STAR Ohio is measured at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides an NAV per share that approximates fair value.

For 2024 there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, notice must be given 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.

**NORTH RIDGEVILLE CITY SCHOOL DISTRICT
LORAIN COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

Investments with an original maturity of three months or less at the time of purchase are considered to be cash equivalents.

H. 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 either imposed by creditors, contributors, grantors, or laws of other governments or imposed by enabling legislation.

I. Prepaid Expenses

Certain payments to vendors reflect costs applicable to future periods and are recorded as prepaid assets in both the government-wide and fund financial statements. These amounts are reflected as an expenditure/expense in the year in which the services are consumed.

J. Capital Assets

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

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and reductions during the year. Donated capital assets are recorded at their acquisition value as of the date received. The School District maintains a capitalization threshold of \$1,000 and useful life of more than five years. The School District does not possess any infrastructure. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not capitalized.

All reported capital assets, other than land, are depreciated/amortized. Improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation/amortization is computed using the straight-line method over the following useful lives:

<u>Asset</u>	<u>Estimated Useful Life</u>
Buildings	50 years
Building improvements	5 - 20 years
Furniture and equipment	5 - 20 years
Vehicles	5 - 10 years
Intangible right to use, SBITAs	5 years

The School District is reporting intangible right use assets related to leased subscription-based information technology arrangements (SBITAs). The intangible assets are being amortized in a systemic and rational manner of the shorter of the lease term/subscription or the useful life of the underlying asset.

K. Interfund Balances

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

**NORTH RIDGEVILLE CITY SCHOOL DISTRICT
LORAIN COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

L. Compensated Absences

Vacation benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is probable that the School District will compensate the employees for the benefits through paid time off or some other means.

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

A liability for those amounts is recorded in the governmental funds only if the liability has matured as a result of employee resignations or 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. The unmatured portion of the liability is not reported.

M. Accrued Liabilities and Long-Term Obligations

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

N. Net Position

Net position is the residual amount when comparing assets and deferred outflows of resources to liabilities and deferred inflows of resources. The investment in capital assets component of net position 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. The restricted component of net position is reported 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 or laws, or regulations of other governments.

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

O. Fund Balance

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

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

**NORTH RIDGEVILLE CITY SCHOOL DISTRICT
LORAIN COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

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 School District Board of Education has by resolution authorized the treasurer to assign fund balance. 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. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, an additional action is necessary to either remove or revise a commitment.

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.

P. Operating Revenues and Expenses

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

Q. Pensions/Other Postemployment Benefits (OPEB)

For purposes of measuring the net pension/OPEB (asset)/liability, 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.

**NORTH RIDGEVILLE CITY SCHOOL DISTRICT
LORAIN COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

R. Interfund Transactions

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

S. Estimates

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

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE

A. Change in Accounting Principles

For fiscal year 2024, the School District has implemented certain paragraphs from GASB Implementation Guide No. 2021-1, certain paragraphs of GASB Statement No. 99, "*Omnibus 2022*", GASB Statement No. 100, "*Accounting Changes and Error Corrections - an amendment of GASB Statement No. 62*" and Implementation Guide No. 2023-1.

GASB Implementation Guide 2021-1 provides clarification on issues related to previously established GASB guidance. The implementation of GASB Implementation Guide 2021-1 did not have an effect on balances previously reported by the School District.

GASB Statement No. 99 is to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. The implementation of GASB Statement No. 99 did not have an effect on the financial statements of the School District.

GASB Statement No. 100 is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. The implementation of GASB Statement No. 100 did not have an effect on the financial statements of the School District.

GASB Implementation Guide 2023-1 provides clarification on issues related to previously established GASB guidance. The implementation of GASB Implementation Guide 2023-1 did not have an effect on the financial statements of the School District.

**NORTH RIDGEVILLE CITY SCHOOL DISTRICT
LORAIN COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE - (Continued)

B. Deficit Fund Balances

Fund balances at June 30, 2024 included the following individual fund deficits:

<u>Nonmajor governmental funds</u>	<u>Deficit</u>
IDEA, Part B	\$ 24,776
Title I	60,909
Improving Teacher Quality	10,981
Miscellaneous Federal Grants	16,729
Auxiliary Services	63

The general fund is liable for any deficit in these funds and provides transfers when cash is required, not when accruals occur. The deficit fund balances resulted from adjustments for accrued liabilities.

C. Change within the Financial Reporting Entity

For fiscal year 2024, the School District's Bond Retirement Fund and Building Fund presentation was adjusted from nonmajor to major due to now meeting the qualitative threshold for a major fund. This change is separately displayed in the financial statements.

D. Restatement of Net Position

The following adjustments were made to June 30, 2023 net position to correctly report long-term obligations and capital assets. This change was necessary to report compensated absences, accretion on capital appreciation bonds (2017 refunding), and capital assets correctly. This restatement had no effect on fund balances.

	<u>6/30/2023 As Previously Reported</u>	<u>Adjustment to long-term obligations</u>	<u>Adjustment to capital assets</u>	<u>6/30/2023 As Restated</u>
Net Position				
Governmental Activities	<u>\$ (5,845,809)</u>	<u>\$ 1,777,843</u>	<u>\$ (2,479,767)</u>	<u>\$ (6,547,733)</u>

NOTE 4 - DEPOSITS AND INVESTMENTS

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

**NORTH RIDGEVILLE CITY SCHOOL DISTRICT
LORAIN COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

Protection of the School District's deposits is provided by the Federal Deposit Insurance Corporation (FDIC), by eligible securities pledged by the financial institution as security for repayment, by surety company bonds deposited with the Treasurer by the financial institution, or by a single collateral pool established by the financial institution to secure the repayment of all public monies deposited with the institution.

Interim monies may be invested in the following securities:

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

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

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

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

**NORTH RIDGEVILLE CITY SCHOOL DISTRICT
LORAIN COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

A. Cash on Hand

At year end, the School District had \$250 in undeposited cash on hand which is included on the financial statements of the School District as part of “equity in pooled cash and investments”.

B. Deposits with Financial Institutions

At June 30, 2024, the carrying amount of all School District deposits was \$139,743. Based on the criteria described in GASB Statement No. 40, “Deposits and Investment Risk Disclosures”, as of June 30, 2024, \$250,749 of the School District’s bank balance of \$542,973 was covered by the FDIC, while \$292,224 was exposed to custodial credit risk as discussed below because those deposits were uninsured and uncollateralized.

Custodial credit risk is the risk that, in the event of bank failure, the School District will not be able to recover deposits or collateral securities that are in the possession of an outside party. The School District has no deposit policy for custodial credit risk beyond the requirements of State statute. Ohio law requires that deposits either be insured or protected by (1) eligible securities pledged to the School District and deposited with a qualified trustee by the financial institution as security for repayment whose fair value at all times shall be at least 105 percent of the deposits being secured, or (2) participation in the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution. OPCS requires the total fair value of the securities pledged to be 102 percent of the deposits being secured or a rate set by the Treasurer of State. For fiscal year 2024, the School District’s financial institutions had a collateral rate through the OPCS of 60 percent. Although all statutory requirements for the deposit of money had been followed, noncompliance with Federal requirements could potentially subject the School District to a successful claim by the FDIC.

C. Investments

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

Measurement/ Investment type	Measurement Value	Investment Maturities				
		6 months or less	7 to 12 months	13 to 18 months	19 to 24 months	Greater than 24 months
<i>Fair Value:</i>						
Commercial paper	\$ 1,913,850	\$ 1,913,850	\$ -	\$ -	\$ -	\$ -
FAMC	1,602,471	-	-	-	-	1,602,471
FFCB	10,207,646	994,072	625,404	1,704,315	701,345	6,182,510
FHLB	4,954,628	-	1,095,803	-	233,620	3,625,205
FHLMC	1,214,500	499,234	-	715,266	-	-
FNMA	2,388,341	973,086	-	1,415,255	-	-
Corporate bonds	97,820	-	-	-	-	97,820
Negotiable CDs	2,005,454	245,487	-	235,850	-	1,524,117
US Treasury notes	8,162,167	621,543	-	-	229,923	7,310,701
US Government money market	108,907,664	108,907,664	-	-	-	-
<i>Amortized Cost:</i>						
STAR Ohio	<u>34,691,189</u>	<u>34,691,189</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	\$ 176,145,730	\$ 148,846,125	\$ 1,721,207	\$ 4,070,686	\$ 1,164,888	\$ 20,342,824

The weighted average maturity of investments is 0.47 years.

**NORTH RIDGEVILLE CITY SCHOOL DISTRICT
LORAIN COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

The School District's investments in U.S. Government money market mutual funds are valued using quoted market prices (Level 1 inputs). The School District's investments in negotiable CD's, commercial paper, U.S. Treasury notes, corporate bonds, and federal agency securities are valued using quoted prices in markets that are not considered to be active, dealer quotations or alternative pricing sources for similar assets or liabilities for which all significant inputs are observable, either directly or indirectly (Level 2 inputs).

Interest Rate Risk: The Ohio Revised Code generally limits security purchases to those that mature within five years of the settlement date.

Credit Risk: The School District's investments in federal agency securities and U.S. Treasury notes and commercial paper were rated AA+ and Aaa by Standard & Poor's and Moody's Investor Services, respectively. Standard & Poor's has assigned STAR Ohio and the U.S. Government money market mutual fund a AAAM money market rating. The corporate bonds were rated AA+ by Standard & Poor's Investor Services. Ohio law requires that STAR Ohio maintain the highest rating provided by at least one nationally recognized standard rating service. The School District's investments in negotiable CD's are not rated. The School District's investment policy does not specifically address credit risk beyond the adherence to all relevant sections of the Ohio Revised Code.

Custodial Credit Risk: For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the School District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The federal agency securities, U.S. Treasury notes, and corporate bonds are exposed to custodial credit risk in that they are uninsured, unregistered and held by the counterparty's trust department or agent but not in the School District's name. The School District's investments in negotiable CD's are insured by the FDIC. The School District has no investment policy dealing with investment custodial risk beyond the requirement in State statute that prohibits payment for investments prior to the delivery of the securities representing such investments to the Treasurer or qualified trustee.

Concentration of Credit Risk: The School District places no limit on the amount that may be invested in any one issuer. The following table includes the percentage of each investment type held by the School District at June 30, 2024:

Measurement/ <u>Investment type</u>	Measurement <u>value</u>	<u>% of Total</u>
<i>Fair value:</i>		
Commercial paper	\$ 1,913,850	1.09
FAMC	1,602,471	0.91
FFCB	10,207,646	5.80
FHLB	4,954,628	2.81
FHLMC	1,214,500	0.69
FNMA	2,388,341	1.36
Corporate bonds	97,820	0.06
Negotiable CDs	2,005,454	1.14
U.S. Treasury notes	8,162,167	4.63
U.S. Government money market	108,907,664	61.82
<i>Amortized cost:</i>		
STAR Ohio	34,691,189	19.69
	<u>\$ 176,145,730</u>	<u>100.00</u>

**NORTH RIDGEVILLE CITY SCHOOL DISTRICT
LORAIN COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

D. Reconciliation of Cash and Investments to the Statement of Net Position

The following is a reconciliation of cash and investments as reported in the note above to cash and investments as reported on the statement of net position as of June 30, 2024:

<u>Cash and investments per note</u>	
Carrying amount of deposits	\$ 139,743
Investments	176,145,730
Cash on hand	<u>250</u>
Total	<u>\$ 176,285,723</u>
 <u>Cash and investments per statement of net position</u>	
Governmental activities	<u>\$ 176,285,723</u>

NOTE 5 - PROPERTY TAXES

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 in business) located in the School District. Real property tax revenue received in calendar 2024 represents collections of calendar year 2023 taxes. Real property taxes received in calendar year 2024 were levied after April 1, 2023, on the assessed value listed as of January 1, 2023, the lien date. Assessed values for real property taxes are established by State 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 2024 represents collections of calendar year 2023 taxes. Public utility real and tangible personal property taxes received in calendar year 2024 became a lien December 31, 2022, were levied after April 1, 2023 and are collected in 2024 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 Lorain County. The County Auditor periodically advances to the School District its portion of the taxes collected. Second-half real property tax payments collected by the County by June 30, 2024, are available to finance fiscal year 2024 operations. The amount available to be advanced can vary based on the date the tax bills are sent.

