NEW ISSUE; BOOK-ENTRY ONLY

Ratings:
Programmatic Rating: Moody's: Aa1
(Ohio School District Credit Enhancement Program)
Underlying Rating: Moody's: Aa3
See **Ratings**

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****.*

$27,800,000
NORTH CANTON CITY SCHOOL DISTRICT, OHIO
GENERAL OBLIGATION (Unlimited Tax)
CLASSROOM FACILITIES AND SCHOOL IMPROVEMENT BONDS, SERIES 2024

Dated: Date of Issuance **Due**: October 1, as shown on the inside over

The Bonds. The Bonds are voted general obligations of the School District, issued to finance permanent improvements, as described under **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, 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 The Huntington National Bank (the Bond Registrar) and interest transmitted by the Bond Registrar on each interest payment date (April 1 and October 1 of each year, beginning October 1, 2024) 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 and after October 1, 2032, are subject to optional redemption by the School District prior to maturity, on or after October 1, 2031, and Term Bonds are subject to mandatory redemption, as described in this Official Statement. See **Prior Redemption.**

The Bonds are offered when, as and if issued and accepted by Northland Securities, Inc. (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. Certain legal matters will be passed upon for the School District by Squire Patton Boggs (US) LLP, as disclosure counsel to the School District. The Bonds are expected to be available for delivery to DTC or its agent on May 2, 2024.

northland

This Official Statement has been prepared by the District in connection with its original offering for sale of the Bonds. The Cover (as defined herein) 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 April 11, 2024, and the information herein speaks only as of that date.

PRINCIPAL MATURITY SCHEDULE
ON OCTOBER 1

$3,570,000 SERIAL BONDS

Year	Amount	Interest Rate	Price	CUSIP©(a) No. 658170
2024	$315,000	6.000%	100.987%	GF6
2025	215,000	6.000	103.499	GG4
2026	230,000	5.000	103.910	GH2
2027	240,000	5.000	106.007	GJ8
2028	270,000	5.000	108.036	GK5
2029	300,000	5.000	109.923	GL3
2030	330,000	5.000	111.464	GM1
2031	360,000	5.000	113.132	GN9
2032	395,000	5.000	112.990	GP4
2033	435,000	5.000	112.920	GQ2
2034	480,000	5.000	112.637	GR0

$1,035,000 5.000% TERM BONDS DUE 2036, Price 111.584% CUSIP©(a) No. 658170 GS8

$1,150,000 5.000% TERM BONDS DUE 2038, Price 110.198% CUSIP©(a) No. 658170 GT6

$1,955,000 5.000% TERM BONDS DUE 2041, Price 107.887% CUSIP©(a) No. 658170 GU3

$2,270,000 5.000% TERM BONDS DUE 2044, Price 106.754% CUSIP©(a) No. 658170 GV1

$4,620,000 5.000% TERM BONDS DUE 2049, Price 105.177% CUSIP©(a) No. 658170 GW9

$5,865,000 4.500% TERM BONDS DUE 2054, Price 98.852% CUSIP©(a) No. 658170 GX7

$7,335,000 4.500% TERM BONDS DUE 2059, Price 97.743% CUSIP©(a) No. 658170 GY5

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NORTH CANTON CITY SCHOOL DISTRICT, OHIO

SCHOOL DISTRICT OFFICIALS

Board of Education:	Alyssa Plakas Dr. Robert Roden, President Jessica Stroia, Vice President Lindsey Wyckoff Andrea Ziarko
Superintendent:	Jeff Wendorf
Treasurer:	Tim Walker

PROFESSIONAL SERVICE PROVIDERS

Bond Counsel and Disclosure Counsel:	Squire Patton Boggs (US) LLP
Bond Registrar:	The Huntington National Bank
Underwriter:	Northland Securities, Inc.

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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. 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.

CUSIP® is a registered trademark of the American Bankers Association. CUSIP Global Services (CGS) is managed on behalf of the American Bankers Association by FactSet Research Systems Inc. CUSIP® data herein is provided by CUSIP Global Services. This data is not intended to create a database and does not serve in any way as a substitute for the CGS database. CUSIP® numbers are provided for convenience of reference only. None of the School District, Bond Counsel, Disclosure Counsel, the Underwriter or their agents or counsel, assume responsibility for the accuracy of such numbers and no representation is made as to their correctness on the applicable Bonds or the Cover or as indicated herein. The CUSIP number for a specific maturity or interest rate within a maturity is subject to being changed after the issuance of the Bonds as a result of various subsequent actions including, but not limited to, a refunding in whole or in part or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of certain maturities of the Bonds.

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 overallot or effect transactions that stabilize or maintain the market price 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 price stated on the Cover, which public offering price 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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INTRODUCTORY STATEMENT

This Official Statement has been prepared by the Board of Education (the Board) of North Canton City School District, Ohio (the School District or District), in connection with its original issuance and sale of the Bonds identified on the Cover (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, under **Underwriting** and in **Appendices D** and **E**. 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 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 North Canton City School District.

"City" means the City of North Canton, Ohio.

"County" means County of Stark, Ohio.

"County Auditor" means the Auditor of the County.

"Cover" means the cover page and the inside cover of this Official Statement.

"Date of issuance" or **"closing date"** means the date of initial delivery of the Bonds against payment by the Underwriter.

"Debt charges" means the 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 2024") means the Fiscal Year ending on June 30 in that year.

"Fiscal Year 2023 Financial Statements" means the Basic Financial Statements from the School District's Financial Report for Fiscal Year 2023 (Audited) attached as **Appendix C**.

"Interest Payment Date" means each April 1 and October 1, beginning October 1, 2024.

"Revised Code" means the Ohio Revised Code.

"State" or **"Ohio"** means the State of Ohio.

"Township" means Lake Township, County of Stark, Ohio.

"Treasurer" means the Treasurer of the Board/School District.

"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.

The Bonds are issued by North Canton City School District, Ohio. They are authorized by Chapter 133 of the Revised Code, a vote of the electors and legislation adopted by the Board. The Bonds are being issued to pay costs of the permanent improvements described herein. See **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 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 and each interest rate within a maturity, if applicable, issuable under a book-entry system and registered initially in the name of The Depository Trust Company, New York, New York, or its nominee (DTC). See **Certain Terms of the Bonds – 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 maturing on and after October 1, 2032, are subject to prior redemption on any date, 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 or after October 1, 2031, at a redemption price equal to 100% of the principal amount redeemed, plus interest accrued to the redemption date. Certain of the Bonds, if any, are subject to mandatory prior redemption, as described in this Official Statement. See **Certain Terms of the Bonds - Prior Redemption**.

The opinion as to the validity of the Bonds and the tax-exempt status of the interest on the Bonds 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 and Section 5705.218 of the Revised Code, a vote of the electors of the School District at the election held on November 7, 2023, on the single question (approved by a 51.00%) affirmative vote) of (i) issuing general obligation bonds in the aggregate principal amount of $27,800,000 and levying a property tax to retire those Bonds and (ii) levying an additional 0.7-mill tax to provide funds for the acquisition, construction, enlargement, renovation, and financing of general permanent improvements, for a continuing period of time, a resolution adopted by the Board on February 21, 2024, and a final terms certificate provided for by that resolution (collectively, the Authorizing Legislation). The Bonds are being issued for the purpose of constructing, furnishing and equipping a new middle school building and otherwise improving school district buildings and facilities and clearing, improving and equipping their sites. See **The School System – School District Facilities; Insurance – The Project**.

A portion ($21,481,000) of the principal of the Bonds, together with other funds available to the School District for the purpose, will be used to retire the School District's outstanding (i) $8,877,000 Classroom Facilities and School Improvement Notes, Series 2023, and (ii) $12,604,000 Classroom Facilities and School Improvement Notes, Series 2024, each maturing on July 23, 2024 (together, the Outstanding Notes).

The School District and the Ohio Facilities Construction Commission (the Commission) will enter into a Project Agreement for, among other things, the construction of a new middle school to house grades 5 through 8 and an allowance to abate and demolish the existing North Canton Middle School (the Project), which is estimated to cost $52,660,004. Pursuant to the Project Agreement, Chapter 3318 of the Revised Code and voter approval, the School District will issue Bonds in an aggregate principal amount of $18,831,400, and the Commission will agree to provide the balance of $33,828,604 for the Project. See **The School System – School District Facilities; Insurance – The Project**.

Sources and Uses

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

Sources of Funds	Amount
Principal Amount of the Bonds	$27,800,000.00
Net Original Issue Premium	889,758.70
Total Sources	$28,689,758.70

Application of Funds

Deposit to Project Fund	$ 6,319,000.00
Deposit to the Bond Retirement Fund	21,995,558.70
Costs of Issuance(a)	375,200.00
Total Uses	$28,689,758.70

(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), New York, New York, 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 October 1, 2036 (the 2036 Term Bonds), October 1, 2038 (the 2038 Term Bonds), October 1, 2041 (the 2041 Term Bonds), October 1, 2044 (the 2044 Term Bonds), October 1, 2049 (the 2049 Term Bonds), October 1, 2054 (the 2054 Term Bonds), and October 1, 2059 (the 2059 Term Bonds, and, together with the 2036 Term Bonds, the 2038 Term Bonds, the 2041 Term Bonds, the 2044 Term Bonds, the 2049 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 interest accrued to the redemption date, on October 1 of the years shown in, and according to, the following schedule.

2036 Term Bonds

Year	Amount
2035	$505,000
2036	530,000(a)

2038 Term Bonds

Year	Amount
2037	$560,000
2038	590,000(a)

2041 Term Bonds

Year	Amount
2039	$620,000
2040	650,000
2041	685,000(a)

2044 Term Bonds

Year	Amount
2042	$720,000
2043	755,000
2044	795,000(a)

2049 Term Bonds

Year	Amount
2045	$ 835,000
2046	875,000
2047	920,000
2048	970,000
2049	1,020,000(a)

2054 Term Bonds

Year	Amount
2050	$1,070,000
2051	1,120,000
2052	1,170,000
2053	1,225,000
2054	1,280,000(a)

2059 Term Bonds

Year	Amount
2055	$1,340,000
2056	1,400,000
2057	1,465,000
2058	1,530,000
2059	1,600,000(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 maturing on and after October 1, 2032, 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 (in whole multiples of $5,000), on any date on or after October 1, 2031, 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 District.

If less than all of an outstanding Bond of one maturity and interest rate 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 are to be redeemed, the selection of Bonds (or portions of Bonds in the amount of $5,000 or any whole multiple of $5,000) 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 laws and other laws affecting creditors' rights and to the exercise of judicial discretion.

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 unlimited 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 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 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.

Ohio School District Credit Enhancement Program

Certain school districts that meet State-established criteria may participate in the Ohio School District Credit Enhancement Program (the Credit Enhancement Program). The School District and the Bonds have been approved for participation in the Credit Enhancement Program.

Generally, obligations are eligible for the Credit Enhancement Program only if (a) the amount of State Education Aid (see **State School Funding System**) payments projected to be received by the school district in the current Fiscal Year exceeds by at least 2.50 times the maximum annual debt charges on the proposed obligations and on any outstanding obligations secured by a pledge of State Education Aid payments and (b) at all times during the current or any future Fiscal Year, the projected remaining State Education Aid payments to be distributed to the school district in that Fiscal Year exceed the debt charges remaining to be paid in that Fiscal Year by at least 1.25 times. Under the Credit Enhancement Program, to provide further security for the Bonds, the School District, the State Department of Education and Workforce (the Department) and the Bond Registrar will enter into on the closing date an Agreement (the Agreement) establishing a mechanism by which certain State Education Aid payments to the School District can be transferred directly to the Bond Registrar for the payment of debt charges on the Bonds if a shortfall occurs in the School District's funding of those debt charges.

Under the Agreement, (a) at least 15 days prior to each debt charges payment date (each a Payment Date), the School District is to certify to the Bond Registrar and the Department the amount of any shortfall it has for payment of debt charges on that Payment Date and (b) at least 10 days prior to each Payment Date, (i) the School District is to deposit with the Bond Registrar the amount required for debt charges on that Payment Date and (ii) the Bond Registrar is to notify the Department if the amount on deposit with the Bond Registrar for the payment of the debt charges due on that Payment Date is less than the amount of those debt charges. In such an event, the Department is to make a payment directly to the Bond Registrar from State Education Aid payments otherwise payable to the School District. That payment is to be made no later than one day prior to the Payment Date and in an amount equal to the lesser of (i) the amount by which money then on deposit with the Bond Registrar is less than that required to pay debt charges on that Payment Date or (ii) the State Education Aid amount due the School District for the remainder of the Fiscal Year. The Agreement is irrevocable as long as any of the Bonds are outstanding.

If State Education Aid payments are paid to the Bond Registrar pursuant to the Agreement, the Department and the School District are required to evaluate the School District's inability to pay the debt charges and to develop corrective actions to be implemented by the School District.

In accordance with the Credit Enhancement Program, the School District has covenanted that it will not pledge State Education Aid payments as primary security for any additional obligations having a claim on the State Education Aid payments on a parity with that of the Bonds unless (a) the amount of State Education Aid payments projected to be received by the School District in the current Fiscal Year exceeds by at least 2.50 times the maximum annual debt charges on the proposed obligations and on any outstanding obligations secured by a pledge of State Education Aid payments and (b) at all times during the current or any future Fiscal Year, the projected remaining State Education Aid payments to be distributed to the School District in that Fiscal Year will exceed the debt charges remaining to be paid in that Fiscal Year by at least 1.25 times. This covenant will not prevent the School District from issuing obligations having a claim on the State Education Aid payments subordinate to the claim of the Bonds.

The State Education Aid payments distributed to the School District are reflected in **State School Funding System** and in **Appendix A**. The maximum annual debt charges on the Bonds, which, together with School District's outstanding School Facilities Improvement Bonds, Series 2020 Bonds, are the only bonds of the School District covered under the Credit Enhancement Program, are reflected in **Debt Table C**.

The Department's responsibilities under the Agreement are to establish and maintain a mechanism for delivering money to the Bond Registrar that would otherwise go to the School District. They do not constitute obligations or debts of the State or pledges of the State's faith, credit or taxing power, and the holders or owners, including Beneficial Owners, of the Bonds have no right to have taxes levied or appropriations made by the General Assembly for the payment of debt charges on the Bonds. The Agreement and any payments by the State under it do not constitute the assumption by the State of any debt of the School District.

The Department's participation in the Credit Enhancement Program is solely for the purpose of enhancing the rating on and marketability of the Bonds, and should not indicate any projected possibility of the Credit Enhancement Program being called upon to perform.

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 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 an overview of the District's 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**.

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 Disclosure 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 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 to a federal branch profits tax imposed on certain foreign corporations doing business in the United States and to a federal tax imposed on excess net passive income of certain S corporations. 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, 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 Bonds) 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.

CERTAIN ADDITIONAL INVESTMENT CONSIDERATIONS

Coronavirus (COVID-19)

The spread of the strain of coronavirus commonly known as COVID-19 is altering the behavior of businesses and people in a manner that is having negative effects on global, state and local economies.