Accrued property taxes receivable includes real property, public utility property and tangible personal property taxes which are measurable as of June 30, 2024 and for which there is an enforceable legal claim. Although total property tax collections for the next fiscal year are measurable, only delinquent settlement of tangible personal property taxes and 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.

**NORTH RIDGEVILLE CITY SCHOOL DISTRICT
LORAIN COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

NOTE 5 - PROPERTY TAXES - (Continued)

The amount available as an advance at June 30, 2024 and 2023 were:

	<u>June 30, 2024</u>	<u>June 30, 2023</u>
Major governmental funds:		
General fund	\$ 1,804,382	\$ 4,701,421
Bond retirement fund	497,437	456,892
Nonmajor governmental funds:		
Permanent improvement fund	68,600	193,643

The amount of second-half real property taxes available for advance at fiscal year-end can vary based on the date the tax bills are sent.

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

	2023 Second Half Collections		2024 First Half Collections	
	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
Agricultural/residential, commercial and other	\$ 1,178,548,960	97.87	\$ 1,205,755,890	97.84
Public utility personal	<u>25,617,120</u>	<u>2.13</u>	<u>26,603,830</u>	<u>2.16</u>
Total	<u>\$ 1,204,166,080</u>	<u>100.00</u>	<u>\$ 1,232,359,720</u>	<u>100.00</u>
Tax rate per \$1,000 of assessed valuation	\$ 48.26		\$ 53.70	

NOTE 6 - RECEIVABLES

Receivables at June 30, 2024 consisted of property taxes, payment in lieu of taxes, accrued interest 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. A summary of the principal items of receivables reported on the statement of net position follows:

Governmental activities:

Property taxes	\$ 44,332,643
Payment in lieu of taxes	858,749
Intergovernmental	181,522
Accrued interest	<u>219,720</u>
Total	<u>\$ 45,592,634</u>

Receivables have been disaggregated on the face of the basic financial statements. All receivables, except for adult education tuition and fees and general fund warehouse charges, are expected to be collected within the subsequent year.

**NORTH RIDGEVILLE CITY SCHOOL DISTRICT
LORAIN COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

NOTE 7 - CAPITAL ASSETS

The beginning capital asset balance at June 30, 2024 has been restated as described in Note 3. Capital asset activity for the fiscal year ended June 30, 2024 was as follows:

	Restated Balance <u>06/30/23</u>	<u>Additions</u>	<u>Deductions</u>	Balance <u>06/30/24</u>
Governmental activities:				
<i>Capital assets, not being depreciated/amortized:</i>				
Land	\$ 2,219,541	\$ -	\$ (5,440)	\$ 2,214,101
Construction in progress	<u>-</u>	<u>1,874,720</u>	<u>-</u>	<u>1,874,720</u>
Total capital assets, not being depreciated/amortized	<u>2,219,541</u>	<u>1,874,720</u>	<u>(5,440)</u>	<u>4,088,821</u>
<i>Capital assets, being depreciated/amortized:</i>				
Buildings and improvements	66,763,320	1,054,575	(162,828)	67,655,067
Furniture and equipment	14,626,668	1,048,500	(599,187)	15,075,981
Vehicles	5,581,382	64,800	(282,310)	5,363,872
Intangible right to use, SBITAs	<u>-</u>	<u>121,249</u>	<u>-</u>	<u>121,249</u>
Total capital assets, being depreciated/amortized	<u>86,971,370</u>	<u>2,289,124</u>	<u>(1,044,325)</u>	<u>88,216,169</u>
<i>Less: accumulated depreciation/amortization:</i>				
Buildings and improvements	(18,587,987)	(1,785,231)	162,828	(20,210,390)
Furniture and equipment	(8,002,739)	(801,208)	599,187	(8,204,760)
Vehicles	(3,766,702)	(393,667)	156,082	(4,004,287)
Intangible right to use, SBITAs	<u>-</u>	<u>(11,225)</u>	<u>-</u>	<u>(11,225)</u>
Total accumulated depreciation/amortization	<u>(30,357,428)</u>	<u>(2,991,331)</u>	<u>918,097</u>	<u>(32,430,662)</u>
Governmental activities capital assets, net	<u>\$ 58,833,483</u>	<u>\$ 1,172,513</u>	<u>\$ (131,668)</u>	<u>\$ 59,874,328</u>

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

Instruction:

Regular	\$ 2,145,389
Special	4,670

Support services:

Instructional staff	2,944
Operations and maintenance	354,964
Pupil transportation	459,739
Central services	1,934

Operation of non-instructional services:

Operation of non-instructional	1,025
Food service	14,612
Extracurricular activities	<u>6,054</u>
Total depreciation expense	<u>\$ 2,991,331</u>

**NORTH RIDGEVILLE CITY SCHOOL DISTRICT
LORAIN COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

NOTE 8 - INTERFUND TRANSACTIONS

Interfund transfers for the fiscal year ended June 30, 2024, consisted of the following, as reported on the fund statements:

<u>Transfers from nonmajor governmental fund to:</u>	<u>Amount</u>
Building fund	\$ 2,842,357
<u>Transfers from bond retirement fund to:</u>	
Nonmajor governmental funds	<u>237,021</u>
Total	<u>\$ 3,079,378</u>

The bond retirement fund transferred \$237,021 to the permanent improvement fund (a nonmajor governmental fund) for payment on the tax anticipation note which is reflected as a fund liability.

The transfer of \$2,842,357 to the building fund from the classroom facilities fund was in accordance with the Ohio Facilities Construction Commission project agreement.

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, and (2) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

Interfund transfers between governmental funds are eliminated for reporting in the statement of activities

All transfers made during fiscal year 2024 were made in accordance with Ohio Revised Code Sections 5704.14, 5705.15 and 5705.16.

NOTE 9 - RISK MANAGEMENT

A. Property and Liability

The School District is exposed to various risks of loss related to torts, theft, damage to, and destruction of assets, errors and omissions, injuries to employees and natural disasters. There have not been any significant reductions in insurance coverage from coverage in the prior year, and the amounts of settlements have not exceeded coverage for any of the prior three years.

The School District has a property and casualty policy with the Ohio School Plan through the Love Insurance Agency. The coverage limits and deductibles vary based on type of coverage provided. Deductibles are typically \$1,000 per occurrence. All vehicles are insured with a \$1,000 deductible. Buses less than 10 years old are insured at replacement value. The umbrella liability policy limits are \$10,000,000 per occurrence and \$12,000,000 per aggregate. All board members, administrators and employees are covered under a school district liability policy with the Ohio School Plan with a \$2,500 deductible and \$10,000,000 limit per claim and a \$12,000,000 annual aggregate limit. Employee dishonesty and faithful performance of duty in lieu of bond coverage in the amount of \$100,000 covers the Treasurer with Travelers Insurance Company. Remaining employees who handle money are covered with a public employees blanket bond in the amount of \$100,000 with the Ohio School Plan and have a \$1,000 deductible. Other coverage includes Violent acts, Pollution and Cyber insurance.

**NORTH RIDGEVILLE CITY SCHOOL DISTRICT
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**NOTES TO THE BASIC FINANCIAL STATEMENTS
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NOTE 9 - RISK MANAGEMENT - (Continued)

B. Workers' Compensation

The School District participates in the Ohio Association of School Business Officials Workers' Compensation Group Retro Program (GRP), an insurance purchasing pool. The GRP's business and affairs are conducted by a three member Board of Directors consisting of the President, the President-Elect and the Immediate Past President of the Ohio School Boards Association (OSBA). The Executive Director of the OSBA, or his designee, serves as coordinator of the program. Each year, the participating school districts pay an enrollment fee to the GRP to cover the costs of administering the program.

The intent of the GRP is to achieve the benefit of a reduced premium for the School District by virtue of its grouping and representation with other participants in the GRP. The workers' compensation experience of the participating school districts is calculated as one experience and a common premium rate is applied to all school districts in the GRP. Each participant pays its workers' compensation premium to the State based on the rate for the GRP rather than its individual rate. Total savings are then calculated and each participant's individual performance is compared to the overall savings percentage of the GRP. A participant will then either receive money from or be required to contribute to the "equity pooling fund." This "equity pooling" arrangement ensures that each participant shares equally in the overall performance of the GRP. Participation in the GRP is limited to school districts that can meet the GRP's selection criteria. The firm of Comp Management, Inc. provides administrative, cost control and actuarial services to the GRP.

C. Employee Medical Benefits

The School District is a member of the Suburban Health Consortium, a shared risk pool to provide employee medical and prescription drug benefits. Rates are set through an annual calculation process prepared by the Consortium's health insurance consultant. The School District pays a monthly contribution and a pro- rata share of their "buy-in" contribution to existing plan reserves which is placed in a common fund from which the claim payments are made for all participating districts. For 2024, the School District paid approximately 83% of the cost of the monthly premium for all employees.

NOTE 10 - DEFINED BENEFIT PENSION PLANS

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

Net Pension Liability/Net OPEB Liability/Asset

The net pension liability and the net OPEB liability/asset reported on the statement of net position represents a liability or asset to employees for pensions and OPEB, respectively.

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 obligation to sacrifice resources for pensions is a present obligation because it was created as a result of employment exchanges that already have occurred.

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

**NORTH RIDGEVILLE CITY SCHOOL DISTRICT
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**NOTES TO THE BASIC FINANCIAL STATEMENTS
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NOTE 10 - DEFINED BENEFIT PENSION PLANS - (Continued)

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

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

The remainder of this note includes the required pension disclosures. See Note 11 for the required OPEB disclosures.

The proportionate share of each plan's unfunded benefits is presented as a long-term *net pension/OPEB liability (asset)* on the accrual basis of accounting. Any liability for the contractually required pension contribution outstanding at the end of the year is included in pension and postemployment benefits payable on both the accrual and modified accrual bases of accounting.

Plan Description - School Employees Retirement System (SERS)

Plan Description - The School District's 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 under Employers/Audit Resources.

Age and service requirements for retirement are as follows:

	Eligible to Retire on or before August 1, 2017 *	Eligible to Retire after August 1, 2017
Full benefits	Any age with 30 years of service credit	Age 67 with 10 years of service credit; or Age 57 with 30 years of service credit
Actuarially reduced benefits	Age 60 with 5 years of service credit; 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% for the first thirty years of service and 2.5% for years of service credit over 30. Final average salary is the average of the highest three years of salary.

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NOTE 10 - DEFINED BENEFIT PENSION PLANS - (Continued)

An individual whose benefit effective date is before April 1, 2018, is eligible for a cost-of-living adjustment (COLA) on the first anniversary date of the benefit. Beginning April 1, 2018, new benefit recipients must wait until the fourth anniversary of their benefit for COLA eligibility. The COLA is added each year to the base benefit amount on the anniversary date of the benefit. A three-year COLA suspension was in effect for all benefit recipients for the years 2018, 2019, and 2020. Upon resumption of the COLA, it will be indexed to the percentage increase in the CPI-W, not to exceed 2.5% and with a floor of 0%. In 2023, the Board of Trustees approved a 2.5% cost-of-living adjustment (COLA) for eligible retirees and beneficiaries in 2024.