The State and State Education Aid. The State's finances were being materially adversely affected by the economic impacts of the continued spread of COVID-19 in 2020, which resulted in a reduction of more than $300 million in the State Education Aid received by Ohio school districts in Fiscal Year 2020 and may affect the amount of State Education Aid appropriated to school districts in subsequent Fiscal Years. The amount of the reduction in State Education Aid experienced by the School District in Fiscal Year 2020 was $929,692. See **State School Funding System** and **Appendix A**. The School District's State Education Aid for Fiscal Year 2021 increased by $599,587, decreased by $381,622 for Fiscal Year 2022 and increased by $175,086 for Fiscal Year 2023. The School District's most recent financial forecast assumes that its State Education Aid will increase by $485,988 for Fiscal Year 2024. See **Appendix A**; and see also **The School System – Enrollment** and **– Charters Schools; Tuition Vouchers** and **State School Funding System** for a discussion of changes under the State Budget Act (see **State School Funding System**) resulting in students being funded where they are educated instead of where they live.

Local Economy/Property Taxes. If and to the extent that the continued spread of COVID-19 affects the local economy and contributes to an economic recession affecting property values, the School District could experience a material decrease in the property tax revenue generated from its 5.30 mills of inside millage. See **Ad Valorem Property Taxes – Tax Rates – Tax Table B**. Any economic downturn could also result in an increase in the property tax delinquency rate.

Federal Funds. The School District has been 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 has had, and continues to have, 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 has received $465,008 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 is providing additional assistance through the ESSER Fund (ESSER II assistance). The School District has received ESSER II assistance in the amount of $1,372,574 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), of which Ohio K-12 schools are slated to receive at least $4,024,860,387. ESSER III funds are permitted to be used for essentially the same purposes as ESSER I and ESSER II, but ARPA requires that at least 20% of the funds be reserved to address learning losses. The School District has been awarded ESSER III assistance in the amount of $3,494,795, to be spent through September 20, 2024. The School District has submitted the grant applications and has been approved by the Ohio Department of Education & Workforce. It intends to utilize the funds to offset the cost of addressing learning losses and other General Fund expenditures. Until the School District makes additional eligible purchases and requests reimbursement, it will not receive the balance of its allocation.

The State has announced that it will distribute a portion of CARES Act funding under the Coronavirus Relief Fund (CRF) to K-12 schools for use in Fiscal Year 2021. Based on allocation information released by the State, the School District received $219,389 in total additional funds in Fiscal Year 2021. Such CRF funds are to be used for expenditures incurred due to the COVID-19 pandemic, for expenses beginning March 1, 2020 through December 30, 2021.

These programs (ESSER, CRRSA, ARPA, etc.) are administered by the State of Ohio as reimbursable programs. The School District submits Project Cash Requests following federal cash flow guidelines. The timeline for ESSER I is March 13, 2020, through September 30, 2022; the timeline for ESSER II is March 13, 2020, through September 30, 2023; and the timeline for ESSER III is March 13, 2020, through September 30, 2024.

The level, if any, of additional COVID-19-related federal funding for the School District for Fiscal Year 2024 and thereafter is not yet known.

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.

UNDERWRITING

The Bonds are being purchased by Northland Securities, Inc. (the Underwriter), at a price of $28,439,558.70. The aggregate initial offering price of the Bonds is $28,689,758.70; therefore, the gross underwriting spread is $250,200.00. 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 ($125,000.00).

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.

RATINGS

The Bonds have been rated "Aa1" by Moody's Investors Service, Inc. (Moody's), with the understanding that upon delivery of the Bonds the School District, the Bond Registrar and the State Department of Education will have entered into an agreement securing the Bonds under the Ohio School District Credit Enhancement Program. See **Ohio School District Credit Enhancement Program**.

The School District also applied for an underlying rating from Moody's. As a result of the application process, Moody's assigned an underlying rating of "Aa3" to the Bonds. The School District's underlying rating has been published by Moody's. The School District has made no application for a rating to any other rating service.

The ratings reflect only the views of the rating service, and any explanation of the meaning or significance of the ratings 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 and Other Disputes**) 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:

Tim Walker
Treasurer, Board of Education
North Canton City School District, Ohio
525 7th St., NE
North Canton, Ohio 44720
Telephone: 330-497-5610
E-mail: tim.walker@northcantonschools.org

The performance by the School District of the Continuing Disclosure Agreement will be subject to the annual appropriation by the 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 District remains an obligated person with respect to the Bonds within the meaning of the Rule.

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.

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.

BOND REGISTRAR

The Huntington National 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. It has designated its Cleveland, Ohio corporate trust office in connection with the Bonds. It has branch offices throughout the State and regularly acts as bond registrar and escrow trustee for bond issues of Ohio local governments.

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 and 17 in the County, provides education to grades PK through 12. It is located in Stark County in northeastern Ohio, approximately six miles north of the City of Canton and 15 miles south of the City of Akron. The School District's territory encompasses part (approximately 82.20%) of the territory of the City of North Canton and parts of the territory of Lake Township (35.48%) and Plain Township (20.84%). Approximately 54% of the territory of the School District is located in the unincorporated territory of Lake Township, with the remainder of its territory located in the City (within Plain Township). See **Ad Valorem Property Taxes - Overlapping Governmental Entities**.

In the 2020 Census classifications, the School District was in the Canton-Massillon Metropolitan Statistical Area (MSA), comprised of the two counties of Carroll and Stark. Only limited statistics are now available for the new MSA.

The School District's 2020 population was 28,886. The U.S. Census Bureau estimates that the School District's 2022 population was 29,887. See **The School System - Economic and Demographic Information – Population**. Its area is approximately 15.61 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	80.67%
Commercial/Industrial	18.66
Public Utility	0.66
Agricultural	0.00
Undeveloped	(a)

(a) Included in above categories.
Source: County Auditor.

The School District's general area is served by diversified transportation facilities. Immediate access is to two State and U.S. highways and to interstate highway I-77. The School District is adjacent to areas served by Amtrak, and is served by passenger air service at the Akron-Canton Regional Airport located two miles northwest of the School District. Public mass transit for the area is provided by the S.A.R.T.A. (Stark Area Regional Transit Authority.

The Akron-Canton Airport (the Airport), a cooperative effort of the County and Summit County, has an operational area of 2,800 acres, most of which is located in the City and in adjacent Summit County immediately off of I-77. The Airport is served by four commercial airlines, American Airlines, Delta Air Lines, Spirit Airlines and United Airlines, and provides passenger, cargo and general aviation transport facilities. In 2018, the Airport broke ground on a $34 million gate modernization and expansion project, the 10th and final project included in its 10-year, $110 million capital improvement plan called CAK 2018. Those projects included a runway extension, a border patrol facility for international flights, expanded aircraft parking, expanded auto parking, a wider entrance road, expanded ticket wing, expanded security screening area, a new aircraft rescue and firefighting maintenance facility, an expansion of the concourse to allow for three more gates, and a partnership with the nearby City of Green for a new Industrial Park. They were completed in 2020. The Airport served 834,365 total passengers in 2019 down from

923,802 in 2018 and from a high of more than 1.8 million in 2012 when it served US Airways and as a minor hub for Southwest Airlines and its then wholly-owned subsidiary AirTran Airways.

Two daily newspapers and one weekly newspaper serve the area. The School District is within the broadcast area of Cleveland and Akron television stations and numerous AM and FM radio stations. Multi-channel cable TV service, including educational, governmental and public access channels, is provided by Spectrum.

The University of Mount Union, Walsh University and Malone College, each a private four-year higher educational institution, and Stark State College of Technology, a public two-year technical college, are located within the County. Aultman College of Nursing and Health Sciences, which offers degrees in nursing, radiography, health sciences and social work, and branches of Kent State University and Ashland University are also located in the County. Within commuting distance are a number of other public and private two-year and four-year colleges and universities, including Kent State University (with its main campus in the City of Kent and a branch in Tuscarawas County); Cleveland State University, Cuyahoga Community College, John Carroll University, Baldwin-Wallace University and Case Western Reserve University in the Cleveland metropolitan area; the University of Akron in Akron; The College of Wooster, Ashland University, Hiram College and Youngstown State University. Northeastern Ohio Universities College of Medicine, a State-assisted medical college, is located in nearby Portage County.

Medical care is available to the community in Canton through Aultman Hospital and Cleveland Clinic Mercy Hospital. Aultman Hospital also operates a health care facility in nearby Alliance. Akron area medical centers include Akron City Hospital and St. Thomas Hospital of the Summa Health System, the Cleveland Clinic Health System's Akron General Medical Center and Children's Hospital Medical Center. The community is also served by facilities of the University Hospitals Health System in Cleveland and other facilities of the Cleveland Clinic Health System. Aultman Hospital and Cleveland Clinic Mercy Hospital have constructed medical centers in the City to provide immediate care, out-patient examination and surgery and specialized care in the area of sports-medicine.

Park systems of the County, the City of Canton and City are readily accessible to School District residents. The City operates 12 parks covering approximately 51.25 acres. The County's Park District administers a seven-park system with an area of approximately 475 acres. In addition, Quail Hollow State Park, a 703-acre park with scenic woodland trials, gardens and a 40-room manor operated by the State Department of Natural Resources, is located approximately 15 miles northeast of the School District.

The area of the School District is also served by a variety of recreational and cultural assets, including the Canton Cultural Center for the Arts, which is home to the Canton Players Guild, Symphony Orchestra, Civic Opera, Ballet, Youth Symphony and Art Institute and which hosts a variety of exhibits, musical and dramatic performances and other cultural events each year; the North Canton Playhouse, YMCA and Public Library; the Hoover Historical Center in the City; and the McKinley Museum/Discover World in the neighboring City of Canton.

The County is the home of the National Professional Football Hall of Fame and Hall of Fame Village.

Additionally, the School District is within commuting distance of the cultural activities in the cities of Akron (15 miles), Cleveland (59 miles) and Pittsburgh (86 miles).

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 FieldHouse, 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.

Canal Park, a minor league baseball stadium that is home to the Akron RubberDucks, a Class AA affiliate of the Cleveland Guardians, is located in downtown Akron.

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
Alyssa Plakas	2024	2027	Former teacher
Dr. Robert Roden(a)	2018	2025	Retired – teacher/principal
Jessica Stroia(b)	2018	2025	Office administrator
Lindsey Wyckoff	2024	2027	American Cancer Society
Andrea Ziarko	2018	2025	Attorney

(a) President.
(b) Vice 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 Jeff S. Wendorf, serving since March 16, 2016 and whose present term runs through July 31, 2026. Previously, Mr. Wendorf served as the Superintendent in the adjacent Lake Local School District from February 1, 2008, through March 15, 2016, and as principal of its Lake High School from August 1997 until February 2008. The Superintendent's professional memberships include Ohio School Boards Association (OSBA), the Buckeye Association of School Administrators (BASA), the Ohio Association of Local School Superintendents (OALSS), the American Association of School Administrators (AASA), the YMCA of Central Stark County, the Partnership for Excellence, the North Canton Rotary and its Board of Directors and the North Canton Chamber of Commerce.

The Treasurer, appointed by the Board, is the fiscal officer of the Board and the School District. Tim Walker, the present Treasurer, (for a term ending July 31, 2027), has held that position since January 1, 2024 (upon the retirement of the former Treasurer, Todd Tolson). Prior to assuming that position, Mr. Walker spent 15 years as a college coach, faculty member and administrator. In 2016 he was the Athletic Director at Hoover High School and served in that capacity for five years. In 2021 he joined the School District office in the role of Director of Development and Special Projects, until being appointed Treasurer. His professional memberships include the Ohio Association of School Business Officials (OASBO). For a discussion of the duties of the Treasurer as fiscal officer, see **Financial Matters**.

THE SCHOOL SYSTEM

General Information

As of October 2023, 4,411 students were enrolled in grades PreK-12 in the School District's four schools. For the last complete academic year the average class size was approximately 23 students. See **The School System – Enrollment** and **– School District Facilities**.

The School District operates a variety of non-academic educational facilities (consisting of an all-weather track and athletic fields) and a transportation garage.

The High School curriculum offers a wide range of electives and comprehensive courses of study in college preparatory, vocational, visual and performing arts, and physical education programs. A full range of extra-curricular programs and activities is available, beginning in the elementary grades. All District schools have libraries, lunch programs and multipurpose rooms and gyms for student activities.

Approximately 66% of the members of the School District's teaching staff have master's degrees. The School District's faculty has an average of 17 years' teaching experience, compared to the statewide average of 15.5 years (as of Fiscal Year 2023).

Classroom teachers at all levels are supported by specialists in reading, guidance, art, music and physical education. All elementary schools have teacher aides. Nurses, psychologists, aides assisting handicapped students, and speech pathologists are employed to work with students at all levels. The District's Pupil Personnel Services program includes school health and psychological services, pupil appraisal, counseling and guidance services, special education services, speech-language and hearing services, and gifted education services. Additionally, a home/school liaison psychologist is employed to provide psychological services to students and their families. Guidance counselors are available at the kindergarten, elementary, middle and high school levels. Students in grades K-12 also have access to school-based mental health counselors who operate within each school building thanks to a collaborative partnership with Stark County Mental Health & Addiction Recovery Services.

The District participates in a four-district vocational compact that also includes the Jackson, Lake and Plain Local School Districts. The compact governs a vocational education program that had 1,754 students enrolled in either a three- or two-year intensive training or one-year work/study program in the 2022-23 school year.

Vocational education courses at the High School include: Business Management, Marketing, Interactive Media, Culinary Arts, Auto Body, Computer Technology, Diversified Cooperative Training, Engineering, Medical Technology, Video Productions, Biomedical Science, Teaching Pathways and Construction Trades. Other vocational programs are available in cooperation with the Jackson, Lake and Plain Local School Districts under the multi-district compact described above, and District students also have the opportunity to take additional courses offered by Stark State College of Technology.

In addition to the multi-district compact, the District is a participant in a Comprehensive Collaboration Program initiated in 1993 under a unique negotiated agreement among staff and management of the District and Canton City, Plain Local, Lake Local, Jackson Local and Canton Local School Districts. This Program offers courses of study to students of participating districts that could not be undertaken economically and efficiently by any one district, resulting in the offering of more courses. The districts opened a Public Montessori Alternative Magnet School in the 1994-95 academic year available to students initially in pre-school through grade 3 and expanded gradually to include grades 4 through 6.

The District offers a program of instruction for students identified as gifted and talented in grades 2 through 12. Students are evaluated for entry into this program based on criteria involving IQ and achievement test scores, a sociogram and parental assessments. Extensive Honors, Advanced Placement, and College Credit Plus programs are offered at the High School.

The District's program begins with the North Canton Primary School which serves grades PreK, K, 1 and 2. The North Canton Intermediate Schools serves grades 3, 4 and 5. The North Canton Middle School serves grades 6, 7 and 8, and Hoover High School serves grades 9 through 12. The District also offers early access to high school courses for middle school students where approximately 275 high school credits are earned each year by middle school students in mathematics, science, world language, visual arts, journalism, business and construction technology.

Children at all levels score above State and comparison group averages on proficiency and standardized tests. Students take state tests in English Language Arts and mathematics in grades 3 through 8; in science in grades 5 through 8; and in Algebra I, Geometry, English II, Biology, US History, and US Government in high school. Additionally, all 11th graders take the ACT in school in February/March. The percentage of District students scoring at or above proficient levels on those tests in each instance exceeds comparison group and State-wide averages. Attendance rates of District students also consistently exceed comparison group and State-wide averages.

The District's academic program includes, among other attributes:

- An extensive staff development program to provide in-service instruction for teachers in the most recent teaching methods.