Funding Policy - Plan members are required to contribute 10.00% of their annual covered salary and the School District is required to contribute 14.00% 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 10.00% for plan members and 14.00% for employers. The Retirement Board, acting with the advice of the actuary, allocates the employer contribution rate among four of the System's funds (Pension Trust Fund, Death Benefit Fund, Medicare B Fund, and Health Care Fund). For the fiscal year ended June 30, 2024, the allocation to pension, death benefits, and Medicare B was 14.00%. For fiscal year 2024, the Retirement Board did not allocate any employer contribution to the Health Care Fund.

The School District's contractually required contribution to SERS was \$1,460,419 for fiscal year 2024. Of this amount, \$319,808 is reported as pension and postemployment benefits payable.

Plan Description - State Teachers Retirement System (STRS)

Plan Description - Licensed teachers participate in STRS, 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 website at www.strsoh.org.

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

The DB plan offers an annual retirement allowance based on final average salary multiplied by a percentage that varies based on years of service. Effective August 1, 2015, the calculation is 2.20% of final average salary for the five highest years of earnings multiplied by all years of service. Eligibility changes will be phased in until August 1, 2023, when retirement eligibility for unreduced benefits will be five years of service credit and age 65, or 35 years of service credit and at least age 60.

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

The DC Plan allows members to place all of their member contributions and 9.53% of the 14% employer contributions into an investment account. The member determines how to allocate the member and employer money among various investment choices offered by STRS. The remaining 4.47% of the 14% 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.

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**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

NOTE 10 - DEFINED BENEFIT PENSION PLANS - (Continued)

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

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

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

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 2024 employer and employee contribution rate of 14% was equal to the statutory maximum rates. For fiscal year 2024, the full employer contribution was allocated to pension.

The School District's contractually required contribution to STRS was \$3,702,134 for fiscal year 2024. Of this amount, \$622,236 is reported as pension and postemployment benefits payable.

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

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

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NOTES TO THE BASIC FINANCIAL STATEMENTS
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NOTE 10 - DEFINED BENEFIT PENSION PLANS - (Continued)

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	0.213191200%	0.182000160%	
Proportion of the net pension liability current measurement date	<u>0.208359300%</u>	<u>0.182821050%</u>	
Change in proportionate share	<u>-0.004831900%</u>	<u>0.000820890%</u>	
Proportionate share of the net pension liability	\$ 11,512,925	\$ 39,370,399	\$ 50,883,324
Pension expense	\$ 1,122,436	\$ 4,489,524	\$ 5,611,960

At June 30, 2024, 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>
Deferred outflows of resources			
Differences between expected and actual experience	\$ 494,852	\$ 1,435,361	\$ 1,930,213
Changes of assumptions	81,553	3,242,365	3,323,918
Difference between employer contributions and proportionate share of contributions/ change in proportionate share	230,755	1,526,860	1,757,615
Contributions subsequent to the measurement date	<u>1,460,419</u>	<u>3,702,134</u>	<u>5,162,553</u>
Total deferred outflows of resources	<u>\$ 2,267,579</u>	<u>\$ 9,906,720</u>	<u>\$ 12,174,299</u>
	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Deferred inflows of resources			
Differences between expected and actual experience	\$ -	\$ 87,366	\$ 87,366
Net difference between projected and actual earnings on pension plan investments	161,821	117,991	279,812
Changes of assumptions	-	2,440,569	2,440,569
Difference between employer contributions and proportionate share of contributions/ change in proportionate share	<u>147,601</u>	<u>-</u>	<u>147,601</u>
Total deferred inflows of resources	<u>\$ 309,422</u>	<u>\$ 2,645,926</u>	<u>\$ 2,955,348</u>

\$5,162,553 reported as deferred outflows of resources related to pension resulting from School District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the fiscal year ending June 30, 2025.

**NORTH RIDGEVILLE CITY SCHOOL DISTRICT
LORAIN COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

NOTE 10 - DEFINED BENEFIT PENSION PLANS - (Continued)

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Fiscal Year Ending June 30:			
2025	\$ 267,619	\$ 591,023	\$ 858,642
2026	(486,949)	(774,347)	(1,261,296)
2027	708,489	3,931,836	4,640,325
2028	<u>8,579</u>	<u>(189,852)</u>	<u>(181,273)</u>
Total	<u>\$ 497,738</u>	<u>\$ 3,558,660</u>	<u>\$ 4,056,398</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 terminations). Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future.

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

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

**NORTH RIDGEVILLE CITY SCHOOL DISTRICT
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**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

NOTE 10 - DEFINED BENEFIT PENSION PLANS - (Continued)

Key methods and assumptions used in calculating the total pension liability in the latest actuarial valuation, prepared as of June 30, 2023 and June 30, 2022, are presented below:

Wage inflation:	
Current measurement date	2.40%
Prior measurement date	2.40%
Future salary increases, including inflation:	
Current measurement date	3.25% to 13.58%
Prior measurement date	3.25% to 13.58%
COLA or ad hoc COLA:	
Current measurement date	2.00%
Prior measurement date	2.00%
Investment rate of return:	
Current measurement date	7.00% net of system expenses
Prior measurement date	7.00% net of system expenses
Discount rate:	
Current measurement date	7.00%
Prior measurement date	7.00%
Actuarial cost method	Entry age normal (level percent of payroll)

In 2023, mortality rates were based on the PUB-2010 General Employee Amount Weighted Below Median Healthy Retiree mortality table projected to 2017 with ages set forward 1 year and adjusted 94.20% for males and set forward 2 years and adjusted 81.35% 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% for males and set forward 3 years and adjusted 106.8% for females. Future improvement in mortality rates is reflected by applying the MP-2020 projection scale generationally.

In the prior measurement date, mortality rates were based on the PUB-2010 General Employee Amount Weighted Below Median Healthy Retiree mortality table projected to 2017 with ages set forward 1 year and adjusted 94.20% for males and set forward 2 years and adjusted 81.35% 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% for males and set forward 3 years and adjusted 106.8% for females. Future improvement in mortality rates is reflected by applying the MP-2020 projection scale generationally.

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

The long-term return expectation for the Pension Plan Investments has been determined by using a building-block approach and assumes a time horizon, as defined in SERS' *Statement of Investment Policy*. Ohio Revised Code Section 3309.15 and the Board-adopted Investment Policy govern investment activity at SERS. 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 average of the expected real return premiums for each asset class, adding the projected inflation rate, and adding the expected return from rebalancing uncorrelated asset classes.

**NORTH RIDGEVILLE CITY SCHOOL DISTRICT
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**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

NOTE 10 - DEFINED BENEFIT PENSION PLANS - (Continued)

The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

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

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

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%, 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%), or one percentage point higher (8.00%) than the current rate.

	1% Decrease	Current Discount Rate	1% Increase
School District's proportionate share of the net pension liability	\$ 16,992,488	\$ 11,512,925	\$ 6,897,436

**NORTH RIDGEVILLE CITY SCHOOL DISTRICT
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**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

NOTE 10 - DEFINED BENEFIT PENSION PLANS - (Continued)

Actuarial Assumptions - STRS

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results used in the June 30, 2023 and June 30, 2022, actuarial valuation are presented below:

	June 30, 2023	June 30, 2022
Inflation	2.50%	2.50%
Projected salary increases	Varies by service from 2.50% to 8.50%	Varies by service from 2.50% to 8.50%
Investment rate of return	7.00%, net of investment expenses, including inflation	7.00%, net of investment expenses, including inflation
Discount rate of return	7.00%	7.00%
Payroll increases	3.00%	3.00%
Cost-of-living adjustments (COLA)	0.00%	0.00%

For the June 30, 2023 actuarial valuation, post-retirement mortality rates are based on the Pub-2010 Teachers Healthy Annuitant Mortality Table, adjusted 110% for males, projected forward generationally using mortality improvement scale MP-2020. Pre-retirement mortality rates are based on Pub-2010 Teachers Employee Table adjusted 95% for females, projected forward generationally using mortality improvement scale MP-2020. Post-retirement disabled mortality rates are based on Pub-2010 Teachers Disabled Annuitant Table projected forward generationally using mortality improvement scale MP-2020.

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

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

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

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

* Final target weights reflected at October 1, 2022.

**NORTH RIDGEVILLE CITY SCHOOL DISTRICT
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**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

NOTE 10 - DEFINED BENEFIT PENSION PLANS - (Continued)

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

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

Sensitivity of the School District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate - The following table represents the net pension liability as of June 30, 2023, calculated using the current period discount rate assumption of 7.00%, as well as what the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.00%) or one percentage point higher (8.00%) than the current assumption:

	1% Decrease	Current Discount Rate	1% Increase
School District's proportionate share of the net pension liability	\$ 60,542,960	\$ 39,370,399	\$ 21,464,206

Assumption and Benefit Changes Since the Prior Measurement Date - The discount rate remained at 7.00% for June 30, 2023 valuation. Demographic assumptions were changed based on the actuarial experience study for the period July 1, 2015 through June 30, 2021.

NOTE 11 - DEFINED BENEFIT OPEB PLANS

Net OPEB Liability/Asset

See Note 10 for a description of the net OPEB liability (asset).

Plan Description - School Employees Retirement System (SERS)

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

**NORTH RIDGEVILLE CITY SCHOOL DISTRICT
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**NOTES TO THE BASIC FINANCIAL STATEMENTS
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NOTE 11 - DEFINED BENEFIT OPEB PLANS - (Continued)

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% of covered payroll to the Health Care Fund in accordance with the funding policy. For the fiscal year ended June 30, 2024, SERS did not allocate any employer contributions to post-employment health care. An additional health care surcharge on employers is collected for employees earning less than an actuarially determined minimum compensation amount, pro-rated if less than a full year of service credit was earned. For fiscal year 2024, this amount was \$30,000. Statutes provide that no employer shall pay a health care surcharge greater than 2% of that employer's SERS-covered payroll; nor may SERS collect in aggregate more than 1.5% of the total statewide SERS-covered payroll for the health care surcharge. For fiscal year 2024, the School District's surcharge obligation was \$149,796.

The surcharge added to the allocated portion of the 14% employer contribution rate is the total amount assigned to the Health Care Fund. The School District's contractually required contribution to SERS was \$149,796 for fiscal year 2024. Of this amount, \$149,796 is reported as pension and postemployment benefits payable.

Plan Description - State Teachers Retirement System (STRS)

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

Funding Policy - Ohio Revised Code Chapter 3307 authorizes STRS to offer the Plan and gives the Retirement Board discretionary authority over how much, if any, of the health care costs will be absorbed by STRS. Active employee members do not contribute to the Health Care Plan. 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% of covered payroll. For the fiscal year ended June 30, 2024, STRS did not allocate any employer contributions to post-employment health care.

Net OPEB Liabilities/Assets, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

The net OPEB liability/asset was measured as of June 30, 2023, and the total OPEB liability/asset used to calculate the net OPEB liability/asset was determined by an actuarial valuation as of that date. The School District's proportion of the net OPEB liability/asset was based on the School District's share of contributions to the respective retirement systems relative to the contributions of all participating entities.

**NORTH RIDGEVILLE CITY SCHOOL DISTRICT
LORAIN COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

NOTE 11 - DEFINED BENEFIT OPEB PLANS - (Continued)

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	0.217828200%	0.182000160%	
Proportion of the net OPEB liability/asset current measurement date	<u>0.213746800%</u>	<u>0.182821050%</u>	
Change in proportionate share	<u>-0.004081400%</u>	<u>0.000820890%</u>	
Proportionate share of the net OPEB liability	\$ 3,521,361	\$ -	\$ 3,521,361
Proportionate share of the net OPEB asset	\$ -	\$ (3,555,617)	\$ (3,555,617)
OPEB expense	\$ (550,763)	\$ (929,726)	\$ (1,480,489)

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

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Deferred outflows of resources			
Differences between expected and actual experience	\$ 7,337	\$ 5,543	\$ 12,880
Net difference between projected and actual earnings on OPEB plan investments	27,291	6,348	33,639
Changes of assumptions	1,190,676	523,793	1,714,469
Difference between employer contributions and proportionate share of contributions/change in proportionate share	646,423	268,065	914,488
Contributions subsequent to the measurement date	<u>149,796</u>	<u>-</u>	<u>149,796</u>
Total deferred outflows of resources	<u>\$ 2,021,523</u>	<u>\$ 803,749</u>	<u>\$ 2,825,272</u>
	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Deferred inflows of resources			
Differences between expected and actual experience	\$ 1,816,099	\$ 542,323	\$ 2,358,422
Changes of assumptions	1,000,100	2,345,943	3,346,043
Difference between employer contributions and proportionate share of contributions/change in proportionate share	<u>189,712</u>	<u>2,620</u>	<u>192,332</u>
Total deferred inflows of resources	<u>\$ 3,005,911</u>	<u>\$ 2,890,886</u>	<u>\$ 5,896,797</u>

\$149,796 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/asset in the fiscal year ending June 30, 2025.

**NORTH RIDGEVILLE CITY SCHOOL DISTRICT
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**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

NOTE 11 - DEFINED BENEFIT OPEB PLANS - (Continued)

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

	SERS	STRS	Total
Fiscal Year Ending June 30:			
2025	\$ (380,349)	\$ (979,102)	\$ (1,359,451)
2026	(364,881)	(432,850)	(797,731)
2027	(228,803)	(141,693)	(370,496)
2028	(136,048)	(209,177)	(345,225)
2029	(63,996)	(188,560)	(252,556)
Thereafter	39,893	(135,755)	(95,862)
Total	<u>\$ (1,134,184)</u>	<u>\$ (2,087,137)</u>	<u>\$ (3,221,321)</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.

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

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

**NORTH RIDGEVILLE CITY SCHOOL DISTRICT
LORAIN COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

NOTE 11 - DEFINED BENEFIT OPEB PLANS - (Continued)

Key methods and assumptions used in calculating the total OPEB liability in the latest actuarial valuation date of June 30, 2023 and June 30, 2022 are presented below:

Wage inflation:

Current measurement date	2.40%
Prior measurement date	2.40%

Future salary increases, including inflation:

Current measurement date	3.25% to 13.58%
Prior measurement date	3.25% to 13.58%

Investment rate of return:

Current measurement date	7.00% net of investment expense, including inflation
Prior measurement date	7.00% net of investment expense, including inflation

Municipal bond index rate:

Current measurement date	3.86%
Prior measurement date	3.69%

Single equivalent interest rate, net of plan investment expense,
including price inflation:

Current measurement date	4.27%
Prior measurement date	4.08%

Medical trend assumption:

Current measurement date	6.75 to 4.40%
Prior measurement date	7.00 to 4.40%

In 2023, the following mortality assumptions were used:

Healthy Retirees - 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% for males and set forward 2 years and adjusted 81.35% for females.

Disabled Retirees - PUB-2010 General Disabled Retiree mortality table projected to 2017 with ages set forward 5 years and adjusted 103.3% for males and set forward 3 years and adjusted 106.8% for females.

Contingent Survivors - PUB-2010 General Amount Weighted Below Median Contingent Survivor mortality table projected to 2017 with ages set forward 1 year and adjusted 105.5% for males and adjusted 122.5% for females.

Actives - PUB-2010 General Amount Weighted Below Median Employee mortality table.

Mortality Projection - Mortality rates are projected using a fully generational projection with Scale MP-2020.

In the prior measurement date, mortality rates were based on the PUB-2010 General Employee Amount Weighted Below Median Healthy Retiree mortality table projected to 2017 with ages set forward 1 year and adjusted 94.20% for males and set forward 2 years and adjusted 81.35% 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% for males and set forward 3 years and adjusted 106.8% for females. Future improvement in mortality rates is reflected by applying the MP-2020 projection scale generationally.

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

**NORTH RIDGEVILLE CITY SCHOOL DISTRICT
LORAIN COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

NOTE 11 - DEFINED BENEFIT OPEB PLANS - (Continued)

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

The long-term expected nominal rate of return has been determined by calculating a weighted average of the expected real return premiums for each asset class, adding the projected inflation rate, and adding the expected return from rebalancing uncorrelated asset classes.

The target asset allocation and best estimates of arithmetic real rates of return for each major asset class are summarized as follows:

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

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

**NORTH RIDGEVILLE CITY SCHOOL DISTRICT
LORAIN COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

NOTE 11 - DEFINED BENEFIT OPEB PLANS - (Continued)

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, what the net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (3.27%) and higher (5.27%) than the current discount rate (4.27%). Also shown is what the 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 (6.75% decreasing to 4.40%).

	1% Decrease	Current Discount Rate	1% Increase
School District's proportionate share of the net OPEB liability	\$ 4,501,307	\$ 3,521,361	\$ 2,748,634

	1% Decrease	Current Trend Rate	1% Increase
School District's proportionate share of the net OPEB liability	\$ 2,587,022	\$ 3,521,361	\$ 4,759,487

Actuarial Assumptions - STRS

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results used in the June 30, 2023 actuarial valuation, compared with June 30, 2022 actuarial valuation, are presented below:

	June 30, 2023	June 30, 2022
Inflation	2.50%	2.50%
Projected salary increases	Varies by service from 2.50% to 8.50%	Varies by service from 2.50% to 8.50%
Investment rate of return	7.00%, net of investment expenses, including inflation	7.00%, net of investment expenses, including inflation
Payroll increases	3.00%	3.00%
Cost-of-living adjustments (COLA)	0.00%	0.00%
Discount rate of return	7.00%	7.00%
Blended discount rate of return	N/A	N/A
Health care cost trends		
	Initial	Ultimate
Medical		
Pre-Medicare	7.50%	4.14%
Medicare	-10.94%	4.14%
Prescription Drug		
Pre-Medicare	-11.95%	4.14%
Medicare	1.33%	4.14%

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

**NORTH RIDGEVILLE CITY SCHOOL DISTRICT
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**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

NOTE 11 - DEFINED BENEFIT OPEB PLANS - (Continued)

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

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

Assumption Changes Since the Prior Measurement Date - The discount rate remained unchanged at 7.00% for the June 30, 2023 valuation.

Benefit Term Changes Since the Prior Measurement Date - Healthcare trends were updated to reflect emerging claims and recoveries experience as well as benefit changes effective January 1, 2024.

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

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

* Final target weights reflected at October 1, 2022.

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

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

**NORTH RIDGEVILLE CITY SCHOOL DISTRICT
LORAIN COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

NOTE 11 - DEFINED BENEFIT OPEB PLANS - (Continued)

Sensitivity of the School District's Proportionate Share of the Net OPEB Asset to Changes in the Discount and Health Care Cost Trend Rate - The following table represents the net OPEB asset as of June 30, 2023, calculated using the current period discount rate assumption of 7.00%, 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%) or one percentage point higher (8.00%) 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>Current Discount Rate</u>	<u>1% Increase</u>
School District's proportionate share of the net OPEB asset	\$ 3,009,364	\$ 3,555,617	\$ 4,031,345
	<u>1% Decrease</u>	<u>Current Trend Rate</u>	<u>1% Increase</u>
School District's proportionate share of the net OPEB asset	\$ 4,053,421	\$ 3,555,617	\$ 2,956,021

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**NORTH RIDGEVILLE CITY SCHOOL DISTRICT
LORAIN COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

NOTE 12 - LONG-TERM OBLIGATIONS

The beginning long-term obligation balance at June 30, 2023 has been restated as described in Note 3. Changes in the School District's long-term obligations during fiscal year 2024 were as follows:

	Restated Balance Outstanding June 30, 2023	Additions	Reductions	Balance Outstanding June 30, 2024	Amounts Due in One Year
Governmental activities:					
<u>General obligation bonds:</u>					
2016 Refunding Bonds					
Serial and term bonds	\$ 7,815,000	\$ -	\$ (55,000)	\$ 7,760,000	\$ 55,000
Capital appreciation bonds (CABs)	5,658	-	-	5,658	-
Accretion on CABs	30,143	11,547	-	41,690	-
Premium	1,146,081	-	(71,630)	1,074,451	-
2017 Refunding Bonds					
Serial and term bonds	32,685,000	-	-	32,685,000	605,000
Capital appreciation bonds (CABs)	319,343	-	(303,467)	15,876	15,876
Accretion on CABs	832,103	534,201	(1,286,533)	79,771	79,771
Premium	3,097,613	-	(126,433)	2,971,180	-
2021 Refunding Bonds					
Serial and term bonds	7,900,000	-	(15,000)	7,885,000	15,000
Premium	1,648,086	-	(143,312)	1,504,774	-
2024 School Improvement Bonds					
Serial and term bonds	-	121,845,000	-	121,845,000	-
Premium	-	3,283,618	-	3,283,618	-
Total general obligation bonds payable	<u>55,479,027</u>	<u>125,674,366</u>	<u>(2,001,375)</u>	<u>179,152,018</u>	<u>770,647</u>
<u>Other long-term obligations:</u>					
Bond anticipation notes, series 2023					
Notes	-	15,000,000	-	15,000,000	-
Premium	-	53,250	-	53,250	-
Notes payable - financed purchase	245,721	-	(162,979)	82,742	82,742
Net pension liability	51,989,903	-	(1,106,579)	50,883,324	-
Net OPEB liability	3,058,331	463,030	-	3,521,361	-
Compensated absences	1,332,953	609,262	(479,262)	1,462,953	329,601
Total other long-term obligations	<u>56,626,908</u>	<u>16,125,542</u>	<u>(1,748,820)</u>	<u>71,003,630</u>	<u>412,343</u>
Total long-term obligations governmental activities	<u>\$ 112,105,935</u>	<u>\$ 141,799,908</u>	<u>\$ (3,750,195)</u>	<u>\$ 250,155,648</u>	<u>\$ 1,182,990</u>

**NORTH RIDGEVILLE CITY SCHOOL DISTRICT
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**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

NOTE 12 - LONG-TERM OBLIGATIONS - (Continued)

General Obligation Bonds

The original issue date, interest rate, original issuance and date of maturity for each of the School District's bond obligations follows:

Debt Issue	Original Issue Date	Maturity Date	Interest Rate	Original Issue Amount
General obligation bonds				
Refunding				
Serial and term	2016	2038	1.50 - 4.00%	\$ 8,115,000
Capital appreciation	2016	2035	30.00%	5,658
Refunding				
Serial and term	2017	2047	3.25 - 4.00%	33,290,000
Capital appreciation	2017	2024	30.00%	1,539,286
Refunding				
Serial	2021	2034	2.00 - 4.00%	8,000,000
School improvement				
Serial and term	2024	2062	4.38 - 5.50%	121,845,000

Series 2016 & 2017 Refunding Bonds

In December 2017, the School District issued \$34,829,286 of general obligation refunding bonds to provide resources to purchase U.S. government securities that were placed in an irrevocable trust for the purpose of generating resources for all future debt service payments of the refunded debt. As a result, the refunded bonds are considered to be defeased and the liability has been removed from the School District's government-wide financial statements. As of June 30, 2024, \$32,875,000 of these bonds are considered defeased.