- The District is a fully-funded affiliate of the Stark County Educational Service Center. This allows extensive collaboration in the areas of certificated and classified in-service, policy development, negotiations, networking, and cooperative purchasing.

- Regularly scheduled classes for grades K through 12 in music, art, and physical education with resource teachers.

- A comprehensive special education program for students with learning disabilities and severe behavior problems which incorporates an inclusion service model.

- A program for gifted students in grades 2 through 12 that fosters academic growth, creative and critical thinking, research, independent study and mentorships.

- Academic team competitions at the Middle School which include: Mathcounts, Academic Challenge, and Power of the Pen.

- Academic team competitions at the High School that include math competition, Academic Challenge, Speech and Debate, Mock Trial, Oceanic Science Bowl, and Junior Achievement Company Program. District students have consistently qualified in State and national competitions in these areas.

- A student drop-out rate that is less than 2%, and an attendance rate that is 93.9% for students and 95.5% for staff.

- Approximately 33% of students in each graduating class score a 3 or higher on one or more Advanced Placement exams in subjects including physics, calculus, American history, government, English, foreign languages, and computer programming.

- Eighth graders participate in a three-day trip to Washington DC.

- All day kindergarten is provided for all students.

- 173 courses are offered to students at the high school level, including 55 career-technical courses, 18 Advanced Placement courses and 6 college Credit Plus courses..

- Summer school is offered for six weeks each summer for students in elementary through high school. Courses are offered for intervention, enrichment and/or high school credit.

Typically, 2 to 4% of the High School senior class are named National Merit and National Achievement semifinalists (among the top 1% of all participants) and commended scholars (among the top 5%). Approximately 80% of High School seniors continue their education at four-year colleges and universities.

The District collaborated with the North Canton Playhouse to renovate and remodel its 115-seat theatre attached to the High School to create a 200-seat theatre. It operates as a school lecture hall by day and home to community theatre productions by night. The facility was completely funded by the North Canton Playhouse and the District has free access to its use.

The North Canton City Schools Educational Endowment Fund was established in 1986 by the Board to provide funds for extended educational activities and projects not provided for by general School District funds. The Endowment Fund is funded, in part, by an annual membership drive which has raised $3,000 to $4,000 annually in recent years. 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.

Board and City officials meet regularly to discuss matters of mutual interest. During the current difficult economic times, the District and the City are coordinating their efforts to bring new businesses to the community, while continuing to offer the District as an anchor for the community.

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 **Certain Additional Investment Considerations – Coronavirus (COVID-19)**), 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 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.

Employees

The School District has 656 employees, 161 of whom are part-time employees. The School District's number of employees has increased by 32 since the end of Fiscal Year 2020. A statewide public employee collective bargaining law applies generally to public employee relations and collective bargaining.

In Fiscal Year 2023, the Board paid from its General Fund $31,183,117 in salaries and wages and $13,115,550 for fringe benefits such as employer retirement systems contributions, workers' and unemployment compensation and medical insurance premiums. The Board projects paying $33,711,700 in salaries and wages and $14,459,276 for such fringe benefits from its general operating funds in Fiscal Year 2024. See **Appendix A**.

Of the School District's current employees, 359 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 and approximately 65 hold advanced degrees. The current starting salary for a teacher with a bachelor's degree is $41,203; the maximum teacher salary (for a teacher with a doctoral degree and 32 years' experience) is $88,380. The average current salary of School District teachers is $66,882, compared to a State average of $66,390 (for Fiscal Year 2023).

Of the District's 338 teachers and educational specialists (excluding 21 administrators), 285 are members of the North Canton Education Association (the Association) which is a bargaining unit affiliated with the Ohio Education Association (OEA). The present contract between the Board and the Association expires on June 30, 2025. Association members will receive salary increases of 3% for both the 2023-24 school year and the 2024-25 school year, with step (experience) increases in both years as well.

Of the District's 153 classified support staff (secretarial-clerical, custodial, maintenance, transportation and cafeteria staff), 104 are members of the North Canton Classified Personnel Association (the Association) which is a bargaining unit affiliated with the Ohio Education Association (OAE). The current classified contract expires June 30, 2026. Association members will receive salary increases of 3% for the 2023-24 school year and each school year thereafter during term of the agreement, with step (experience) increases each year as well.

The School District offers medical, dental and vision insurance to all full-time employees through the Stark County Schools Council of Governments (COG). In Fiscal Year 2023, the Board paid 85% of the related employee premium, with the employee paying 15%. The percentage for employee contribution increased to 16% in Fiscal Year 2024 and will increase to 17% in Fiscal Year 2025. In addition, the Board provides $65,000 of term life and accidental death and dismemberment coverage for all full-time employees of the School District**.**

In the judgment of the Board, labor relations with all of its employees are excellent.

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 11.2 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 are calculated (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 2023, 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 2023, the School District had the net pension liability reported and explained in the Notes to the Fiscal Year 2023 Financial Statements.

For further information on STRS and SERS and their pension plans, see the Notes to the Fiscal Year 2023 Financial Statements. Financial and other information for STRS and SERS can also be found on the respective website for each retirement system including its Comprehensive Annual 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.

School District Facilities; Insurance

The School District's classroom and other facilities are:

Facility	**Year of Construction (and Addition or Major Improvement)**	**Number of Classrooms(a)**	**Capacity(b)**	**Enrollment as of October 2023**	**Estimated Value(c)**
Classroom Facilities:					
Primary School (PreK through 2)	2021/2022/2023	51	1,015	945	$31,000,000
Intermediate School (3 through 5)	2021/2022/2023	46	950	884	30,000,000
Middle School (6 through 8)(d)	1957/1958/1964/ 1965/1973/1996-7/2004	47	1,410	972	20,054,000
High School (9 through 12)(e)	1976/1996-7/2003	60	1,800	1,526	60,655,000

Non-classroom Facilities:	**Year of Construction/Purchase/ Major Improvement**	**Estimated Value**
Bus Garage	2022/2023	$2,420,000
Stadium	2022/2023	6,005,465

(a) Excludes specialized rooms such as those for art, music and computer applications.
(b) Based on pupil/teacher ratio of 25 to 1 for standard-sized classrooms. Classrooms at the Middle and High schools vary in size.
(c) School District property is exempt from ad valorem taxation. The estimated values of School District property based on current insurance values of the buildings only (excluding fixtures and contents).
(d) See **The Project**.
(e) School District administrative activities are also located at this facility.

The current appraisal values for replacement (building, fixtures and contents) of all School District property is $209,409,852. School District property is exempt from ad valorem taxation.

The Project

The School District began working with the Ohio Facilities Construction Commission (OFCC) in 2015 to assess the School District's classroom facilities needs and develop a master facilities plan. In December 2019, the Board adopted a resolution approving a comprehensive building program for the School District that identified its classroom facilities needs and an estimate of the basic project cost of the classroom facilities required to address those needs (the Master Facilities Plan). The Master Facilities Plan contemplated an overall project scope including the renovation of the School District's Hoover High School to house students in grades 7 through 12 and Career Tech programs, the construction of two new elementary schools (one for students in grades Pre-K through 2 and another for students in grades 3 through 5) and a new middle school for students in grades 6 and 7 and an allowance to abate and demolish the School District's Mary L. Evans Early Childhood Center, Clearmount and Northwood Elementary Schools, Green Town and Orchard Hill Intermediate Schools and North Canton Middle School. The total estimated basic project cost of all of the facilities improvements contemplated by the Master Facilities Plan was estimated to be $103,180,970, with the State's share of that cost being $38,176,959 (37%) and the School District's share being $65,004,011 (63%) and the School District also being responsible for certain required "project agreement locally funded initiatives".

In December 2019, the Board also adopted a resolution certifying to the OFCC its intention to participate in the OFCC's Expedited Local Partnership School Facilities Assistance Program (the ELPP Program), 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 the school district's classroom facilities needs prior to its eligibility for State assistance under the State's Classroom Facilities Assistance Program.

In January 2020, the OFCC conditionally approved the Master Facilities Plan and the School District's participation in the ELPP Program, and on February 26, 2020, following the State Controlling Board's approval of the Master Facilities Plan, the OFCC and the Board entered into an Expedited Local Partnership Program Project Agreement confirming the scope of the overall Master Facilities Plan and the respective State (37%) and School District (63%) shares of the estimated total basic project cost of the facilities included in that Plan and identifying a discrete portion of those facilities (the ELPP Portion) to be undertaken by the School District in cooperation with the OFCC under the Expedited Local Partnership School Facilities Assistance Program.

The ELPP Portion included construction of two new elementary schools, one to house grades PK through 2 and the other to house grades 3 through 5, and the abatement and demolition of the then-existing Mary L. Evans Childhood Center, Greentown and Orchard Hill intermediate schools and Clearmount and Northwood elementary school buildings. The ELPP Portion was estimated to cost $51,755,864, with the School District's share of that estimated cost being $32,606,194 and the State's share being $19,149,670.

The School District provided local resources to pay both its share and the OFCC share of the construction cost of the ELPP Portion until such time as the School District became eligible for State assistance under OFCC's Classroom Facilities Assistance Program.

The School District also undertook certain other locally funded facilities improvements (LFIs). Those improvements included construction of a transportation facility, renovations to Memorial Stadium, land acquisition and an upgrade to the fire alarm system at Hoover High School and, together with the ELPP Portion, constituted the entire project undertaken at that time. To finance those improvements, at an election completed on April 28, 2020, School District voters approved the issuance of bonds (and anticipatory securities) in an aggregate principal amount of $58,500,000, issued as the School District's School Facility Improvement Bonds, Series 2020.

In 2023, the School District became eligible for participation in the Classroom Facilities Assistance Program and the School District and OFCC will enter into a Project Agreement for the construction of a new middle school to house grades 5-8 and allowance for abatement and demolition of the existing North Canton Middle School (the Project), which is estimated to cost $91,428,659, with the School District's share of that estimated cost being $57,600,055 (63%) and the State's share being $33,828,604 (37%), with the School District also being responsible for certain required "project agreement locally funded initiatives" of $12,406,063.

The School District will provide a portion of its share cost of the Project, together with the project agreement locally funded initiatives, from a credit of $51,174,817 related to the School District's previous participation in the ELPP Program. The balance will come from proceeds of the Bonds (and prior BANs, as applicable), which will also be used to pay costs of certain "locally funded initiatives" relating to the Project.

As part of its Project Agreement with the Commission, the School District will agree to earmark a 0.5-mill portion of the 0.7-mill permanent improvement levy approved by the voters at the November 7, 2023 election, for the purpose of maintaining the classroom facilities included in the Project. See **Ad Valorem Property Taxes – Tax Rates**.

Insurance

The School District maintains insurance coverages for casualties to property and vehicles, data and cyber security events and various liabilities. Property (buildings and contents), boiler and machinery insurance, and casualty and fleet insurance, are provided through insurance with Liberty Mutual in connection with the Stark County Schools Insurance Consortium. The blanket limit of coverage for the property, boiler and machinery insurance is $212,319,778, with a $10,000 deductible. For the casualty and fleet insurance there is a combined single limit of $1,000,000 per occurrence, with $5,000 comprehensive and $5,000 collision deductibles.

The School District also maintains a variety of liability insurance coverages with varying deductibles, including, among others commercial general liability coverage with limits of $1,000,000 per occurrence and a general aggregate of $2,000,000, with no deductibles, employers stop gap liability coverage for bodily injuries with $1,000,000 limits for various occurrences and an aggregate limit of $1,000,000, and school leaders errors and omissions liability insurance coverage with a $1,000,000 limit of liability each wrongful act and a $1,000,000 aggregate limit, with a $2,500 deductible for each wrongful act. The School District also maintains umbrella liability coverage limit of $10,000,000, with a self-insured retention of $10,000 per occurrence or offense, for excess liabilities above all underlying liability coverages.

The renewal date on all such coverages is September 1, 2024.

Enrollment

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

	Enrollment(a)	
School Year	**Total**	**1st Grade**
1980-81	4,008	238
1990-91	3,841	283
2000-01	4,730	348
2010-11	4,790	268
2019-20	4,194	297
2020-21	4,208	265
2021-22	4,263	297
2022-23	4,350	297
2023-24	4,346	285
2024-25(b)	4,324	269

(a) Actual figures are headcount figures for students in attendance during annual October enrollment census. Figures do not include Pre-K students.
(b) Projected, based on FutureThink enrollment study.

The School District expects essentially flat enrollment through its five-year financial forecast period.

Certain additional School District student statistics are as follows:

School Year	Per Pupil Expenditure(a)(b) District	State Average	Assessed Valuation Per Pupil(c) District	State Average
2018-19	$9,101	$ 9,721	$186,339	$162,432
2019-20	9,236	9,883	194,911	169,137
2020-21	9,902	10,334	199,456	184,467
2021-22	11,063	11,306	N/A(d)	N/A(d)
2022-23	11,204	11,916	224,914	200,675

(a) General Fund and other operating funds.
(b) As reported, iLRC (Download Center) – Ohio Department of Education.
(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 is one non-public parochial school located in the School District. Its Fall 2023 enrollment was 300, of whom an estimated 104 were School District residents. An estimated 75 District residents attended nonpublic schools located outside the School District.

The School District does not have an open enrollment policy that would allow students from other school districts to enroll in School District schools and School District residents to enroll in other districts' schools free of tuition payments.

Charter Schools; Tuition Vouchers

In recent years, community or "charter" schools have drawn approximately 60 (on an FTE basis) students per year from within the School District.

The State has implemented several programs 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.

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 2023-24 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	2,010
Nonpublic	56
Disabled Education	72

ECONOMIC ACTIVITY AND DEVELOPMENT

General. The School District is located in the north central portion of the County. The School District is primarily a residential community of single family homes. Most School District residents are employed outside of the School District, but within the County or neighboring Summit County. As noted above, the School District's territory encompasses part (approximately 82.20%) of the territory of the City and parts of the territory of Lake Township (35.48%) and Plain Township (20.84%). Approximately 54% of the territory of the School District is located in the unincorporated territory of Lake Township, with the remainder of its territory located in the City (within Plain Township).

In its Comprehensive Annual Financial Report, the City reported that total employment within the City in 2022 was 10,294. By number of employees, Walsh University, a private four-year higher educational institution, and the School District, are the largest employers in the City. Other of the largest private employers in the City include Trubridge Inc, an insurance agency, The Tamarkin Company (a division of Giant Eagle) and the Cleveland Clinic Health System's Children's Hospital Medical Center. See **Employment and Income**.

The City's administration works with businesses of all sizes to attract them to the City. The City has provided a variety of incentives to companies locating or expanding in the area utilizing Community Reinvestment Areas, tax abatements and income tax credit plans. The City has regularly included the School District in its conversations and negotiations with businesses concerning such incentives and sought ways to assure that the incentives offered to the business would not be detrimental to the School District.

The following is a description of the some of the recent commercial and industrial activity and development in the County.

Recreation and Tourism. The largest and most prominent economic development project in the County at present is Hall of Fame Village (the HOFV Project), a mixed-use project under continuing development located in the City of Canton and in Plain and Canton Townships in the northern portion of the County along I-77. The HOFV Project includes several different components that are to be completed in phases, with the centerpiece being the Hall of Fame Complex.