Principal and interest requirements to retire the 2016 refunding bonds at June 30, 2024, were as follows:

Fiscal Year	Current Interest Bonds			Capital Appreciation Bonds		
	Principal	Interest	Total	Principal	Interest	Total
2025	\$ 55,000	\$ 306,550	\$ 361,550	\$ -	\$ -	\$ -
2026	55,000	305,450	360,450	-	-	-
2027	55,000	304,350	359,350	-	-	-
2028	60,000	302,600	362,600	-	-	-
2029	60,000	300,200	360,200	-	-	-
2030 - 2034	345,000	1,461,500	1,806,500	-	-	-
2035 - 2039	7,130,000	943,600	8,073,600	5,658	1,144,342	1,150,000
Total	<u>\$ 7,760,000</u>	<u>\$ 3,924,250</u>	<u>\$ 11,684,250</u>	<u>\$ 5,658</u>	<u>\$ 1,144,342</u>	<u>\$ 1,150,000</u>

**NORTH RIDGEVILLE CITY SCHOOL DISTRICT
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**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

NOTE 12 - LONG-TERM OBLIGATIONS - (Continued)

Principal and interest requirements to retire the 2017 refunding bonds at June 30, 2024, were as follows:

Fiscal Year	Current Interest Bonds			Capital Appreciation Bonds		
	Principal	Interest	Total	Principal	Interest	Total
2025	\$ 605,000	\$ 1,204,619	\$ 1,809,619	\$ 15,876	\$ 94,124	\$ 110,000
2026	820,000	1,189,494	2,009,494	-	-	-
2027	885,000	1,156,694	2,041,694	-	-	-
2028	855,000	1,121,294	1,976,294	-	-	-
2029	40,000	1,087,094	1,127,094	-	-	-
2030 - 2034	215,000	5,415,482	5,630,482	-	-	-
2035 - 2039	255,000	5,377,780	5,632,780	-	-	-
2040 - 2045	14,205,000	4,362,795	18,567,795	-	-	-
2045 - 2049	14,805,000	1,304,932	16,109,932	-	-	-
Total	<u>\$ 32,685,000</u>	<u>\$ 22,220,184</u>	<u>\$ 54,905,184</u>	<u>\$ 15,876</u>	<u>\$ 94,124</u>	<u>\$ 110,000</u>

Series 2021 Refunding Bonds

In September 2021, the School District issued \$8,000,000 of general obligation refunding bonds to currently refund Series 2014A and Series 2014B bonds for debt service savings. The net carrying amount of the old debt exceeded the reacquisition price \$1,291,976. This amount is being netted against the new debt and amortized over the remaining life of the refunding debt, which is shorter than the life of the refunded debt. This refunding was undertaken to reduce total debt service payments by \$2,346,590 and resulted in an economic gain of \$2,102,508.

Principal and interest requirements to retire the 2021 refunding bonds at June 30, 2024, were as follows:

Fiscal Year	Current Interest Bonds		
	Principal	Interest	Total
2025	\$ 15,000	\$ 309,450	\$ 324,450
2026	15,000	309,150	324,150
2027	15,000	308,850	323,850
2028	95,000	307,750	402,750
2029	875,000	290,800	1,165,800
2030 - 2034	5,490,000	858,600	6,348,600
2035	<u>1,380,000</u>	<u>27,600</u>	<u>1,407,600</u>
Total	<u>\$ 7,885,000</u>	<u>\$ 2,412,200</u>	<u>\$ 10,297,200</u>

2024 School Improvement Bonds

On June 25, 2024, the District issued \$121,845,000 of current interest bonds for the purpose of constructing a new high school. This issue is comprised of serial and term general obligation bonds with interest rates ranging from 4.38% - 5.50% and mature on December 1, 2061.

**NORTH RIDGEVILLE CITY SCHOOL DISTRICT
LORAIN COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

NOTE 12 - LONG-TERM OBLIGATIONS - (Continued)

Principal and interest requirements to retire the 2024 School Improvement Bonds at June 30, 2024, were as follows:

<u>Fiscal Year</u>	<u>Current Interest Bonds</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ -	\$ 5,615,645	\$ 5,615,645
2026	5,000	6,016,637	6,021,637
2027	1,275,000	5,984,637	7,259,637
2028	1,340,000	5,919,262	7,259,262
2029	1,405,000	5,850,637	7,255,637
2030 - 2034	8,160,000	28,097,560	36,257,560
2035 - 2039	10,420,000	25,785,810	36,205,810
2040 - 2040	13,290,000	22,836,310	36,126,310
2045 - 2049	16,965,000	19,083,591	36,048,591
2050 - 2054	21,370,000	14,563,943	35,933,943
2055 - 2059	27,565,000	8,180,403	35,745,403
2060 - 2062	20,050,000	1,379,935	21,429,935
Total	<u>\$ 121,845,000</u>	<u>\$ 149,314,370</u>	<u>\$ 271,159,370</u>

Bonds payable will be repaid from the bond retirement fund. There is no repayment schedule for the net pension and net OPEB liability, however, employer pension and OPEB contributions are mostly made from the general fund. For additional information related to the net pension liability and net OPEB liability see Note 10 and 11. The School District pays obligations related to employee compensation from the fund benefitting from their service.

Series 2023 Bond Anticipation Notes

The School District issued \$15,000,000 in bond anticipation on December 28, 2023 that bear an interest rate of 4.63% and mature on September 19, 2024. Notes that were financed prior to the issuance of the financial statements and have a maturity beyond the end of the year in which the report is issued have been reported on the statement of net position as a long-term liability.

Notes Payable - Financed Purchase

The School District has entered into financed purchase agreements for the purchase of various items. The payments are paid from the permanent improvements fund. The terms of the agreements are:

	<u>Beginning Date</u>	<u>Years</u>	<u>Ending Date</u>	<u>Payment Method</u>
U.S. Bancorp Government Leasing and Financing Inc.	2018	7	2025	Annually

The following is a schedule of future payments under the lease agreements:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	<u>\$ 82,742</u>	<u>\$ 818</u>	<u>\$ 83,560</u>

**NORTH RIDGEVILLE CITY SCHOOL DISTRICT
LORAIN COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

NOTE 12 - LONG-TERM OBLIGATIONS - (Continued)

Legal Debt Margin

The Ohio Revised Code provides that voted net general obligation debt of the School District shall never exceed 9% of the total assessed valuation of the School District. The code further provides that unvoted indebtedness shall not exceed 1/10 of 1% of the property valuation of the School District. The code additionally states that unvoted indebtedness related to energy conservation debt shall not exceed 9/10 of 1% of the property valuation of the School District. The assessed valuation used in determining the School District's legal debt margin has been modified by House Bill 530 which became effective March 30, 2006. In accordance with House Bill 530, the assessed valuation used in the School District's legal debt margin calculation excluded tangible personal property used in business, telephone or telegraph property, interexchange telecommunications company property, and personal property owned or leased by a railroad company and used in railroad operations.

The Ohio Revised Code further provides that when a board of education declares a resolution that the student population is not adequately served by existing facilities, and that insufficient capacity exists within the 9 percent limit to finance additional facilities, the State Department of Education may declare that a district is a "special needs" School District. This permits the incurrence of additional debt based upon projected 5-year growth of the School District's assessed valuation. The School District was determined to be a "special needs" School District.

At June 30, 2024, the School District's unvoted debt margin was \$1,232,360.

NOTE 13 - TAX ANTICIPATION NOTE

In November, 2015, the School District issued tax anticipation notes (1.99%) for ten years to finance energy efficiency improvements, upgrades to existing facilities and facility expansion or renovations. The notes are accounted for in the permanent improvement fund (a nonmajor governmental fund). Consistent with prior years, the tax anticipation note is reported as a fund liability.

Changes in the School District's tax anticipation notes during fiscal year 2024 were as follows:

	<u>Outstanding June 30, 2023</u>	<u>Additions</u>	<u>Deductions</u>	<u>Outstanding June 30, 2024</u>
Tax anticipation note (1.99%)	\$ 1,220,000	\$ -	\$ (400,000)	\$ 820,000

NOTE 14 - OTHER COMMITMENTS

The School District utilizes encumbrance accounting as part of its budgetary controls. Encumbrances outstanding at year end may be reported as part of restricted, committed, or assigned classifications of fund balance. At year end, the School District's commitments for encumbrances in the governmental funds were as follows:

<u>Fund</u>	<u>Year-End Encumbrances</u>
General fund	\$ 487,876
Building fund	3,080,982
Other nonmajor governmental funds	<u>39,411</u>
Total	<u>\$ 3,608,269</u>

**NORTH RIDGEVILLE CITY SCHOOL DISTRICT
LORAIN COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

NOTE 15 - JOINTLY GOVERNED ORGANIZATIONS

A. Connect

The North Coast Council became known as Connect effective April 1, 2016. The new governing Board of Directors, the Educational Service Centers of Northeast Ohio, Lorain and Medina County and the Ohio Schools Council, have accepted the ownership, responsibility and liability of Connect in order to provide exemplary service to member districts. The Superintendent/Executive Director of the three ESCs and Ohio Schools Council shall serve on Connect's Board of Directors. The purpose of Connect is applying modern technology (with the aid of computers and other electronic equipment) to administrative and instructional functions for member districts. Fiscal information for Connect is available from the Treasurer of the Educational Service Center of Northeast Ohio (fiscal agent), located at 6393 Oak Tree Boulevard, Independence, Ohio 44131. During the year ended June 30, 2024, the School District paid \$158,477 to Connect.

B. Lorain County Joint Vocational School District

The Lorain County Joint Vocational School District is a separate body politic and corporate, established by the Ohio Revised Code to provide for vocational and special education needs of the students. The Board of the Lorain County Joint Vocational School District is comprised of representatives from each participating school district and is responsible for approving its own budgets, appointing personnel, and accounting and financing related activities. The North Ridgeville City School District's students may attend the Lorain County Joint Vocational School District. Each school district's control is limited to its representation on the board. Financial information can be obtained by contacting the Lorain County Joint Vocational School District, 15181 State Route 58, Oberlin, Ohio 44074.

C. Ohio Schools Council

The Ohio Schools Council Association (Council) is a jointly governed organization among 254 school districts. The organization was formed to purchase quality products and services at the lowest possible cost to the member School Districts. Each School District supports the Council by paying an annual participation fee. The Council's Board consists of nine superintendents of the participating School Districts whose term rotates every year. The degree of control exercised by any school district is limited to its representation on the Board. In fiscal year 2024, the School District paid \$93,375 to the Council. Financial information can be obtained by contacting the Executive Director/Treasurer of the Ohio Schools Council at 6393 Oak Tree Boulevard, Suite 377, Independence, Ohio 44131.

The School District participates in the natural gas purchase program. This program allows the School District to purchase natural gas at reduced rates. Constellation New Energy has been selected as the supplier and program manager. There are currently 165 participants in the program. The participants make monthly payments based on estimated usage. Each September, these estimated payments are compared to their actual usage for the year (July to June). Districts that paid more in estimated billings than their actual billings are issued credits on future billings in September until the credits are exhausted and districts that did not pay enough on estimated billings are invoiced for the difference on the September monthly estimated billing.

NOTE 16 - CONTINGENCIES

A. Grants

The School District received financial assistance from federal and state agencies in the form of grants. The expenditure of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is subject to audit by the grantor agencies.

**NORTH RIDGEVILLE CITY SCHOOL DISTRICT
LORAIN COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

NOTE 16 - CONTINGENCIES - (Continued)

Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the School District at June 30, 2024.

B. Foundation Funding

Foundation funding is based on the annualized full-time equivalent (FTE) enrollment of each student. Traditional districts must comply with minimum hours of instruction, instead of a minimum number of school days each year. The funding formula the Ohio Department of Education and Workforce (ODEW) is legislatively required to follow will continue to adjust as enrollment information is updated by the School District, which can extend past the fiscal year-end. As of the date of this report, ODEW has finalized the impact of enrollment adjustments to the June 30, 2024 Foundation funding for the School District.

C. Litigation

The School District is not party to any claims or lawsuits that would, in the School District's opinion, have a material effect on the financial statements.

NOTE 17 - SET-ASIDES

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

The following cash basis information describes the change in the fiscal year end set aside amount for capital improvements.

	<u>Capital Improvements</u>
Set-aside balance June 30, 2023	\$ -
Current year set-aside requirement	936,509
Current year qualifying expenditures	(416,717)
Current year offsets	<u>(1,046,027)</u>
Total	<u>\$ (526,235)</u>
Balance carried forward to fiscal year 2025	<u>\$ -</u>
Set-aside balance June 30, 2024	<u><u>\$ -</u></u>

Although the School District had expenditures that reduced the capital improvements reserve set-aside amount below zero, this amount cannot be carried forward to reduce the set-aside requirements for future years.

**NORTH RIDGEVILLE CITY SCHOOL DISTRICT
LORAIN COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

NOTE 18 - TAX ABATEMENTS

The City of North Ridgeville is authorized by Ohio Revised code, subject to approval by city ordinance, to enter into property tax abatement agreements for the purpose of attracting or retaining business. The School District participates on a review board of those abatements and has entered into an agreement with the City of North Ridgeville to share in the income tax revenues generated by the incremental payroll associated with the business expansion. The School District receives 50% of the incremental income tax (less a 2.5% administration fee). In addition, the School District also receives contractual cash donations directly from these business entities for a period of time to compensate for the loss of real estate tax revenues.

For fiscal year 2024, the School District received \$858,749 in payments from the City and the business entities.

NOTE 19 - COVID-19

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

**NORTH RIDGEVILLE CITY SCHOOL DISTRICT
LORAIN COUNTY**

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

Federal Grantor/ Pass Through Grantor/ Program Title	Federal Assistance Listing Number	Expenditures
<u>U.S. DEPARTMENT OF AGRICULTURE</u>		
<i>Passed Through the Ohio Department of Education and Workforce:</i>		
Child Nutrition Cluster:		
School Breakfast Program	10.553	\$68,135
National School Lunch Program	10.555	436,186
COVID-19 National School Lunch Program	10.555	122,310
National School Lunch Program- Non-Cash Assistance	10.555	191,622
Total National School Lunch Program		750,118
Total Child Nutrition Cluster		818,253
TOTAL U.S. DEPARTMENT OF AGRICULTURE		818,253
<u>U.S. DEPARTMENT OF EDUCATION</u>		
<i>Passed Through the Ohio Department of Education and Workforce:</i>		
Special Education Cluster:		
Special Education - Grants to States	84.027	1,094,669
Special Education - Preschool Grants	84.173	33,207
Total Special Education Cluster		1,127,876
Title I Grants to Local Educational Agencies	84.010	47,340
Total Title I Grants to Local Educational Agencies		345,341
Student Support and Academic Enrichment Program	84.424	25,544
Total Student Support and Academic Enrichment Program		26,358
Supporting Effective Instruction State Grants	84.367	2,064
		82,051
		885
Total Supporting Effective Instruction State Grants		85,000
COVID-19 Education Stabilization Fund	84.425U	90,537
		219,290
		9,516
		179,484
Total Education Stabilization Fund		498,827
<i>Passed Through the Educational Service Center of Lorain County:</i>		
English Language Acquisition State Grants	84.365	2,274
TOTAL U.S. DEPARTMENT OF EDUCATION		2,158,560
<u>U.S. DEPARTMENT OF TREASURY</u>		
<i>Passed Through the Ohio Facilities Construction Commission:</i>		
COVID-19 Coronavirus State and Local Fiscal Recovery Funds - OH K-12 School Safety	21.027	233,880
TOTAL U.S. DEPARTMENT OF TREASURY		233,880
TOTALS		\$3,210,693

The accompanying notes are an integral part of this schedule.

**NORTH RIDGEVILLE CITY SCHOOL DISTRICT
LORAIN COUNTY**

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

NOTE A – BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of North Ridgeville City School District (the District) under programs of the federal government for the year ended June 30, 2024. The information on this Schedule is prepared in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the 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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800-282-0370

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

North Ridgeville City School District
Lorain County
34620 Bainbridge Road
North Ridgeville, Ohio 44039

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 North Ridgeville City School District, Lorain County, Ohio (the District) as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated October 16, 2025 wherein we noted the District restated the June 30, 2023 net position of its Governmental Activities to reflect adjustments made to compensated absences, capital assets, and accretion on capital appreciation bonds. Additionally, we noted the District changed the classification of both the Bond Retirement Fund and Building Fund from nonmajor to major in 2024.

Report on Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified a certain deficiency in internal control, described in the accompanying schedule of findings as item 2024-001 that we consider to be a material weakness.

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*.

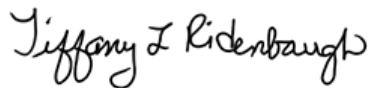
District's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the District's response to the finding identified in our audit and described in the accompanying corrective action plan. The District's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

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
Ohio Auditor of State



Tiffany L. Ridenbaugh, CPA, CFE, CGFM
Chief Deputy Auditor

October 16, 2025

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 REQUIRED BY THE UNIFORM GUIDANCE

North Ridgeville City School District
Lorain County
34620 Bainbridge Road
North Ridgeville, Ohio 44039

To the Board of Education:

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited North Ridgeville City School District's, Lorain 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 North Ridgeville City School District's major federal programs for the year ended June 30, 2024. North Ridgeville City School District's major federal programs are identified in the *Summary of Auditor's Results* section of the accompanying schedule of findings.

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

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 of the major federal programs. Our audit does not provide a legal determination of the District's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control Over Compliance

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

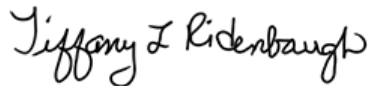
North Ridgeville City School District
Lorain County
Independent Auditor's Report on Compliance with Requirements
Applicable to Each Major Federal Program and on Internal Control Over
Compliance Required By the Uniform Guidance
Page 3

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

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

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

KEITH FABER
Ohio Auditor of State



Tiffany L. Ridenbaugh, CPA, CFE, CGFM
Chief Deputy Auditor

October 16, 2025

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**NORTH RIDGEVILLE CITY SCHOOL DISTRICT
LORAIN COUNTY**

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

1. SUMMARY OF AUDITOR'S RESULTS

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

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

FINDING 2024-001

Material Weakness – Financial Statement Errors

In our audit engagement letter, as required by AU-C Section 210, Terms of Engagement, paragraph .06, management acknowledged its responsibility for the preparation and fair presentation of their financial statements; this responsibility includes designing, implementing and maintaining internal control relevant to preparing and fairly presenting financial statements free from material misstatement, whether due to fraud or error as discussed in AU-C Section 210 paragraphs .A14 & .A16. Governmental Accounting Standards Board (GASB) Cod. 1100 paragraph.101 states a governmental accounting system must make it possible both: (a) to present fairly and with full disclosure the funds and activities of the governmental unit in conformity with generally accepted accounting principles, and (b) to determine and demonstrate compliance with finance-related legal and contractual provisions.

The District is responsible for ensuring capital asset balances are complete and accurate, including having procedures in place to capture additions at the appropriate amount, functional category, asset class, and include all costs required to get the capital asset into use; removing items that are sold or no longer being used; depreciating capital assets based on salvage value, useful life, and the appropriate method, such as straight-line, the District establishes; and maintaining a detailed capital asset listing.

The District uses the EIS system to maintain a detailed listing of individual capital assets, and the system captures all critical data elements. However, due to insufficient internal controls, various depreciable capital assets did not have a useful life entered into EIS and therefore were not properly depreciated. We noted one asset that was being depreciated at a rate higher than intended by its useful life. As a result, depreciable capital assets net of accumulated depreciation in the Governmental Activities were overstated by \$2,931,024, net position at the beginning of the year was overstated by \$2,479,767, and regular, instructional staff, operations and maintenance, and facilities acquisition and construction expenses were each understated by \$344,795, \$2,944, \$2,541, and \$100,977, respectively. These errors were adjusted to the financial statements by management.

The District also restated the June 30, 2023 net position of its Governmental Activities to reflect necessary adjustments of \$727,056 and (\$2,504,899) to correctly report compensated absences and accretion on capital appreciation bonds, respectively.

In addition to the adjustments listed above, we also identified additional immaterial misstatements as follows that we have brought to the District's attention:

- Capital assets totaling \$434,544 and related depreciation were classified as furniture and equipment and should have been classified as vehicles.
- Capital assets totaling \$107,400 and related depreciation were classified as buildings and improvements and should have been classified as furniture and equipment.

Failure to accurately report capital asset details and other transactions and/or balances could lead to inaccurate financial reporting and material financial statement misstatements in the future.

FINDING 2024-001 (Continued)

Material Weakness – Financial Statement Errors (Continued)

The District should exercise due care when analyzing, posting, computing and accounting for revenue, expenses, assets, liabilities and equity to help ensure transactions are correct and posted in the proper amounts, funds and accounts. The District should periodically review the capital asset master listing to ensure all items are recorded in the proper period, at proper amounts and with proper useful lives and otherwise meet the District's criteria for capitalization. Management should also review the draft journal entries and financial statements to help ensure they are supported by sufficient documentation, reconciled to the trial balances, free of obvious errors and omissions, and consistent with their financial expectations. These procedures should help avoid financial statement errors and help ensure more accurate financial reporting

Officials' Response: See Corrective Action Plan

3. FINDINGS FOR FEDERAL AWARDS

None

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North Ridgeville City Schools

North Ridgeville City Schools
34620 Bainbridge Road
North Ridgeville, OH 44039

Treasurer/CFO: Wendy Fanta
Phone: 440-353-1145
Fax: 440-230-8363

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

2 CFR 200.511(b)

June 30, 2024

Finding Number	Finding Summary	Status	Additional Information
2023-001	Material Weakness and Noncompliance The District overstated their reported free, reduced, and paid lunches and breakfasts resulting in over-reimbursement.	Fully Corrected	

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North Ridgeville City Schools

North Ridgeville City Schools
34620 Bainbridge Road
North Ridgeville, OH 44039

Treasurer/CFO: Wendy Fanta
Phone: 440-353-1145
Fax: 440-230-8363

CORRECTIVE ACTION PLAN

2 CFR § 200.515

Finding Number: 2024-001

Planned Corrective Action:

The audit identified financial statement errors due to incorrect depreciation and misclassification of certain capital assets. Some of the errors were traced to data and configuration issues within the District's Equipment Inventory System (EIS), which resulted in incorrect depreciation calculations.

Correction:

- 1) The SSDT (State Software Development Team) had to revert the files back to when they were originally entered and correct the depreciation going forward until the current fiscal year (FY24).
- 2) We worked with our ITC to find any items that did not have a useful life and applied one.
- 3) Julian and Grube made corrections to annual financial statements.