Construction of the HOFV Project began in September 2015 when reconstruction of the facility formerly known as Fawcett Stadium and construction of several playing fields, began on land now ground leased by Canton City School District to the Stark County Port Authority (Port Authority), and subleased by the Port Authority to private development entities.

The $250 million Phase I of development has been completed, including renovations to the Tom Benson Hall of Fame Stadium and construction of a National Youth Football and Sports Complex. Phase I consisted of the renovation of the Tom Benson Hall of Fame Stadium, the construction of five of the eight full-sized, multi-use regulation sized football fields, as well as forming a sports and entertainment media company – Hall of Fame Village Media – which produces programming by licensing the extensive content controlled by the Pro Football Hall of Fame as well as developing new programming assets.

The Hall of Fame Village Development, as currently completed, consists of the following:

- The phased demolition and reconstruction of the 23,000-seat Tom Benson Hall of Fame Stadium, which was completed in 2021.

- Seven turf fields (in addition to an existing leased field), together with related support buildings (including concessions, ticketing, restrooms and storage buildings) known as the Forever Lawn Sports Complex, which were completed in 2022.

- An approximately 73,000 square-foot class A office building known as the Constellation Center for Excellence was completed in October 2021.

- A 116,050 square-foot multi-use indoor sports and events performance facility known as the Center for Performance, which was completed in October 2022.

- Approximately 51,105 square feet of built space, housing a combination of restaurants and retail, including sports entertainment and themed experiential offerings, which were completed on or about October 1, 2022, but for any required tenant improvements.

- Approximately 22,498 square feet of built space housing a combination of restaurants and retail, including sports entertainment and themed experiential offering, which were completed on or about December 31, 2022, but for any required tenant improvements.

- Approximately three acres of developed land on the far west end of the Hall of Fame Village Development, which includes two amusement attractions (Ferris wheel and zip line), restroom facilities, site lighting and a gazebo with concession stands known as Play Action Plaza.

- Approximately 10 acres of land with completed roadways and related improvements privately owned (exclusive of portions thereof granted to the Port Authority) for use by the general public and to provide access in, to and through the Hall of Fame Village Development, completed on or about October 1, 2022.

Phase II of the development (expected to aggregate approximately $300 million) also includes or will include two hotels (one on the project site and one in downtown Canton that opened in November 2020), the Hall of Fame Fan Engagement Zone and expansion of three additional fields and amenities within the Forever Lawn Sports Complex.

Phase III expansion plans are not yet fully developed (expected to aggregate approximately $300 million), but may include a potential mix of residential space, additional attractions, entertainment, dining, merchandise and more. This Phase would potentially be initiated upon substantial completion of Phase II.

The National Football League’s annual Pro Football Hall of Fame pre-season, enshrinement game has been held at Tom Benson Hall of Fame Stadium starting in July 2017 (although the scheduled 2020 enshrinement game was postponed until August 2021 due to COVID-19), and the Stadium hosted the NCAA Division III football championship games in 2020 and 2021, plus key Ohio High School Athletic Association games.

In 2020, the City Council and the Ohio Department of Commerce approved an application for testing of a "Designated Outdoor Refreshment Area" (DORA) in an approximately one-mile long stretch of Main Street. Within such areas, the State's open contain laws are modified to permit limited outdoor consumption during specific times within the DORA, for the benefit of local businesses and visitors. City Council is currently soliciting feedback on the DORA.

Steel and Bearings. The world headquarters of TimkenSteel is in the neighboring City of Canton. Founded in 1917 and established as a standalone public company in 2014, TimkenSteel (NYSE: TMST) is a provider of high-quality specialty steel, manufactured components and supply chain solutions. TimkenSteel has its roots in continuously improving steel for one of the most demanding applications, bearings. TimkenSteel Corporation and The Timken Company have made almost $400 million in capital investments in their respective complexes in the region since 2012: a $42 million office building at The Timken Research Center in Jackson Township (2013): $85 million in capital improvements at The Timken Company's Faircrest and Gambrinus plants which have City of Canton addresses (2013); a $220 million installation of the largest continuous vertical bloom caster in North America at its Faircrest plant (2014); and a $40 million installation of an advanced quench-and-temper facility at its Gambrinus complex (2017).

Over the past several years, TimkenSteel has made numerous organizational changes to enhance profitable and sustainable growth. These company-wide actions included the restructuring of its business support functions, the reduction of management layers throughout the organization and other domestic and international actions to further improve the company's overall cost structure. Approximately 75 salaried positions were eliminated through restructuring actions in 2021. During this overall period of organizational changes, the company has eliminated approximately 290 salaried positions. In 2021, TimkenSteel idled its Harrison Steel Mill located in the City of Canton in a move that affected approximately 100 jobs. All steel melting and casting activities moved to the Faircrest Steel Mill also in the City of Canton and which has seen upgrades in recent years. Finishing operations and rolling mills in the Harrison plant continue operating.

Oil and Gas. Recent industrial and commercial activity in the County has included the formation of midstream companies to help produce, locate and explore the Utica Shale natural gas region (Utica Shale Region) in eastern Ohio. Chesapeake Energy built and opened regional field operations in Louisville to help develop their one million acre leasehold interest in the Utica Shale Region, a large portion of which is within 50 miles east and south of the County. In November 2018, all Chesapeake Energy's Ohio assets in the Utica Shale Region were purchased by Encino Acquisition Partners, a company comprised of Encino Energy and the Canada Pension Plan and Investment Board (Encino). Encino is keeping its Utica Shale Region headquarters in the City of Louisville. Baker Hughes (now Byron Jackson Services) built and opened its regional well completion facility in the City of Massillon to frack and complete Chesapeake drilled wells. Midstream Access (now Williams Partners) has leased 70,000 square feet of office space in Jackson Township and partnered with Chesapeake Energy, now Encino Acquisition Partners, to develop the Kensington Syngeneic plant, located in Columbiana County, and the Scio fractionation plant, located in Harrison County, that represents a $2.0 billion investment to process natural gas liquids in the Utica Shale Region.

Three transmission lines, the Rover, Nexus and Kinder Morgan pipelines have been constructed to natural gas products from the Utica Shale Region to western Ohio and Canada. Each passes through the County and affords the opportunity to serve chemical and plastics manufacturing concerns.

Stark State College of Technology, a public two-year technical college, partnered with the State to develop a $10 million oil and gas training center in downtown Canton to provide education opportunities in the petroleum industry and related trades. Stark State College partners with several other community colleges in the Utica Shale and Marcellus regions to offer complement any oil and gas programs.

Healthcare. In 2019, Akron Children's Hospital opened its 38,000 square-foot, $13 million Health Center in the City.

As noted, Cleveland Clinic Mercy Hospital has constructed medical centers in the City to provide immediate care, out-patient examination and surgery and specialized care in the area of sports-medicine.

In 2022, Aultman Hospital opened its 45,000 square foot, $28 million Timken Family Cancer Center (the Center) in the City of Canton. Hallways connect the Center to the 13,000-square-foot Radiation Oncology Department, which was renovated as part of the Center's project and received $5 million in equipment upgrades. The Aultman Health Foundation put $10 million toward the $28 million Center and the balance came from community donations. The Timken Foundation, for which the Center is named, donated $3 million.

In 2022, Mercy Hospital in the City of Canton announced plans for a new cancer center, the latest change to the hospital after The Cleveland Clinic Foundation acquired the facility in 2021. A renovation of 25,000 square feet of open space on the second floor will house the cancer center, which will include hematology and oncology services, infusion therapy, radiation treatment, support services and a breast center for diagnosis, treatment and survivor care. The project will cost an estimated $7 million.

Other Developments. Diebold Nixdorf, an ATM and self-checkout manufacturer, announced in January 2024 it will be leaving its headquarters in the City of Hudson in Summit County to consolidate its Northeast Ohio employees in one location in the City. The move will result in 100 jobs moving to the City. The City location formerly housed the company's manufacturing, research and development and logistics functions. As part of the move, Diebold expects to add space at the City location. Diebold had filed for bankruptcy in May 2023 and emerged from bankruptcy in August 2023.

The City, beginning in 2020, launched a land bank by acquiring over a dozen commercial properties for the purpose of controlled development including 30 acres surrounding and including a former K-Mart property. In April 2023, the City announced the sale of 24 acres of that property for the commercial development of four new business locations, including a new Meijer store and fuel station.

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ECONOMIC AND DEMOGRAPHIC INFORMATION

Population

Recent Census population has been:

Year	District(a)	City	County	MSA
1970	19,910	15,228	372,210	393,789
1980	21,260	14,228	378,823	404,421
1990	24,700	14,748	367,585	394,106
2000	28,025	16,369	378,098	406,934
2010	29,575	17,488	375,586	404,422
2020	28,886	17,244	371,516	398,711
2022(est.)	29,887	17,773	372,657	399,316

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

2022 Census figures show the following breakdown by age groups of the population of the School District.

Under 5	5-19	20-34	35-44	45-54	55-64	65+	Total
1,499	4,769	5,820	3,605	3,499	4,175	6,520	29,887

Educational attainment for the School District's, the 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	182	0.9%	132	1.0%	5,461	2.1%	6,380	2.3%
9th to 12th Grade (no diploma)	366	1.7	204	1.6	13,669	5.2	14,890	5.3
High School graduate (includes GED)	5,695	26.7	3,834	30.0	99,440	38.0	108,498	38.6
Some college, no degree	4,400	20.6	2,509	19.6	56,099	21.4	59,450	21.1
Associate degree	1,989	9.3	1,152	9.0	24,242	9.3	26,323	9.4
Bachelor degree	5,434	25.4	3,151	24.6	40,551	15.5	42,174	15.0
Graduate or professional degree	3,297	15.4	1,811	14.2	22,565	8.6	23,527	8.4

Source: U.S. Census Bureau Selected Source Characteristics in the United States 2018-2022.

Employment and Income

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

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Year(a)	Employed in County	Employed in MSA	Unemployment Rate County	Unemployment Rate MSA	Unemployment Rate State	Unemployment Rate U.S.
2019	178,800	191,200	4.6%	4.6%	4.2%	3.7%
2020	168,800	180,600	8.1	8.2	8.2	8.1
2021	172,600	184,600	5.2	5.3	5.1	5.3
2022	173,500	185,600	4.0	4.0	4.0	3.6
2023	174,300	186,400	3.7	3.7	3.5	3.6
2024						
Jan.	172,100	184,000	4.5	4.5	4.2	4.1
Feb.(b)	173,200	185,200	4.7	4.7	4.4	4.2

(a) Not seasonally adjusted.
(b) Preliminary.
Source: Ohio Department of Job and Family Services.

Most School District residents work outside the School District. The following table lists the manufacturing and nonmanufacturing employers (private and public) having the largest work forces within the County (as of December 2022):

Employer	Nature of Activity or Business	Approximate Number of Employees
Aultman Health Foundation	Health care, insurance	6,800
TimkenSteel Corporation	Manufacturer of alloy steels	2,659
Cleveland Clinic	Health care	2,421
Stark County	Government	2,136
Canton City Board of Education	Public education	1,702
FreshMark, Inc.	Meat processing	1,598
Walmart	Retail	1,204
YMCA	Health care facility	850
The Timken Company	Manufacturer of bearings	809
Stark State College	Higher education	761

Sources: Stark Development Board; Stark County Comprehensive Annual Financial Report.

The 2022 median family and household incomes, as reported by the Census Bureau in its “2018-2022 American Community Survey 5-Year Estimates,” are set forth in the following table.

	2022 Median Income Family	2022 Median Income Household
District	$103,313	$76,734
City	95,000	69,132
County	80,400	63,130
MSA	79,886	62,859
State	86,508	66,990
United States	92,646	75,149

According to the Ohio Department of Taxation, the average federal adjusted gross income for residents within the School District (which overlaps the City) filing Ohio personal income tax returns for calendar year 2021 was $85,973, compared to the averages of $116,071 for all Ohio school districts (for all tax returns filed, the 2021 State average for tax returns that indicated school districts was $77,776) and $68,317 for all school districts in the County.

The income per household in the District, the 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	365	2.8%	375	4.7%	6,805	4.4%	7,331	4.4%
$10,000 to $14,999	119	0.9	127	1.6	6,834	4.4	7,245	4.4
$15,000 to $24,999	861	6.7	672	8.4	13,943	9.0	15,000	9.0
$25,000 to $34,999	580	4.5	483	6.0	14,733	9.5	15,676	9.4
$35,000 to $49,999	1,860	14.5	1,028	12.8	20,186	13.0	21,830	13.1
$50,000 to $74,999	2,380	18.5	1,725	21.4	27,570	17.8	30,053	18.1
$75,000 to $99,999	1,752	13.6	1,114	13.8	21,724	14.0	23,171	14.0
$100,000 to $149,999	2,370	18.5	1,274	15.8	24,581	15.9	26,348	15.9
$150,000 to $199,999	1,188	9.3	500	6.2	10,215	6.6	10,726	6.5
$200,000 or more	1,364	10.6	748	9.3	8,099	5.2	8,665	5.2

(a) In 2022 inflation-adjusted dollars.
Source: U.S. Census Bureau Selected Source Characteristics in the United States 2018-2022.

The U.S. Census Bureau also estimates that 5.4% of people in the District, 7.0% of people in the City, 13.2% of people in the County and 13.1% of the people in the MSA have incomes that fall below the poverty level.

Housing and Building Permits

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

	2022 Median Value of Owner-Occupied Homes(a)	% Constructed Prior to 1940(a)	Number of Housing Units		% Change
			2010(b)	2022(a)	
City	$186,000	7.8%	5,780	8,361	+44.7
County	154,600	21.2	165,215	167,068	+1.1
State	183,300	19.3	5,127,508	5,251,209	+2.4

(a) Source: U.S. Census Bureau Selected Source Characteristics in the United States 2018-2022.
(b) Source: U.S. Census Bureau 2010: Decennial Census Summary File.

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

Year	County	City
2019	$176,867	$161,822
2020	190,973	197,235
2021	196,805	220,187
2022	241,038	232,166
2023	215,344	262,514

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
2019	816	$ 24,662,948
2020	915	45,715,969
2021	963	72,813,703
2022	1,090	212,669,926
2023	1,576	232,100,109

Utilities; Public Safety and Services

Water service within the School District is provided by the City water system and individual wells. Sewage collection and disposal is provided by the County and individual septic systems. Electricity is obtained primarily from American Electric Power Company, and natural gas is supplied by Dominion East Ohio. Police and Fire protection is provided by the City and the Township.

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 distributions from the State government. See **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 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 and tangible personal 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 then is presented for review by a 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 Stark County Budget Commission has waived the requirement of a tax budget from the School District, so alternative tax budget information is submitted..

The county budget commission then 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 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 permanent appropriation measure each June for the ensuing 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.

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 2023 Financial Statements in **Appendix C** 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 and a full accrual basis of accounting for all funds on an entity-wide basis. 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, for a full accrual basis of accounting for all funds, and for the preparation for each fund of balance sheets, statements of revenues and expenditures and statements showing changes in fund balances and statement of net position, statement of activities and reconciliations between the modified and full accrual basis of accounting.

The School District has issued an Annual Comprehensive Financial Report (ACFR), including Basic Financial Statements (Financial Statements), for each of the Fiscal Years 1998 through 2023. Thus far, the ACFRs through Fiscal Year 2023 were awarded the Government Finance Officers Association's Certificate of Achievement for Excellence in Financial Reporting, which is awarded to those governmental reporting agencies that comply with the GFOA reporting standards.