Anticipated Completion Date:

The errors were found in October of 2024 and were immediately corrected so that the correct depreciation could be ran. Currently in October of 2025 we are working with our ITC to verify that all data in the system is correct to the best of our knowledge for FY25 and forward. Also as part of that process, we are working to cross train staff and create a process for more efficient, thorough and timely input and review of the data.

Responsible Contact Person: Wendy Fanta, Treasurer

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APPENDIX D

Proposed Text of Opinion of Bond Counsel

We have served as bond counsel to our client North Ridgeville City School District, Ohio (the “School District”), in connection with the issuance by the School District of its \$21,170,000* School Improvement Bonds, Series 2025 (the “Bonds”), dated the date of this letter, and issued for the purpose of constructing, adding to, renovating, remodeling, furnishing, equipping and otherwise improving school district buildings and facilities and acquiring, clearing, improving and equipping their sites.

In our capacity as bond counsel, we have examined the transcript of proceedings relating to the issuance of the Bonds, a copy of the signed and authenticated Bond of the first maturity and such other documents, matters and law as we deem necessary to render the opinions set forth in this letter.

Based on that examination and subject to the limitations stated below, we are of the opinion that under existing law:

1. The Bonds constitute valid and binding general obligations of the School District, and the principal of and interest on the Bonds, unless paid from other sources, are to be paid from the proceeds of the levy of ad valorem taxes, unlimited as to amount or rate, on all property subject to ad valorem taxes levied by the Board of Education of the School District.
2. Interest on the Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986 and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals. Interest on, and any profit made on the sale, exchange or other disposition of, the Bonds are exempt from all Ohio state and local taxation, except the estate tax, the domestic insurance company tax, the dealers in intangibles tax, the tax levied on the basis of the total equity capital of financial institutions, and the net worth base of the corporate franchise tax. We express no opinion as to any other tax consequences regarding the Bonds.

The opinions stated above are based on an analysis of existing laws, regulations, rulings and court decisions and cover certain matters not directly addressed by such authorities. In rendering all such opinions, we assume, without independent verification, and rely upon (i) the accuracy of the factual matters represented, warranted or certified in the proceedings and documents we have examined and (ii) the due and legal authorization, execution and delivery of those documents by, and the valid, binding and enforceable nature of those documents upon, any parties other than the School District.

In rendering those opinions with respect to the treatment of the interest on the Bonds under the federal tax laws, we further assume and rely upon compliance with the covenants in the proceedings and documents we have examined, including those of the School District. Failure to comply with certain of those covenants subsequent to issuance of the Bonds may cause interest on the Bonds to be included in gross income for federal income tax purposes retroactively to their date of issuance.

* Preliminary, subject to change.

The rights of the owners of the Bonds and the enforceability of the Bonds are subject to bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance or transfer, and other laws relating to or affecting the rights and remedies of creditors generally; to the application of equitable principles, whether considered in a proceeding at law or in equity; to the exercise of judicial discretion; and to limitations on legal remedies against public entities.

No opinions other than those expressly stated herein are implied or shall be inferred as a result of anything contained in or omitted from this letter. The opinions expressed in this letter are stated only as of the time of its delivery, and we disclaim any obligation to revise or supplement this letter thereafter. Our engagement as bond counsel in connection with the original issuance and delivery of the Bonds is concluded upon delivery of this letter.

Respectfully submitted,

APPENDIX E

Book-Entry System; DTC

Book-Entry System

The information set forth in the following numbered paragraphs is based on information provided by The Depository Trust Company in its “Sample Offering Document Language Describing DTC and Book-Entry-Only Issuance” (September 2024). As such, the School District believes it to be reliable, but the School District takes no responsibility for the accuracy or completeness of that information. It has been adapted to the Certificates issued for purpose of clarification by, among other things, substituting “Bonds” for “Securities,” “School District” for “Issuer” and “Trustee” for “registrar” and by the addition of the italicized language set forth in the text. See also the additional information following those numbered paragraphs.

1. The Depository Trust Company (“DTC”) will act as securities depository for the Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Bond will be issued for each maturity of the Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC.

2. DTC, the world’s largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC’s participants (“Direct Participants”) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants’ accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (“DTCC”). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“Indirect Participants”). DTC has a Standard & Poor’s rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com. *(This internet site is included for reference only, and the information in this internet site is not incorporated by reference in this Official Statement.)*

3. Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC’s records. The ownership interest of each actual purchaser of each Bond (“Beneficial Owner”) is in turn to be recorded on the Direct and Indirect Participants’ records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive bonds

representing their ownership interests in the Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

4. To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Certificates with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

5. Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults and proposed amendments to the Trust Indenture. For example, Beneficial Owners of Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the Trustee and request that copies of notices be provided directly to them.

6. Redemption notices shall be sent to DTC. If less than all of the Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

7. Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Bonds unless authorized by a Direct Participant in accordance with DTC's MMI procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the School District as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

8. Redemption proceeds, distributions, and dividends (*debt charges payments*) on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts, upon DTC's receipt of funds and corresponding detail information from the School District or the Trustee, on the payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Trustee, or the School District, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions and dividends (*debt charges*) to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the School District or the Trustee, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

9. (*Not Applicable to the Certificates.*)

10. DTC may discontinue providing its services as depository with respect to the Certificates at any time by giving reasonable notice to the School District or the Trustee. Under such

circumstances, in the event that a successor depository is not obtained, Replacement certificates are required to be printed (*or otherwise produced*) and delivered.

11. The School District may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Replacement certificates will be printed (or otherwise produced) and delivered to DTC. (*See also **Revision of Book-Entry System; Replacement Certificates.***)

12. The information (above) in this section concerning DTC and DTC's book-entry system has been obtained from sources that the School District believes to be reliable, but the School District takes no responsibility for the accuracy thereof.

Direct Participants and Indirect Participants may impose service charges on Beneficial Owners in certain cases. Purchasers of book-entry interests should discuss that possibility with their brokers.

The School District and the Trustee have no role in the purchases, transfers or sales of book-entry interests. The rights of Beneficial Owners to transfer or pledge their interests, and the manner of transferring or pledging those interests, may be subject to applicable state law. Beneficial Owners may want to discuss with their legal advisors the manner of transferring or pledging their book-entry interests.

The School District and the Trustee have no responsibility or liability for any aspects of the records or notices relating to, or payments made on account of, beneficial ownership, or for maintaining, supervising or reviewing any records relating to that ownership.

The School District and the Trustee cannot and do not give any assurances that DTC, Direct Participants, Indirect Participants or others will distribute to the Beneficial Owners payments of debt charges on the Bonds made to DTC as the registered owner, or redemption, if any, or other notices, or that they will do so on a timely basis, or that DTC, Direct Participants or Indirect Participants will serve or act in a manner described in this Official Statement.

For all purposes under the Trust Indenture, DTC will be and will be considered by the School District and the Trustee to be the owner or holder of the Bonds.

Beneficial Owners will not receive or have the right to receive physical delivery of Bonds, and, except to the extent they may have rights as Beneficial Owners or holders under the Continuing Disclosure Agreement, will not be or be considered by the School District and the Trustee to be, and will not have any rights as, owners or holders of Bonds under the Trust Indenture.

Reference herein to "DTC" includes when applicable any successor securities depository and the nominee of the depository.

Revision of Book-Entry System; Replacement Certificates

The Trust Indenture provides for issuance of fully-registered Bonds (Replacement Bonds) directly to owners of Bonds other than DTC only in the event that DTC (or a successor securities depository) determines not to continue to act as securities depository for the Bonds. Upon occurrence of this event, the School District may in its discretion attempt to have established a securities depository book-entry relationship with another securities depository. If the School District does not do so, or is unable to do so, and after the Trustee has made provision for notification of the Beneficial Owners of the Bonds by appropriate notice to DTC, the School District and the Trustee will authenticate and deliver Replacement Bonds of any one maturity, in authorized denominations, to or

at the direction of any persons requesting such issuance, and, if the event is not the result of School District action or inaction, at the expense (including legal and other costs) of those requesting.

Debt charges on Replacement Bonds will be payable when due without deduction for the services of the Trustee as paying agent. Principal of and any premium on Replacement Bonds, will be payable when due to the registered owner upon presentation and surrender at the designated corporate trust office of the Trustee. Interest on Bonds will be payable on the interest payment date by the Trustee by transmittal to the registered owner of record on the Trust Indenture as of the 15th day of the calendar month next preceding the interest payment date. Replacement Bonds will be exchangeable for other Replacement Bonds of authorized denominations, and transferable, at the designated corporate trust office of the Trustee without charge (except taxes or governmental fees). Exchange or transfer of then-redeemable Replacement Bonds is not required to be made: (i) between the 15th day of the calendar month next preceding the mailing of notice of redemption of Replacement Bonds and the date of that mailing, or (ii) of a particular Replacement Bond selected for redemption (in whole or part).

APPENDIX F

Proposed Form of Continuing Disclosure Agreement

\$21,170,000*

North Ridgeville City School District, Ohio
School Improvement Bonds, Series 2025

CONTINUING DISCLOSURE AGREEMENT

THIS CONTINUING DISCLOSURE AGREEMENT, dated as of December 16, 2025 (the Agreement), is made, signed and delivered by **NORTH RIDGEVILLE CITY SCHOOL DISTRICT, OHIO**, a school district and political subdivision duly organized and existing under the laws of the State of Ohio (the School District), for the benefit of the Holders and Beneficial Owners (as defined herein) from time to time of the School District's \$21,170,000* School Improvement Bonds, Series 2025 (the Bonds), authorized Resolution No. 25:07106, adopted by the Board of Education of the School District on July 1, 2025 (the Bond Resolution).

RECITAL

The School District, by adoption of the Bond Resolution, has determined to issue the Bonds to provide funds for School District purposes, and Stifel, Nicolaus & Company, Incorporated (the Participating Underwriter), has agreed to provide those funds to the School District by purchasing the Bonds. As a condition to the purchase of the Bonds from the School District and the sale of Bonds to Holders and Beneficial Owners, the Participating Underwriter is required to reasonably determine that the School District has undertaken, in a written agreement for the benefit of Holders and Beneficial Owners of the Bonds, to provide certain information in accordance with the Rule (as defined herein).

NOW, THEREFORE, in accordance with the Bond Resolution, the School District covenants and agrees as set forth in this Continuing Disclosure Agreement.

Section 1. Purpose of Continuing Disclosure Agreement. This Agreement is being entered into, signed and delivered for the benefit of the Holders and Beneficial Owners of the Bonds and in order to assist the Participating Underwriter of the Bonds in complying with Rule 15c2-12(b)(5) promulgated by the Securities and Exchange Commission (SEC) pursuant to the Securities Exchange Act of 1934, as may be amended from time to time (the Rule).

Section 2. Definitions. In addition to the definitions set forth above, the following capitalized terms shall have the following meanings in this Agreement, unless the context clearly otherwise requires. Reference to "Sections" shall mean sections of this Agreement.

"Annual Filing" means any Annual Information Filing provided by the School District pursuant to, and as described in, Sections 3 and 4.

* Preliminary, subject to change.

“Audited Financial Statements” means the audited basic financial statements of the School District, prepared in conformity with generally accepted accounting principles.

“Beneficial Owner” means any person that (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries), or (b) is treated as the owner of any Bonds for federal income tax purposes.

“EMMA” means the Electronic Municipal Market Access system of the MSRB; information regarding submissions to EMMA is available at <http://emma.msrb.org>.

“Filing Date” means the last day of the ninth month following the end of each Fiscal Year (or the next succeeding business day if that day is not a business day), beginning March 31, 2026 (as to the financial information and operating data described in Section 4(a), starting with such information and data for Fiscal Year 2025), and, as to the Audited Financial Statements, when and if available, starting with the Audited Financial Statements for Fiscal Year 2025, when and if available.

“Financial Obligation” means a (i) debt obligation, (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation or (iii) guarantee of an obligation or instrument described in either clause (i) or (ii). Financial Obligation shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

“Fiscal Year” means the 12-month period beginning on July 1 of each year or such other 12-month period as the School District shall adopt as its fiscal year.

“Holder” means, with respect to the Bonds, the person in whose name a Bond is registered in accordance with the Bond Resolution.

“MSRB” means the Municipal Securities Rulemaking Board.

“Obligated Person” means, any person, including the issuer of municipal securities (such as the Bonds), who is generally committed by contract or other arrangement to support payment of all or part of the obligations on the municipal securities being sold in an offering document (such as the Official Statement); the School District is the only Obligated Person for the Bonds.

“Official Statement” means the Official Statement for the Bonds dated December ___, 2025.

“Participating Underwriter” means any of the original underwriters of the Bonds required to comply with the Rule in connection with offering of the Bonds.

“Specified Events” means any of the events with respect to the Bonds as set forth in Section 5(a).

“State” means the State of Ohio.

Section 3. Provision of Annual Information.

(a) The School District shall provide (or cause to be provided) not later than the Filing Date to the MSRB an Annual Filing, which is consistent with the requirements of Section 4. The Annual Filing shall be submitted in an electronic format and contain such identifying information as is prescribed by the MSRB, and may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4; provided that the Audited Financial Statements of the School District may be submitted separately from the balance of the Annual Filing and later than the Filing Date if they are not available by that date. If the School District's Fiscal Year changes, it shall give notice of such change in the same manner as for a Specified Event under Section 5.

(b) If the School District is unable to provide to the MSRB an Annual Filing by the Filing Date, the School District shall, in a timely manner, send a notice to the MSRB in an electronic format as prescribed by the MSRB.

Section 4. Content of Annual Filing. The School District's Annual Filing shall contain or include by reference the following:

(a) Financial information and operating data of the type included in the Official Statement under the captions: the table of the historical and projected enrollment in the School District's schools under **The School System – Enrollment; Ad Valorem Property Taxes – Assessed Valuation** (including the table of the largest School District taxpayers), – **Collections** and – **Delinquencies**, together with information as to overlapping and School District tax rates; **State School Funding System; School District Debt and Other Long-Term Obligations**, including **Debt Tables**, as applicable; and **Appendices A and B-2**.

(b) The Audited Financial Statements of the School District utilizing generally accepted accounting principles applicable to governmental units as described in the Official Statement, except as may be modified from time to time and described in such financial statements.

The foregoing shall not obligate the School District to prepare or update projections of any financial information or operating data.

Any or all of the items listed above may be included by specific reference to other documents, including official statements of debt issues of the School District or related public entities, which have been submitted to the MSRB or the Securities and Exchange Commission. The School District shall clearly identify each such other document so included by reference.

Section 5. Reporting Specified Events.

(a) The School District shall provide (or cause to be provided) to the MSRB, in an electronic format and containing such identifying information as is prescribed by the MSRB and in a timely manner but not later than ten business days after the occurrence of the event, notice of any of the following events with respect to the Bonds, as specified by the Rule:

- (1) Principal and interest payment delinquencies;
- (2) Non-payment related defaults, if material;
- (3) Unscheduled draws on debt service reserves reflecting financial difficulties; (a)
- (4) Unscheduled draws on credit enhancements reflecting financial difficulties; (a)

- (5) Substitution of credit or liquidity providers, or their failure to perform; (a)
- (6) (Issuance of) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the security (*i.e.*, the Bonds), or other material events affecting the tax status of the security;
- (7) Modifications to rights of security holders, if material;
- (8) Bond calls, if material, and tender offers; (b)
- (9) Defeasances;
- (10) Release, substitution, or sale of property securing repayment of the securities, if material; (c)
- (11) Rating changes;
- (12) Bankruptcy, insolvency, receivership or similar event of the Obligated Person; Note: For the purposes of the event identified in this subparagraph, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for an Obligated Person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Obligated Person, or if such jurisdiction has been assumed by leaving the existing governmental body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Obligated Person.
- (13) The consummation of a merger, consolidation, or acquisition involving an Obligated Person or the sale of all or substantially all of the assets of the Obligated Person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
- (14) Appointment of a successor or additional trustee or the change of name of a trustee, if material;
- (15) Incurrence of a Financial Obligation of the Obligated Person, if material, or agreement to covenants, events of default, remedies, priority rights, or similar terms of a Financial Obligation of the Obligated Person, any of which affect security holders, if material; and
- (16) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the Obligated Person, any of which reflect financial difficulties.

Note:

- (a) *The School District has not obtained or provided, and does not expect to obtain or provide, any debt service reserves, credit enhancements or credit or liquidity providers for the Bonds.*
- (b) *Any scheduled redemption of Bonds pursuant to mandatory sinking fund redemption requirements does not constitute a specified event within the meaning of the Rule.*
- (c) *Repayment of the Bonds is not secured by a lien on any property capable of release or sale or for which other property may be substituted.*

For the Specified Events described in Section 5(a) (2), (6, as applicable), (7), (8, as applicable), (10), (13), (14) and (15), the School District acknowledges that it must make a determination whether

such Specified Event is material under applicable federal securities laws in order to determine whether a filing is required.

Section 6. Amendments. The School District reserves the right to amend this Agreement, and noncompliance with any provision of this Agreement may be waived, as may be necessary or appropriate to (a) achieve its compliance with any applicable federal securities law or rule, (b) cure any ambiguity, inconsistency or formal defect or omission and (c) address any change in circumstances arising from a change in legal requirements, change in law or change in the identity, nature or status of the School District or type of business conducted by the School District. Any such amendment or waiver shall not be effective unless the Agreement (as amended or taking into account such waiver) would have materially complied with the requirements of the Rule at the time of the primary offering of the Bonds, after taking into account any applicable amendments to or official interpretations of the Rule, as well as any change in circumstances, and until the School District shall have received either (i) a written opinion of bond counsel or other qualified independent special counsel selected by the School District that the amendment or waiver would not materially impair the interests of Holders or Beneficial Owners, or (ii) the written consent to the amendment or waiver of the Holders of at least a majority of the principal amount of the Bonds then outstanding. An Annual Filing containing any revised operating data or financial information shall explain, in narrative form, the reasons for any such amendment or waiver and the impact of the change on the type of operating data or financial information being provided. If the amendment relates to the accounting principles to be followed in preparing Audited Financial Statements, (A) the School District shall provide notice of such change in the same manner as for a Specified Event under Section 5 and (B) the Annual Filing for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements or information as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

Section 7. Additional Information. Nothing in this Agreement shall be deemed to prevent the School District from disseminating any other information, using the means of dissemination set forth in this Agreement or providing any other means of communication, or including any other information in any Annual Filing or providing notice of the occurrence of an event, in addition to that which is required by this Agreement. If the School District chooses to include any information in any document or notice of occurrence of an event in addition to that which is specifically required by this Agreement, the School District shall have no obligation under this Agreement to update such information or include it in any future Annual Filing or notice of occurrence of a Specified Event.

Section 8. Remedy for Breach. This Agreement shall be solely for the benefit of the Holders and Beneficial Owners from time to time of the Bonds. The exclusive remedy for any breach of the Agreement by the School District shall be limited, to the extent permitted by law, to a right of Holders and Beneficial Owners to institute and maintain, or to cause to be instituted and maintained, such proceedings as may be authorized at law or in equity to obtain the specific performance by the School District of its obligations under this Agreement in a court in the County of Lorain, Ohio. Any such proceedings shall be instituted and maintained only in accordance with Section 133.25(B)(4)(b) or (C)(1) of the Revised Code (or any like or comparable successor provisions); provided that any Holder or Beneficial Owner may exercise individually any such right to require the School District to specifically perform its obligation to provide or cause to be provided a pertinent filing if such a filing is due and has not been made. Any Beneficial Owner

seeking to require the School District to comply with this Agreement shall first provide at least 30 days' prior written notice to the School District of the School District's failure, giving reasonable detail of such failure, following which notice the School District shall have 30 days to comply. A default under this Agreement shall not be deemed an event of default under the Bond Resolution, and the sole remedy under this Agreement in the event of any failure of the School District to comply with this Agreement shall be an action to compel performance. No person or entity shall be entitled to recover monetary damages under this Agreement.

Section 9. Appropriation. The performance by the School District of its obligations under this Agreement shall be subject to the availability of funds and their annual appropriation to meet costs that the School District would be required to incur to perform those obligations. The School District shall provide notice to the MSRB in the same manner as for a Specified Event under Section 5 of the failure to appropriate funds to meet costs to perform the obligations under this Agreement.

Section 10. Termination. The obligations of the School District under the Agreement shall remain in effect only for such period that the Bonds are outstanding in accordance with their terms and the School District remains an Obligated Person with respect to the Bonds within the meaning of the Rule. The obligation of the School District to provide the information and notices of the events described above shall terminate, if and when the School District no longer remains such an Obligated Person. If any person, other than the School District, becomes an Obligated Person relating to the Bonds, the School District shall use its best efforts to require such Obligated Person to comply with all provisions of the Rule applicable to such Obligated Person.

Section 11. Dissemination Agent. The School District may, from time to time, appoint or engage a dissemination agent to assist it in carrying out its obligations under this Agreement, and may discharge any such agent, with or without appointing a successor dissemination agent.

Section 12. Beneficiaries. This Agreement shall inure solely to the benefit of the School District, any dissemination agent, the Participating Underwriter and Holders and Beneficial Owners from time to time of the Bonds, and shall create no rights in any other person or entity.

Section 13. Recordkeeping. The School District shall maintain records of all Annual Filings and notices of Specified Events and other events, including the content of such disclosure, the names of the entities with whom such disclosures were filed and the date of filing such disclosure.

Section 14. Governing Law. This Agreement shall be governed by the laws of the State.

[Signature Page Follows]

IN WITNESS WHEREOF, the School District has caused this Continuing Disclosure Agreement to be duly signed and delivered to the Participating Underwriter, as part of the Bond proceedings and in connection with the original delivery of the Bonds to the Participating Underwriter, on its behalf by its officials signing below, all as of the date set forth above, and the Holders and Beneficial Owners from time to time of the Bonds, shall be deemed to have accepted this Agreement made in accordance with the Rule.

**NORTH RIDGEVILLE CITY
SCHOOL DISTRICT, OHIO**

By: Exhibit – Not for Signature
President, Board of Education

By: Exhibit – Not for Signature
Superintendent

By: Exhibit – Not for Signature
Treasurer, Board of Education

**CERTIFICATE OF FISCAL OFFICER –
CONTINUING DISCLOSURE AGREEMENT**

As fiscal officer of North Ridgeville City School District, Ohio, I certify that the amount required to meet the obligation of the School District under the Agreement made by the School District in accordance with the Rule, as set forth in the Bond Resolution and the attached Continuing Disclosure Agreement, during Fiscal Year 2026, has been lawfully appropriated by the School District for such purpose and is in the School District treasury or in the process of collection to the credit of an appropriate fund free from any previous encumbrances. This Certificate is given in compliance with Section 5705.41 of the Revised Code.

Dated: December 16, 2025

Exhibit – Not for Signature

Treasurer, Board of Education

North Ridgeville City School District, Ohio