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 District's financial records is made.

The most recent audit (including compliance audit) of the District's accounts by the State Auditor was completed through Fiscal Year 2023. The Basic Financial Statements of the District for Fiscal Year 2023, set forth as **Appendix C**, have been audited by the State Auditor. No material findings, citations or items for adjustment, or material weaknesses in internal controls, were noted as part of the audit.

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.

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 2024. That summary has been prepared using five-year 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 2024 provided by the Treasurer. 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 2023 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

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 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 Notes to the Fiscal Year 2023 Financial Statements attached as **Appendix C**.

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 to maturity.

Five-Year Forecast

Pursuant to State law, the School District prepares a five-year financial forecast (the "Forecast") that is adopted by the Board and filed with the Ohio Department of Education. The Forecast reflects three years of historical general operating fund revenues, expenditures and balances, as well as a forecast of such revenues, expenditures and balances for the present Fiscal Year and four additional Fiscal Years. Notes to the Forecast accompany the projections. Under prior law, the Forecast had to be approved by the Board by October 31 of each Fiscal Year, and then updated between April 1 and May 31. Under current law, the Forecast must be approved by the Board by a date to be determined by the State, which State-mandated deadline cannot be earlier than November 30 of each Fiscal Year, and then updated between April 1 and May 31. The School District's most recent Forecast was approved by the Board in November 2023, and shows positive Fiscal Year-end cash balances through Fiscal Year 2028.

GENERAL FUND

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 levied by the Board, the proceeds of a voter-approved school district income tax, and 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 2023 and other recent Fiscal Years, see **Ad Valorem Property Taxes**, **State School Funding System**, and **Appendices A, B-1**, **B-2** 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 a school district income tax on (i) the school district income of individuals and estates or (ii) the earned income of individuals residing in the School District. The Board has not yet acted to put an income tax issue before the voters.

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AD VALOREM PROPERTY TAXES

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
2020	$787,227,720	$33,131,040(d)	$820,358,760
2021	796,938,690	38,992,010(d)	835,930,700
2022(c)	912,007,040	37,140,410(d)	949,147,450
2023	923,291,460	37,157,730(d)	960,449,190
2024	931,138,680	38,912,900(d)	970,051,580

(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) See discussion below regarding Nexus Pipeline.

Source: County Auditor.

Taxes collected on "Real" property 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.

A significant portion of the increase in "Public Utility" valuations for Collection Years 2020 ($18,053,760), 2021 ($20,764,930), 2022 ($17,884,560), 2023 ($17,608,410) and 2024 ($16,992,590) is being contested. Specifically, Nexus Gas Transmission, LLC (Nexus), filed numerous appeals regarding the tax valuations of its pipelines in many areas, including the School District. Nexus has been "tender paying" property taxes on the basis of such appeals at the percentage of the valuation claimed by Nexus at the time of payment. During the pendency of the appeal process, it is not expected that Nexus will pay more than it believes it owes in property taxes, and the School District's five-year forecast currently assumes this. The following chart displays related information:

Fiscal Year	Property Taxes Billed to Nexus for Property in the District(a)	Nexus Property Taxes Received by District
2020	$1,500,267	$707,970
2021	1,798,243	748,205
2022	1,554,168	903,813
2023	1,607,280	601,744

(a) Based on the governmental values ($18,053,760/$20,764,930/$17,884,560/$17,608,410).

On July 10, 2020, the State Tax Commissioner, for the Ohio Department of Taxation, issued a "Final Determination" with respect to the Nexus appeals, rejecting Nexus' proposed alternative valuation computations and finding that:

". . . there is no need to deviate from the statutory method [of valuation] absent probative evidence showing the statutory method would result in an inaccurate or inappropriate measurement of true value. In this matter, the statutory valuation method . . . results in an accurate and appropriate measure of the true value of the petitioner's [Nexus'] public utility property" and finding Nexus' proposed alternative valuation computations "unreliable and unrealistic opinions of true value."

On or about September 4, 2020, Nexus appealed this decision to the State Board of Tax Appeals. On June 23, 2022, a settlement was reached with the Ohio Tax Commissioner, essentially resulting in a tax valuation at 59% of the original valuation. Among other things, the settlement would result in a one-time lump-sum payment of uncollected taxes and accrued interest. Subsequently, however, the Lorain County Auditor filed an appeal of the settlement agreement. On February 17, 2023, the Board of Tax Appeals granted Nexus' motion to dismiss that appeal. On March 13, 2023, the Lorain County Auditor announced he had filed an appeal with the Ohio Supreme Court, which accepted that appeal on September 8, 2023. Oral arguments in the case were held on October 24, 2023, and the appeal remains pending. There can be no assurance of the ultimate outcome of this litigation.

Currently (i.e., with respect to the tax valuation for Collection Year 2023), the District is receiving approximately $601,744 from taxation of Nexus-related property within the District, which represents payment by Nexus at the settlement valuation. If the settlement is ultimately upheld, the School District will be paid the full amount of property taxes (at 59% of the original valuation) that Nexus did not pay in Collection Year 2020 ($171,622), Collection Year 2021 ($175,593) and Collection Year 2022 ($13,146), plus any further amounts determined to be due and owing, including interest on such amounts.

Based on County Fiscal Officer records of assessed valuations for the 2024 collection year, the largest School District ad valorem property taxpayers are:

Name of Taxpayer	Nature of Business	Total Assessed Valuation	% of Total Assessed Valuation
Nexus Gas Transmission, LLC(a)	Gas pipeline	$16,992,590	1.75%
Ohio Power Company	Electric company	13,028,680	1.34
Maple Street IO LLC	Real Estate	7,346,940	0.76
Redwood Plain Township	Real Estate	6,036,320	0.62
3939 Everhard LLC	Retail	5,197,500	0.54
Versailles Gardens Ltd	Real Estate	4,110,230	0.42
East Ohio Gas Company/Dominion East Ohio	Gas company	3,741,000	0.39
West Tuscarawas Property Management LLC	Real Estate	3,519,340	0.36
Hendrickson USA LLC	Holding or owning securities	2,976,750	0.31
SBS of Canton JV LLC	Hotel	2,957,500	0.30
Grisez Bros Properties LP	Real Estate	2,919,570	0.30
Deville Developments LLC	Real Estate	2,904,690	0.30
Albrecht Incorporated	Real Estate	2,753,770	0.28

(a) See discussion above pertaining to the Nexus Pipeline valuation.

Pursuant to statutory requirements for sexennial reappraisals, in 2024 the County Auditor is currently adjusting the true value of taxable real property to reflect current fair market values. These adjustments will be first 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. The School District no longer receives such reimbursements.

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. These credits are discussed further following **Tax Table A**.

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 District.

- The County (functions allocated to counties by Ohio law, such as elections, health and human services, and judicial). (9.41%)
- City of North Canton (82.21%) (municipal corporation responsibilities).
- Townships of Lake (35.41%) and Plain (20.86%) (limited functions allocated to townships by Ohio law).
- Stark County Metropolitan Park District (park and recreation areas). (9.41%)
- Muskingum Watershed Conservancy District. (1.49%)
- North Canton Library (public library). (100%)

Source: OMAC.

Each of these entities operates independently, with its own separate budget, taxing power and sources of revenue. Only the County, the municipalities and the townships may, as may the 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 in the portions of the School District located in the City, Lake Township and Plain Township (areas having approximately 55.9% of the aggregate assessed valuation of the School District).

TAX TABLE A-1
Overlapping Tax Rates
for the Portion of the School District in the City

Collection Year	School District	City	County and Others(a)	Total
2020	83.10	7.40	14.00	104.50
2021	86.60	7.40	14.00	108.00
2022	86.90	7.40	14.00	108.30
2023	85.60	10.70	14.00	110.30
2024	87.90	10.70	14.00	112.60

(a) Includes Stark County Park District and North Canton Public Library.
Source: County Auditor.

TAX TABLE A-2
Overlapping Tax Rates
for the Portion of the School District in Lake Township

Collection Year	School District	Lake Township	County and Others(a)	Total
2020	83.10	10.50	14.00	107.60
2021	86.60	10.50	14.00	111.10
2022	86.90	10.50	14.00	111.40
2023	85.60	10.50	14.00	110.10
2024	87.90	10.50	14.00	112.40

(a) Includes Stark County Park District and North Canton Public Library.
Source: County Auditor.

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TAX TABLE A-3
Overlapping Tax Rates
for the Portion of the School District in Plain Township Outside of the City

Collection Year	School District	Plain Township	County and Others(a)	Total
2020	83.10	17.95	14.00	115.05
2021	86.60	17.95	14.00	118.55
2022	86.90	18.95	14.00	119.85
2023	85.60	18.95	14.00	118.55
2024	87.90	18.95	14.00	120.85

(a) Includes Stark County Park District and North Canton Public Library.
Source: County Auditor.

TAX TABLE A-4
Overlapping Tax Rates
for the Portion of the School District in Plain Township Within the City of Canton

Collection Year	School District	Plain Township	Canton City	County and Others(a)	Total
2020	83.10	0.10	7.40	14.00	104.60
2021	86.60	0.10	7.40	14.00	108.10
2022	86.90	1.10	7.40	14.00	109.40
2023	85.60	1.10	7.40	14.00	108.10
2024	87.90	1.10	7.40	14.00	110.40

(a) Includes Stark County Park District and North Canton Public Library.
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 due to appreciation 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 voted general obligations, (ii) taxes levied inside the ten-mill limitation, (iii) taxes provided for by a municipal charter, 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 2024 tax collection year of 120.85

mills within the School District (within Plain Township and outside the City) was reduced by reduction factors of 0.468070 for residential/agricultural property and 0.359680 for all other real property, which resulted in "effective tax rates" of 64.283770 mills for residential and agricultural property and 77.382707 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 10-Mill Limitation)

Collection Year	Total, all operating
2020	5.30
2021	5.30
2022	5.30
2023	5.30
2024	5.30

Voted

Collection Year	Operating	Debt Retirement	Permanent Improvements	Total
2020	75.40	0.00	2.40	77.80
2021	75.40	3.50	2.40	81.30
2022	75.40	3.80	2.40	81.60
2023	75.40	2.50	2.40	80.30
2024	75.40	4.10	3.10	82.60

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 80.70 mills for collection year 2024 included voted current expense levies aggregating 75.40 mills, all of which have been approved by the School District electorate for a continuing period of time and do not require a renewal vote. The balance of 5.30 mills constituted 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 "effective tax rates" on residential and agricultural (Res./Agr.) and all other real property for School District millage-based voted property tax levies for current operating expenses levied for collection year 2024, each of which has been approved for a continuing period of time:

Millage Rate		
	Levied for Collection Year 2024	
Voter Authorized	**Res./Agr.**	**All Other**
25.80	3.369505	6.916231
6.70	1.501336	2.259970
5.80	1.921748	2.996454
5.80	2.093863	3.280903
7.80	3.345186	4.472683
5.60	3.583428	4.445532
6.50	4.597879	5.159992
4.50	3.183147	3.572302
6.90	5.375251	6.043937

For collection year 2024, the School District had an effective tax rate on residential and agricultural property of 34.271343 mills (including 28.971343 for voted levies and 5.30 mills of the 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 and other "fixed dollar" levies for operating purposes). If the School District were to reach that floor, the effect of the reduction mechanism discussed above would be negated, and the School District would receive the proceeds of 20 mills of property tax levied against all property subject to ad valorem property taxes without reduction. The effect of reaching that floor would be that the School District would receive increases in property tax receipts for operating purposes more nearly commensurate with increases in its assessed valuation. There can be no assurance whether or when the School District will reach that floor.

For collection year 2024, the School District also had in effect (i) a 2.4-mill general permanent improvement levy approved by the voters in May 2013 for a continuing period of time, and (ii) a 0.7-mill general permanent improvement levy approved by the voters in November 2023 for a continuing period of time. The 2013 levy is expected to generate approximately $1,848,169 in collection year 2024 and the 2023 levy is expected to generate approximately $673,220 in collection year 2024. From the 2023 levy, 0.5 mill will be earmarked for classroom facilities maintenance as part of the School District's participation in the Classroom Facilities Assistance Program. See **The School System – School District Facilities; Insurance – The Project**.

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 results of issues placed before the electors of the School District since 1999 are set forth in the following table.

TAX TABLE C
Tax Issues Voted Upon
1999 through 2024

Tax Levies Voted Upon

Election Date	Purpose	Type	Term	Mills Appearing on Ballot	Vote For	Vote Against	Result
05/08/01	Current Expenses	New	Continuing	7.8	2,830	2,900	Defeated
11/06/01	Current Expenses	New	Continuing	5.6	5,306	4,004	**Approved**
05/02/06	Current Expenses	New	Continuing	6.5	4,312	3,744	**Approved**
11/02/10	Current Expenses	New	Continuing	4.5	7,164	5,455	**Approved**
05/07/13	Permanent Improvement	New	Continuing	2.4	2,635	1,930	**Approved**
11/07/17	School Income Tax	New	34 years	0.75	3,130	6,759	Defeated
05/08/18	Current Expenses	New	Continuing	6.9	3,890	3,712	**Approved**
11/07/23	Permanent Improvement	New	Continuing	0.7	6,498	6,423	**Approved**

Bond Issues Voted Upon

Election Date	Purpose	Amount	Vote For	Vote Against	Result
05/03/94	Constructing Improving Sites	22,953,000	4,655	3,751	**Approved**
11/07/17	School Facilities	55,000,000	3,130	6,759	Defeated
03/17/20(a)	Constructing, renovating, improving, buildings and facilities	58,500,000	3,768	3,205	**Approved**
11/07/23	Constructing, new Middle School	27,800,000	6,498	6,243	**Approved**

(a) Election completed on April 28, 2020.

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(a)	Current % Collected(a)(b)	Delinquent(a) Current	Delinquent(a) Accumulated
2019	$35,883,924	97.67%	$ 836,036(c)	$ 914,537(c)
2020	36,292,523	96.17	1,388,917(c)	1,713,591(c)
2021	39,917,229	96.01	1,592,276(c)	2,979,283(c)
2022	41,563,510	95.85	1,724,404(c)	3,925,469(c)
2023	40,762,526	95.65	1,775,059(c)	5,047,940(c)

(a) The figures shown do not include billings or collections of taxes levied with respect to mobile homes which are not significant in amount.
(b) The figures shown represent % of current year billings collected only.
(c) Tax tendered amount to match appealed values. See Nexus discussion above.

Source: County Auditor.

Included in the "Current Billed" and "Current Collected" figures above are payments made from State revenue sources under two Statewide real property tax relief programs – the

Homestead Exemption and the Property Tax Rollback Exemption. The Homestead Exemption is available for (i) persons 65 years of age or older, (ii) persons who are totally or permanently disabled and (iii) surviving spouses of persons who were totally or permanently disabled or 65 years of age or older, and had applied and qualified for a reduction of property taxes in the year of death, so long as the surviving spouses were not younger than 59 or older than 65 years of age on the date of their deceased spouses' deaths. The Homestead Exemption exempts $25,000 of the homestead's market value from taxation, thereby reducing the property owner's ad valorem property tax liability. The Property Tax Rollback Exemption applies to all non-business properties, and reduces each property owner's ad valorem property tax liability by either 12.5% (for owner-occupied non-business properties) or 10% (for non-owner non-business occupied properties). Payments to taxing subdivisions have been made in amounts approximately equal to the Homestead and Property Tax Rollback Exemptions granted. This State assistance reflected in the School District's tax collections for 2023 was $616,272 for the elderly/disabled homestead payment and $2,782,493 for the rollback payment.

The Homestead Exemption became subject to means testing beginning in 2014, and the Property Tax Rollback Exemption 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. 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 fiscal officer'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 fiscal officer (the "delinquent land duplicate"). If delinquent taxes (and special assessments) are not paid within 60 days after a copy of the county fiscal officer'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, 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 12,290 nonexempt parcels in the School District for collection year 2023, the number of property tax delinquent parcels was 373 against six of which foreclosure proceedings were commenced.

Current and delinquent property taxes are billed and collected by County officials for all taxing subdivisions in the County. There is no one taxpayer that accounted for more than 5% of any of the delinquencies identified above for collection year 2023.

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 2023 State Budget Act extends the operation of the State Education Aid system established by the 2021 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 2023 State Budget Act, State Education Aid is estimated to increase average per-pupil aid from approximately $7,350 to approximately $8,400 for each year of the biennium. Generally speaking, under both the 2021 State Budget Act and 2023 State Budget Act, funding was and will be increased, 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 2023 State Budget Act than under the 2021 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 2023 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% (previously 5% under the 2021 State Budget Act). The 2023 State Budget Act also requires updates in data used to calculate the base cost from Fiscal Year 2018 data to Fiscal Year 2022 data.

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.

The 2023 State Budget Act provides 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.

The 2023 State Budget Act also renames the Department of Education as the Department of Education and Workforce (DEW) and creates 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 are 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 current elected State Board of Education, and State Superintendent of Public Instruction, are 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 2023 State Budget Act will not negatively affect the School District's State Education Aid as presented in its current five-year financial forecast, and, based on a simulation created by the Conference Committee related to the 2023 State Budget Act is expected to result in State Education Aid of $16,614,675 in Fiscal Year 2024 and $16,604,940 in Fiscal Year 2025.

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)
2019	$16,665,328	33.61%	34.49%
2020(b)	15,735,636	29.62	32.26
2021(b)	16,335,223	29.68	34.15
2022(b)(c)	15,953,601	29.39	30.78
2023(b)(c)	16,128,687	29.61	29.82
2024(b)(c)(d)	16,614,675	29.42	28.63

(a) See **Appendix A** for details regarding revenues and expenditures.

(b) See **Certain Additional Investment Considerations – Coronavirus (COVID-19)**.

(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 Five-Year Forecast. See **Financial Matters – Five Year 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 2023 and other recent Fiscal Years:

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Fiscal Year	Amount
2019	$222,435
2020	226,267
2021	176,212(a)
2022	261,036
2023	274,110

(a) See **Certain Additional Investment Considerations – Coronavirus (COVID-19)**.

SCHOOL DISTRICT DEBT AND OTHER LONG-TERM OBLIGATIONS

The following describes the security for general obligation debt, 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.

The School District is not, and to the knowledge of current District officials has not ever been, in default in the payment of debt charges on any of the bonds or notes on which the 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 $80,750,000 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 except the Outstanding Notes.

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. All of the 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. None of the School District's outstanding general obligation debt is subject to this limitation.

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 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 outstanding unvoted debt subject to this limitation. School districts may also 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 district's tax valuation; the School District at present has no outstanding unvoted debt subject to this 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 limitation.

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. The School District has no such exempt debt outstanding. BANs issued in anticipation of exempt bonds also are exempt debt.

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 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% = $87,304,642	$ 80,750,000	$ 6,554,642
.1% = $ 970,051	$ 0	$ 970,051
.9% = $ 8,730,464	$ 0	$ 8,730,464
1% = $ 9,700,515	$ 0	$ 9,700,515

(a) The School District's current tax (assessed) valuation for purposes of determining its direct debt limitations is $970,051,580.

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 2024, the allocation of levies made within the ten-mill limitation (sometimes referred to as the "inside millage" levies) by the combinations of the School District and certain taxing subdivisions overlapping portions of the School District was as follows:

School District	**County**	**Lake Township**	**Plain Township**	**City**	**Total**
5.30	2.20			2.40	9.90
5.30	2.20	2.00			9.50
5.30	2.20		0.10		7.60
5.30	2.20		0.10	2.40	10.00

That allocation has remained constant for at least the last five years.

Because the School District is restricted in the amount of unvoted debt it can issue, the major impact of the indirect debt limitation 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 1.6553 mills for 2025, the year of the highest potential debt charge requirements. There thus remain 8.3447 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 and notes, School District and overlapping subdivisions general obligation debt allocations, projected debt charges on School District debt, and projected lease payments on the School District's outstanding lease-purchase obligations. See **Debt Tables**.

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

Fiscal Year	Voted	Unvoted	Total
2019	$1,640,000	$1,190,000	$ 2,830,000
2020	0	755,000	755,000
2021	58,500,000	303,000	58,803,000
2022	56,100,000	0	56,100,000
2023	53,845,000	0	53,845,000

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. The following table is an unaudited summary of Bond Retirement Fund receipts and disbursements for prior Fiscal Years.

Fiscal Year	Receipts	Disbursements	June 30 Balance
2019	$2,139,151	$2,169,827	$1,412,810
2020	776,382	2,152,534	36,658
2021	5,289,161	1,485,345	3,840,474
2022	3,560,532	4,474,356	2,926,650
2023	2,920,326	3,946,841	1,900,135
2024(a)	3,078,000	3,650,000	1,328,135

(a) Projected.

Special Obligation Debt

As discussed below, 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.

Permanent Improvement Tax Anticipation Notes

A school district may issue notes in anticipation of revenues from a voted permanent improvement tax levy to pay costs of permanent improvements. These notes (TANs) are payable solely from the property tax revenues anticipated.

The School District 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 are subject to the annual appropriation of available funds for that purpose by the school district's board. The lease purchase agreements and related certificates of participation do not constitute debt and are thus not subject to either the direct or indirect debt limitations.

The School District has entered into a ground lease and lease-purchase agreement providing for the financing of construction, enlarging or other improvement, furnishing and equipping lease, and eventual acquisition of facilities and improvements to facilities for School District purpose, including improvements to the School District's Memorial Stadium and its site. The scheduled lease payments will be payable in semiannual installments on each April 1 and October 1. The School District's obligations under the lease-purchase agreement are subject to annual renewal for additional one-year terms and to the availability of funds for the lease payments due during those terms. The final scheduled payment is to be made on October 1, 2037, and the lease payments are computed on the basis of interest at the rate of 3.95%. The outstanding aggregate principal component of this lease is $5,816,500.

Other Long-Term Financial Obligations

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

Retirement obligations and net pension liability and other post-employment benefit (OPEB) liabilities described under **Retirement Expenses**.

Compensated absences obligations (vacation and sick leaves) identified in the Notes to the Fiscal Year 2023 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 plans to undertake or participate in any 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 or to enter into any capital leases.

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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 CANTON CITY SCHOOL DISTRICT, OHIO

By: /s/ Dr. Robert Roden
President, Board of Education

/s/ Jeff Wendorf
Superintendent

/s/ Tim Walker
Treasurer, Board of Education

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DEBT TABLE A

Principal Amounts of Outstanding Debt; Leeway for Additional Debt within Direct Debt Limitations(a)

A.	Total debt (including the Bonds):			$ 80,750,000
B.	Exempt debt:			$ 0
C.	Total nonexempt debt [A minus B]:			$ 80,750,000
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
		$ 9,700,515	$ 970,051	$ 8,730,464
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]:	$ 9,700,515*	$ 970,051*	$ 8,730,464*
G.	9% of tax (assessed) valuation (voted and unvoted debt limitation):			$ 87,304,642
H.	Total nonexempt bonds and notes outstanding:			
	Bonds (including the Bonds)		$ 80,750,000	
	Notes		$ 0	$ 80,750,000
I.	Debt leeway within 9% debt limitation [G minus H]:			$ 6,554,642*

* 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 $970,051,580. See **School District Debt and Other Long-Term Obligations – Statutory Direct Debt Limitations**.

DEBT TABLE B

Various School District and Overlapping GO Debt Allocations

	Amount	Per Capita(a)	% of District's Current Assessed Valuation(b)
District Nonexempt GO Debt	$80,750,000	$2,701.84	8.32%
Total District GO Debt (exempt and nonexempt)	80,750,000	2,701.84	8.32
Highest Total Overlapping GO Debt(c)	85,413,713	2,857.89	8.81

(a) Based on 2022 (estimated for District) population of 29,887.

(c) School District's current assessed valuation is $970,051,580.

(d) Includes, in addition to "Total District GO Debt," allocations of total GO debt of overlapping debt issuing subdivisions (as of April 11, 2024, resulting in the calculation of highest total overlapping debt based on percent of tax (assessed) valuation of territory of the subdivisions located within the District (% figures are resulting percent of total debt of subdivisions allocated to the District in this manner), as follows:

$1,173,898 County (9.41%); and
$3,489,815 City (82.21%).

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

DEBT TABLE C

Debt Charges Requirements on School District GO Debt(a)

	Debt Charges on		
Year	The Bonds	Outstanding Bonds	Total, All paid from Unlimited Ad Valorem Taxes
2024	$ 865,182.50	$1,716,043.75	$2,581,226.25
2025	1,525,400.00	2,514,487.50	4,039,887.50
2026	1,527,500.00	2,515,987.50	4,043,487.50
2027	1,526,000.00	2,511,787.50	4,037,787.50
2028	1,544,000.00	2,516,187.50	4,060,187.50
2029	1,560,500.00	2,513,787.50	4,074,287.50
2030	1,575,500.00	2,514,787.50	4,090,287.50
2031	1,589,000.00	2,513,987.50	4,102,987.50
2032	1,606,000.00	2,516,387.50	4,122,387.50
2033	1,626,250.00	2,514,187.50	4,140,437.50
2034	1,649,500.00	2,515,937.50	4,165,437.50
2035	1,650,500.00	2,511,487.50	4,161,987.50
2036	1,650,250.00	2,515,987.50	4,166,237.50
2037	1,653,750.00	2,514,137.50	4,167,887.50
2038	1,655,750.00	2,516,087.50	4,171,837.50
2039	1,656,250.00	2,511,687.50	4,167,937.50
2040	1,655,250.00	2,516,087.50	4,171,337.50
2041	1,657,750.00	2,513,987.50	4,171,737.50
2042	1,658,500.00	2,515,537.50	4,174,037.50
2043	1,657,500.00	2,515,587.50	4,173,087.50
2044	1,659,750.00	2,514,137.50	4,173,887.50
2045	1,660,000.00	2,516,187.50	4,176,187.50
2046	1,658,250.00	2,511,587.50	4,169,837.50
2047	1,659,500.00	2,512,175.00	4,171,675.00
2048	1,663,500.00	2,511,693.76	4,175,193.75
2049	1,665,000.00	2,515,143.76	4,180,143.75
2050	1,664,000.00	2,512,406.26	4,176,406.25
2051	1,665,850.00	2,513,600.00	4,179,450.00
2052	1,665,450.00	2,515,450.00	4,180,900.00
2053	1,667,800.00	2,515,350.00	4,183,150.00
2054	1,667,675.00	2,513,300.00	4,180,975.00
2055	1,670,075.00	2,514,300.00	4,184,375.00
2056	1,669,775.00	2,513,200.00	4,182,975.00
2057	1,671,775.00	0.00	1,671,775.00
2058	1,670,850.00	0.00	1,670,850.00
2059	1,672,000.00	0.00	1,672,000.00

(a) Including the Bonds and excluding the Outstanding Notes, which are being retired by the proceeds of the Bonds.

DEBT TABLE D

Outstanding General Obligation Bond Anticipation Notes

Designation of Issue	Principal Amount	Due	Interest Rate	Date of Issuance
Classroom Facilities and School Improvement Notes, Series 2023(a)	$ 8,877,000	07/23/2024	4.625%	12/28/2023
Classroom Facilities and School Improvement Notes, Series 2024(a)	$12,604,000	07/23/2024	4.625%	02/01/2024

(a) Being retired with proceeds of the Bonds.

The ability of the School District to retire BANs from the proceeds of the sale of either bonds or renewal BANs will be dependent upon the marketability of those obligations under market conditions prevailing at the time of that sale. Under present laws applicable to the District, there is no statutory maximum interest rate applicable to those bonds or renewal BANs.

DEBT TABLE E

Outstanding GO Bonds[(a)]

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 Bonds, Series 2020	10/08/2020	2056	$58,500,000.00	$52,950,000.00
The Bonds	05/02/2024	2059	27,800,000.00	27,800,000.00

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APPENDIX A

Historical Cash Basis Revenues and Expenditures General Operating Funds Fiscal Years 2019 through 2023 and Forecasted for Fiscal Year 2024(a)

The figures in the table below have been taken from 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 November 2023).

	2019	2020(b)	2021(b)	2022(b)	2023(b)	Forecasted 2024 (b)
Revenues:						
General Property Tax (Real Estate and Public Utility)	$26,376,427	$30,138,586	$31,400,534	$31,960,789	$32,459,897	$32,922,197
Unrestricted Federal and State Grants-in-Aid(c)	16,029,327	15,153,786	15,748,329	14,555,373	14,709,390	15,152,611
Restricted Grants-in-Aid(c)	636,001	581,850	586,894	1,398,228	1,419,297	1,419,297
Property Tax Allocation	3,135,956	3,183,523	3,193,191	3,196,390	3,181,137	3,181,137
All Other Revenues(d)	1,545,572	1,526,708	2,440,788	1,752,332	2,055,115	2,000,000
Total Revenues	$47,723,283	$50,584,453	$50,584,453	$52,863,111	$53,824,836	$54,733,15
Other Financing Sources:						
Operating Transfers-In(e)	$ 461,346	$ 0	$ 464,985	$ 306,333	$ 0	$ 0
Advances-In	1,392,195	1,864,500	1,134,575	758,500	510,000	1,483,100
All Other Financing Sources	2,724	211,154	50,023	343,172	128,431	265,578
Total Other Financing Sources	1,856,265	2,075,654	1,649,583	1,408,005	638,431	1,748,678
Total Revenues and Other Financing Sources	$49,579,548	$52,660,107	$55,019,319	$54,271,116	$54,463,267	$56,482,593
Expenditures:						
Personal Services	$26,128,362	$26,983,620	$27,150,812	$28,833,434	$31,183,117	$33,711,700
Employees' Retirement/Insurance Benefits	10,352,231	11,004,682	11,341,464	11,719,058	13,115,550	14,459,276
Purchased Services(d)	4,817,039	4,714,873	4,665,995	4,445,783	4,253,600	5,261,955
Supplies and Materials	898,128	715,245	709,769	866,472	973,082	1,131,576
Capital Outlay	2,784,088	821,004	635,575	443,225	1,626,065	819,557
Principal-HB 264 Loans(e)	424,000	0	452,000	303,000	0	0
Interest and Fiscal Charges(e)	37,376	0	12,895	3,333	0	0
Other Objects	842,665	991,221	1,244,804	1,134,032	1,087,819	1,262,369
Total Expenditures	$46,283,889	$45,230,645	$46,213,404	$47,748,336	$52,239,233	$56,646,433
Other Financing Uses:						
Operating Transfers-Out(e)	$ 353,346	$ 360,000	$ 846,985	$ 3,558,333	$ 360,000	$ 574,000
Advances-Out	1,674,500	2,711,575(f)	758,500	510,000	1,483,250	816,000
All Other Financing Uses	6	693	5,346	4,505	346	500
Total Other Financing Uses	$ 2,027,852	$ 3,072,268	$ 1,610,831	$ 4,072,838	$ 1,843,596	$ 1,390,500
Total Expenditures and Other Financing Uses	$48,311,741	$48,302,913	$47,824,236	$51,821,174	$54,082,829	$58,036,933
Excess of Rev & Other Financing Sources over (under) Expenditures and Other Financing Uses	$ 1,267,807	$ 4,357,194	$ 7,195,084	$ 2,449,942	$ 380,438	$ (1,554,340)
Cash Balance July 1 - Excl Proposed Renewal/ Replacement and New Levies	$11,813,093	$13,080,900	$17,438,094	$24,633,178	$27,083,120	$27,463,558
Cash Balance June 30	$13,080,900	$17,438,094	$24,633,178	$27,083,120	$27,463,558	$25,909,218

(a) The School District's General Operating Funds include its General Fund, Education Jobs Fund and Restricted Grants-in-Aid Fund. Numbers may not foot due to rounding.

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

(c) Increase in "Restricted Grants-in-Aid" is due primarily to an adjustment in State reporting standards, commencing in Fiscal Year 2022, 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, to 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.

(d) 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 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 Five-Year Forecast. See **State School Funding System**

(e) The amounts reported as "Operating Transfers-In" to the School District's General Operating Funds in this Appendix are amounts actually received into the School District's Bond Retirement Fund for the payment of debt charges on unvoted general obligation bonds issued for energy conservation improvement projects (the Series 2014 Bonds), and the amounts shown as expenditures from the School District's General Operating Funds for "Principal-HB 264 Loans" and "Interest and Fiscal Charges" are amounts actually expended from the Bond Retirement Fund for debt charges on those bonds. The amounts reported as "Operating Transfers-Out" are amounts transferred from the School District's General Fund to the Bond Retirement Fund for those expenditures.

(f) At June 30, 2020, the outstanding advances owed back to the General Fund amounted to $1,134,575. These advances were to cover (i) Permanent Improvement projects to be completed over the summer of 2020 prior to the School District's receipt of Permanent Improvements tax levy collections for the 2nd half of 2020, and (ii) a bus purchase that was made in June 2020 that was to be funded from a state grant, when the grant funds for 49% of the purchase were not received by the year end. All advances will be returned to the General Fund by June 30, 2021.

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APPENDIX B-1

Financial Report (Cash Basis All-Funds Summary) for Fiscal Year 2022 (Unaudited)(a)(b)

Fund	Beginning Balance	Receipts	Expenditures	Ending Balance
General Fund(c)	$24,633,177.28	$53,964,783.06	$51,514,840.74	$27,083,119.60
Bond Retirement(c)	3,840,473.90	3,560,532.44	4,474,356.62	2,926,649.72
Permanent Improvement	406,183.32	2,423,713.01	1,710,159.15	1,119,737.18
Building Fund	57,035,785.26	3,099,830.34	6,317,051.04	53,818,564.56
Food Service	645,777.41	2,853,080.09	2,197,335.92	1,301,521.58
Special Trust	9,794.45	2,942.63	3,574.06	9,163.02
Endorsement Grants	595,898.83	26,265.69	18,140.00	604,024.52
Uniform School Supplies	201,053.56	432,880.03	353,152.16	280,781.43
Rotary Fund-Special Service	36,224.87	42,173.34	44,211.82	34,186.39
Internal Services Rotary	2,382.24	0.00	0.00	2,382.24
Public School Support	224,161.95	159,992.73	162,656.52	221,498.16
Other Grant Funds	23,904.95	42,923.00	47,927.97	18,899.98
District Agency	441.14	26,539.86	26,981.00	0.00
Student Managed Activity	185,816.66	238,904.52	241,069.01	183,652.17
District Managed Student Act.	532,416.74	3,107,448.65	1,362,576.99	2,277,288.40
Auxiliary Services	94,543.61	303,034.00	358,695.16	38,882.45
Data Communications Fund	0.00	10,800.00	10,800.00	0.00
Student Wellness & Success	228,202.94	0.00	61,552.34	166,650.60
State Grants, Misc.	23,349.35	56,863.92	48,607.48	31,605.79
ESSER Grants	164,000.00	2,052,905.34	2,132,108.21	84,797.13
Coronavirus Relief Fund	10,000.00	0.00	10,000.00	0.00
Title VIB	230,130.54	1,054,226.03	1,234,129.07	50,227.50
Carl D Perkins	0.00	38,726.70	38,726.7	0.00
Title I-A	56,740.44	409,391.21	385,967.00	80,164.65
Title IV-A	0.00	21,206.83	9,596.83	11,610.00
Preschool Grant	4,298.98	28,264.08	27,605.98	4,957.08
Title II	18,245.68	75,705.88	90,491.13	3,460.43
Federal Grants	3,600.00	579.48	4,179.48	0.00
Grand Total	**$89,206,604.10**	**$74,033,712.86**	**$72,886,492.38**	**$90,353,824.58**

(a) Numbers may not foot due to rounding

(b) See **Certain Additional Investment Considerations – Coronavirus (COVID-19)**.

(c) See **Appendix A** for information regarding the beginning and ending balances of the General Fund and the Bond Retirement Fund.

APPENDIX B-2

Financial Report (Cash Basis All-Funds Summary) for Fiscal Year 2023(a)(b)

Fund	Beginning Balance	Receipts	Expenditures	Ending Balance
General Fund(c)	$27,083,119.60	$54,463,267.33	$54,082,829.36	$27,463,557.57
Bond Retirement(c)	2,926,649.72	2,920,326.18	3,946,841.35	1,900,134.55
Permanent Improvement	1,119,737.18	9,292,640.15	5,048,071.84	5,364,305.49
Building Fund	53,818,564.56	285,629.20	37,693,545.29	16,410,288.47
Food Service	1,301,521.58	2,280,131.70	2,098,283.19	1,483,370.09
Special Trust	9,163.02	6,391.24	6,173.36	9,380.90
Endorsement Grants	604,024.52	73,615.56	19,106.95	658,533.13
Uniform School Supplies	280,781.43	455,210.70	457,891.04	278,101.09
Rotary Fund-Special Service	34,186.39	49,101.99	58,147.99	25,140.39
Internal Services Rotary	2,382.24	0.00	0.00	2,382.24
Public School Support	221,498.16	152,317.93	190,427.49	183,388.60
Other Grant Funds	18,899.98	297,471.34	133,877.67	182,493.65
District Agency	0.00	19,015.85	18,919.14	96.71
Student Managed Activity	183,652.17	285,843.61	278,646.71	190,849.07
District Managed Student Act.	2,277,288.40	1,204,555.68	3,076,203.94	53,681.08
Auxiliary Services	38,882.45	288,525.74	291,061.36	36,346.83
Data Communications Fund	0.00	10,800.00	10,800.00	0.00
Student Wellness & Success	166,650.60	0.00	105,696.18	60,954.42
State Grants, Misc.	31,605.79	193,709.66	215,650.14	9,665.31
ESSER Grants	84,797.13	2,138,745.59	1,778,248.00	445,294.32
Title VIB	50,227.50	1,1431431.11	1,155,975.66	37,682.95
Carl D Perkins	0.00	40,579.17	40,579.17	0.00
Title I-A	80,164.65	437,879.28	475,436.04	42,607.89
Title IV-A	11,610.00	34,349.12	45,959.12	0.00
Preschool Grant	4,957.08	40,227.94	45,185.02	0.00
Title II	3,460.43	92,417.69	83,973.25	11,904.87
Federal Grants	0.00	249,087.00	214,170.88	34,916.12
Grand Total	**$90,353,824.58**	**$76,454,910.76**	**$111,571,700.54**	**$55,237,034.80**

(a) Numbers may not foot due to rounding

(b) See **Certain Additional Investment Considerations – Coronavirus (COVID-19)**.

(c) See **Appendix A** for information regarding the beginning and ending balances of the General Fund and the Bond Retirement Fund.

APPENDIX C

Basic Financial Statements from the School District's Financial Report for Fiscal Year 2023 (Audited)

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OHIO AUDITOR OF STATE
KEITH FABER

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

INDEPENDENT AUDITOR'S REPORT

North Canton City School District
Stark County
525 7th Street NE
North Canton, Ohio 44720

To the Board of Education:

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the North Canton City School District, Stark County, Ohio (District), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

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

Basis for Opinions

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

Emphasis of Matter

As discussed in Note 3A to the financial statements, during 2023, the District adopted new accounting guidance in Governmental Accounting Standards Board (GASB) Statement No. 96, *Subscription Based Information Technology Arrangements*. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- exercise professional judgment and maintain professional skepticism throughout the audit.

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.

- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

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

Supplementary information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The 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 also issued our report dated March 20, 2024, 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

Keith Faber
Auditor of State
Columbus, Ohio

March 20, 2024

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NORTH CANTON CITY SCHOOL DISTRICT
STARK COUNTY, OHIO

STATEMENT OF NET POSITION
JUNE 30, 2023

		Governmental Activities
Assets:		
Equity in pooled cash and cash equivalents	$	54,601,581
Receivables:		
Property taxes		41,322,554
Accounts		141,797
Accrued interest		67,089
Intergovernmental		330,660
Prepayments		31,312
Materials and supplies inventory		81,502
Inventory held for resale		23,313
Net OPEB asset		4,886,860
Capital assets:		
Nondepreciable capital assets		63,140,797
Depreciable capital assets, net		26,092,532
Capital assets, net		89,233,329
Total assets		190,719,997
Deferred outflows of resources:		
Pension		13,181,144
OPEB		1,140,757
Total deferred outflows of resources		14,321,901
Liabilities:		
Accounts payable		757,826
Contracts payable		11,172,571
Retainage payable		676,405
Accrued wages and benefits payable		5,513,757
Intergovernmental payable		319,965
Pension and postemployment benefits payable		917,261
Accrued interest payable		322,816
Unearned revenue		5,887
Long-term liabilities:		
Due within one year		1,814,656
Due in more than one year:		
Net pension liability		52,500,454
Net OPEB liability		2,801,388
Other amounts due in more than one year		66,402,346
Total liabilities		143,205,332
Deferred inflows of resources:		
Property taxes levied for the next fiscal year		36,343,068
Pension		4,745,553
OPEB		7,558,647
Total deferred inflows of resources		48,647,268
Net position:		
Net investment in capital assets		18,551,521
Restricted for:		
Capital projects		7,416,934
OPEB		941,362
State funded programs		66,453
Federally funded programs		34,916
Food service operations		1,306,576
Extracurricular programs		655,924
Other purposes		798,016
Unrestricted (deficit)		(16,582,404)
Total net position	$	13,189,298

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

NORTH CANTON CITY SCHOOL DISTRICT
STARK COUNTY, OHIO

STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Expenses	Program Revenues: Charges for Services and Sales	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: Governmental Activities
Governmental activities:					
Instruction:					
Regular	$ 24,881,976	$ 897,725	$ 1,396,442	$ -	$ (22,587,809)
Special	8,490,997	179,148	3,204,803	-	(5,107,046)
Vocational	2,404,129	409,467	465,121	-	(1,529,541)
Adult/continuing	51,557	-	75,109	-	23,552
Other	144,686	15,458	1,875	-	(127,353)
Support services:					
Pupil	3,794,617	-	679,149	-	(3,115,468)
Instructional staff	2,028,865	-	305,217	3,038	(1,720,610)
Board of education	23,170	-	-	-	(23,170)
Administration	5,232,122	77,555	190,040	-	(4,964,527)
Fiscal	1,361,977	-	-	-	(1,361,977)
Business	219,182	-	-	-	(219,182)
Operations and maintenance	4,208,105	40,126	40,523	-	(4,127,456)
Pupil transportation	3,740,647	-	152,089	-	(3,588,558)
Central	541,278	-	24,038	-	(517,240)
Operation of non-instructional services:					
Food service operations	2,026,674	1,108,016	1,072,324	-	153,666
Other non-instructional services	443,249	121	310,329	-	(132,799)
Extracurricular activities	3,563,238	732,388	498,881	959,738	(1,372,231)
Interest and fiscal charges	1,739,811	-	-	-	(1,739,811)
Totals	$ 64,896,280	$ 3,460,004	$ 8,415,940	$ 962,776	(52,057,560)
		General revenues:			
		Property taxes levied for:			
		General purposes			33,337,132
		Debt service			2,815,825
		Capital outlay			1,512,468
		Grants and entitlements not restricted to specific programs			17,043,265
		Investment earnings			1,470,315
		Miscellaneous			96,369
		Total general revenues			56,275,374
		Change in net position			4,217,814
		Net position at beginning of year			8,971,484
		Net position at end of year			$ 13,189,298

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

NORTH CANTON CITY SCHOOL DISTRICT
STARK COUNTY, OHIO

BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2023

	General	Building	Nonmajor Governmental Funds	Total Governmental Funds
Assets:				
Equity in pooled cash and cash equivalents	$ 27,164,498	$ 16,384,201	$ 11,052,882	$ 54,601,581
Receivables:				
Property taxes	37,042,758	-	4,279,796	41,322,554
Accounts	60,919	-	80,878	141,797
Accrued interest	63,463	3,626	-	67,089
Interfund loans	1,483,100	-	-	1,483,100
Intergovernmental	-	-	330,660	330,660
Prepayments	28,375	-	2,937	31,312
Materials and supplies inventory	73,098	-	8,404	81,502
Inventory held for resale	-	-	23,313	23,313
Total assets	$ 65,916,211	$ 16,387,827	$ 15,778,870	$ 98,082,908
Liabilities:				
Accounts payable	$ 606,300	$ -	$ 151,526	$ 757,826
Contracts payable	-	10,631,334	541,237	11,172,571
Retainage payable	-	676,405	-	676,405
Accrued wages and benefits payable	5,128,300	-	385,457	5,513,757
Compensated absences payable	189,403	-	-	189,403
Intergovernmental payable	256,534	-	63,431	319,965
Pension and postemployment benefits payable	854,581	-	62,680	917,261
Interfund loans payable	-	-	1,483,100	1,483,100
Unearned revenue	60	-	5,827	5,887
Total liabilities	7,035,178	11,307,739	2,693,258	21,036,175
Deferred inflows of resources:				
Property taxes levied for the next fiscal year	32,417,358	-	3,925,710	36,343,068
Delinquent property tax revenue not available	3,708,175	-	266,908	3,975,083
Intergovernmental revenue not available	-	-	227,942	227,942
Accrued interest not available	31,146	749	-	31,895
Total deferred inflows of resources	36,156,679	749	4,420,560	40,577,988
Fund balances:				
Nonspendable:				
Materials and supplies inventory	73,098	-	8,404	81,502
Prepaids	28,375	-	2,937	31,312
Restricted:				
Debt service	-	-	1,949,605	1,949,605
Capital projects	-	5,079,339	3,959,072	9,038,411
Food service operations	-	-	1,413,024	1,413,024
Non-public schools	-	-	14,218	14,218
State funded programs	-	-	55,417	55,417
Federally funded programs	-	-	34,916	34,916
Extracurricular programs	-	-	655,866	655,866
Other purposes	-	-	798,015	798,015
Assigned:				
Student instruction	290,847	-	-	290,847
Student and staff support	638,187	-	-	638,187
Facilities acquisition and construction	69,739	-	-	69,739
Subsequent year's appropriations	3,249,937	-	-	3,249,937
Other purposes	29,069	-	-	29,069
Unassigned (deficit)	18,345,102	-	(226,422)	18,118,680
Total fund balances	22,724,354	5,079,339	8,665,052	36,468,745
Total liabilities, deferred inflows and fund balances	$ 65,916,211	$ 16,387,827	$ 15,778,870	$ 98,082,908

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

NORTH CANTON CITY SCHOOL DISTRICT
STARK COUNTY, OHIO

RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO
NET POSITION OF GOVERNMENTAL ACTIVITIES
JUNE 30, 2023

Total governmental fund balances		$ 36,468,745
Amounts reported for governmental activities on the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		89,233,329
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred inflows in the funds.		
Property taxes receivable	$ 3,975,083	
Accrued interest receivable	31,895	
Intergovernmental receivable	227,942	
Total		4,234,920
Unamortized premiums on bonds issued are not recognized in the funds.		(3,485,972)
Accrued interest payable is not due and payable in the current period and therefore is not reported in the funds.		(322,816)
The net pension/OPEB assets & 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	13,181,144	
Deferred inflows - pension	(4,745,553)	
Net pension liability	(52,500,454)	
Deferred outflows - OPEB	1,140,757	
Deferred inflows - OPEB	(7,558,647)	
Net OPEB asset	4,886,860	
Net OPEB liability	(2,801,388)	
Total		(48,397,281)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.		
General obligation bonds	(53,845,000)	
Leases payable	(362,017)	
Compensated absences	(3,984,898)	
Notes payable - finance purchase	(6,291,500)	
SBITAs payable	(29,212)	
Settlement payable	(29,000)	
Total		(64,541,627)
Net position of governmental activities		$ 13,189,298

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

NORTH CANTON CITY SCHOOL DISTRICT
STARK COUNTY, OHIO

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	General	Building	Nonmajor Governmental Funds	Total Governmental Funds
Revenues:				
Property taxes	$ 32,307,735	$ -	$ 4,315,662	$ 36,623,397
Intergovernmental	19,415,279	-	5,661,246	25,076,525
Investment earnings	549,883	906,543	40,194	1,496,620
Tuition and fees	1,633,775	-	-	1,633,775
Extracurricular	84,005	-	561,235	645,240
Rental income	40,126	-	-	40,126
Charges for services	32,847	-	1,108,016	1,140,863
Contributions and donations	22,517	-	995,238	1,017,755
Miscellaneous	183,447	-	62,694	246,141
Total revenues	54,269,614	906,543	12,744,285	67,920,442
Expenditures:				
Current:				
Instruction:				
Regular	22,609,454	-	1,537,263	24,146,717
Special	7,156,568	-	1,517,644	8,674,212
Vocational	2,388,740	-	40,579	2,429,319
Adult/continuing	-	-	51,557	51,557
Other	134,966	-	-	134,966
Support services:				
Pupil	3,516,283	-	254,009	3,770,292
Instructional staff	1,174,083	-	774,082	1,948,165
Board of education	23,325	-	-	23,325
Administration	5,137,436	-	152,939	5,290,375
Fiscal	1,273,935	21,906	62,123	1,357,964
Business	49,873	-	-	49,873
Operations and maintenance	3,561,118	265,579	567,481	4,394,178
Pupil transportation	3,135,874	-	564,073	3,699,947
Central	526,669	-	18,384	545,053
Operation of non-instructional services:				
Food service operations	-	-	2,245,070	2,245,070
Other non-instructional services	15,366	-	307,936	323,302
Extracurricular activities	1,491,011	-	2,602,393	4,093,404
Facilities acquisition and construction	1,558,870	45,551,229	3,289,666	50,399,765
Capital outlay	29,448	-	-	29,448
Debt service:				
Principal retirement	164,656	-	2,420,000	2,584,656
Interest and fiscal charges	22,012	-	1,660,038	1,682,050
Bond issuance costs	-	-	121,500	121,500
Total expenditures	53,969,687	45,838,714	18,186,737	117,995,138
Excess (deficiency) of revenues over (under) expenditures	299,927	(44,932,171)	(5,442,452)	(50,074,696)
Other financing sources (uses):				
Sale of capital assets	-	22,257	-	22,257
Transfers in	-	-	360,000	360,000
Transfers (out)	(360,000)	-	-	(360,000)
Finance purchase transaction	-	-	6,121,500	6,121,500
SBITA transaction	29,448	-	-	29,448
Total other financing sources (uses)	(330,552)	22,257	6,481,500	6,173,205
Net change in fund balances	(30,625)	(44,909,914)	1,039,048	(43,901,491)
Fund balances at beginning of year	22,765,320	49,989,253	7,627,097	80,381,670
Change in reserve for inventory	(10,341)	-	(1,093)	(11,434)
Fund balances at end of year	$ 22,724,354	$ 5,079,339	$ 8,665,052	$ 36,468,745

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

NORTH CANTON CITY SCHOOL DISTRICT
STARK 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, 2023

Net change in fund balances - total governmental funds		$ (43,901,491)
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	$ 52,096,811	
Current year depreciation/amortization	(2,093,529)	
Total		50,003,282
Governmental funds report expenditures for inventory when purchased. However, in the statement of activities, they are reported as an expense when consumed.		(11,434)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Property taxes	1,042,028	
Earnings on investments	13,889	
Intergovernmental	137,735	
Total		1,193,652
Repayment of bond, note and capital lease principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities on the statement of net position. Principal payments during the year were:		
Bonds	2,255,000	
Notes	165,000	
SBITA	20,897	
Leases	143,759	
Total		2,584,656
Repayment of long-term settlement payable is an expenditure in the governmental funds, but the repayment reduces long-term liabilities on the statement of net position		
Issuance of bonds and capital leases are recorded 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.		
SBITA	(29,448)	
Notes payable - finance purchase	(6,121,500)	
Total		(6,150,948)
Payment of settlement		29,000
In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due. The following items resulted in additional interest being reported in the statement of activities:		
Change in accrued interest payable	(40,839)	
Amortization of bond premiums	104,578	
Total		63,739
Contractually required contributions are reported as expenditures in governmental funds; however, the statement of net position reports these amounts as deferred outflows.		
Pension		4,873,843
OPEB		146,843
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		(5,546,524)
OPEB		1,219,036
Some expenses reported in the statement of activities, such as compensated absences, do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.		(285,840)
Change in net position of governmental activities		$ 4,217,814

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

NORTH CANTON CITY SCHOOL DISTRICT
STARK COUNTY, OHIO

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
Revenues:				
Property taxes	$ 32,884,906	$ 32,884,906	$ 32,459,897	$ (425,009)
Intergovernmental	20,231,013	20,231,013	19,420,661	(810,352)
Investment earnings	124,311	124,311	680,688	556,377
Tuition and fees	1,310,220	1,310,220	1,184,105	(126,115)
Extracurricular	15,106	15,106	14,690	(416)
Rental income	74,223	74,223	40,126	(34,097)
Charges for services	3,302	3,302	-	(3,302)
Miscellaneous	259,964	259,964	96,370	(163,594)
Total revenues	54,903,045	54,903,045	53,896,537	(1,006,508)
Expenditures:				
Current:				
Instruction:				
Regular	22,860,501	22,372,006	22,362,723	9,283
Special	6,992,371	7,107,666	6,870,717	236,949
Vocational	2,551,787	2,468,526	2,333,089	135,437
Other	79,429	110,215	114,090	(3,875)
Support services:				
Pupil	3,470,404	3,486,589	3,508,751	(22,162)
Instructional staff	1,318,931	1,362,896	1,263,706	99,190
Board of education	21,395	23,841	21,584	2,257
Administration	5,036,017	4,887,371	4,823,346	64,025
Fiscal	1,350,380	1,435,671	1,346,995	88,676
Business	49,741	54,696	57,819	(3,123)
Operations and maintenance	3,971,421	4,167,762	3,908,132	259,630
Pupil transportation	3,180,529	3,198,265	3,144,271	53,994
Central	698,514	1,169,761	771,702	398,059
Operation of non-instructional services:				
Other non-instructional services	-	29,400	15,065	14,335
Extracurricular activities	1,140,527	1,104,140	1,273,808	(169,668)
Facilities acquisition and construction	21,375	1,529,217	1,627,841	(98,624)
Total expenditures	52,743,322	54,508,022	53,443,639	1,064,383
Excess of revenues over expenditures	2,159,723	395,023	452,898	57,875
Other financing sources (uses):				
Refund of prior year's expenditures	385,416	385,416	128,821	(256,595)
Refund of prior year's receipts	-	(1,300)	(496)	804
Transfers (out)	(360,000)	(360,000)	(360,000)	-
Advances in	851,871	851,871	510,000	(341,871)
Advances (out)	(800,000)	(1,484,000)	(1,483,100)	900
Total other financing sources (uses)	77,287	(608,013)	(1,204,775)	(596,762)
Net change in fund balance	2,237,010	(212,990)	(751,877)	(538,887)
Fund balance at beginning of year	26,408,019	26,408,019	26,408,019	-
Prior year encumbrances appropriated	694,482	694,482	694,482	-
Fund balance at end of year	$ 29,339,511	$ 26,889,511	$ 26,350,624	$ (538,887)

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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NOTE 1 - DESCRIPTION OF THE SCHOOL DISTRICT

The North Canton City School District (the "District") is organized under Article VI, Sections 2 and 3 of the Constitution of the State of Ohio. The District operates under a locally elected Board form of government consisting of five members elected at-large for staggered four-year terms. The District provides educational services as authorized by State statute and/or federal guidelines.

The District is staffed by 272 non-certified employees and 362 certified teaching personnel, who provide services to 4,439 students and other community members. The Board controls the District's seven school buildings, a bus garage, a warehouse and an administration building.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity

The reporting entity has been defined in accordance with GASB Statement No. 14, "The Financial Reporting Entity" as amended by GASB Statement No. 39, "Determining Whether Certain Organizations Are Component Units" and GASB Statement No. 61, "The Financial Reporting Entity: Omnibus an amendment of GASB Statements No. 14 and No. 34". The reporting entity is composed of the primary government and component units. The primary government consists of all funds, departments, boards and agencies that are not legally separate from the District. For the District, this includes general operations, food service, and student related activities of the District.

Component units are legally separate organizations for which the District is financially accountable. The District is financially accountable for an organization if the District appoints a voting majority of the organization's Governing Board and (1) the District is able to significantly influence the programs or services performed or provided by the organization; or (2) the District is legally entitled to or can otherwise access the organization's resources; or (3) the District is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or (4) the District is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the District in that the District approves the budget, the issuance of debt or the levying of taxes. Certain organizations are also included as component units if the nature and significance of the relationship between the primary government and the organization is such that exclusion by the primary government would render the primary government's financial statements incomplete or misleading. Based upon the application of these criteria, the District has no component units. The basic financial statements of the reporting entity include only those of the District (the primary government).

The following organizations are described due to their relationship to the District:

JOINTLY GOVERNED ORGANIZATIONS

Stark-Portage Area Computer Consortium (SPARCC)
The District is a member of SPARCC, a jointly governed organization which provides computer services to the school districts within the boundaries of Stark and Portage Counties. Each District's superintendent serves as a representative on the Board, which consists of 30 member districts; however, SPARCC is primarily governed by a five-member executive board, which is made up of two representatives from Stark County, two from Portage County, and a Treasurer. The Board meets monthly to address any current issues. Financial information can be obtained by writing the Stark/Portage Area Computer Consortium, 6057 Strip Ave NW, North Canton, Ohio 44720.

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

Stark County Tax Incentive Review Council (SCTIRC)
SCTIRC is a jointly governed organization, created as an advisory council of governments pursuant to State statutes. SCTIRC has 7 members, consisting of three members appointed by the County Commissioners, four members appointed by municipal corporations, ten members appointed by township trustees, one member from the County Auditor's office and six members appointed by Boards of Education located within the enterprise zones of Stark County. The SCTIRC reviews and evaluates the performance of each Enterprise Zone Agreement. This body is advisory in nature and cannot directly impact an existing Enterprise Zone Agreement; however, the Council can make written recommendations to the legislative authority that approved the agreement. There is no cost associated with being a member of this Council. The continued existence of the SCTIRC is not dependent upon the District's continued participation and no measurable equity interest exists.

PUBLIC ENTITY RISK POOLS

Shared Risk Pool

Stark County School Council of Governments Health Benefit Plan
The Stark County School Council of Governments Health Benefit Plan (Council) is a shared risk pool created pursuant to State statute for the purpose of administering health care benefits. The Council is governed by an assembly which consists of one representative from each participating school district (usually the superintendent or designee). The assembly elects officers for one year terms to serve on the Board of Directors. The assembly exercises control over the operation of the Council. All Council revenues are generated from charges for services received from the participating school districts, based on the established premiums for the insurance plans. Each school district reserves the right to terminate the plan in whole or in part, at any time. If it is terminated, no further contributions will be made, but the benefits under the insurance contract shall be paid in accordance with the terms of the contract.

Insurance Purchasing Pool

Stark County Schools Council of Governments Workers' Compensation Group Rating Plan
The Stark County Schools Council of Governments Workers' Compensation Group Rating Plan has created a group insurance pool for the purpose of creating a group rating plan for workers' compensation. The governing body is comprised of the superintendents and the members who have been appointed by the respective governing body of each member.

The intent of the pool is to achieve a reduced rate for the District and the other group members. The injury claim history of all participating members is used to calculate a common rate for the group. An annual fee is paid to CompManagement, Inc. to administer the group and to manage any injury claims. Premium savings created by the group are prorated to each member entity annually based on its payroll percent of the group.

B. Fund Accounting

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

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

GOVERNMENTAL FUNDS

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

General fund - The general fund is used to account for and report all financial resources not accounted for and reported in another fund. The general fund balance is available for any purpose provided it is expended or transferred according to the general laws of Ohio.

Building fund - The building fund is used to account for the receipts and expenditures 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. Expenditures recorded here represent the costs of acquiring capital facilities including real property.

Other governmental funds of the District are used to account for (a) financial resources that are restricted, committed, or assigned to expenditures for capital outlays including the acquisition or construction of capital facilities and other capital assets, (b) specific revenue sources that are restricted or committed to an expenditure for specified purposes other than debt service or capital projects and (c) financial resources that are restricted, committed, or assigned to expenditure for principal and interest.

PROPRIETARY FUNDS

Proprietary funds are used to account for the District's ongoing activities which are similar to those often found in the private sector. The District has no proprietary funds.

FIDUCIARY FUNDS

Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds and custodial funds. Trust funds are distinguished from custodial funds by the existence of a trust agreement or equivalent arrangements that have certain characteristics. Custodial funds are used to report fiduciary activities that are not required to be reported in a trust fund. The District has no fiduciary funds.

C. Basis of Presentation and Measurement Focus

Government-Wide Financial Statements - The Statement of Net Position and the Statement of Activities display information about the District as a whole. These statements include the financial activities of the primary government, except for fiduciary funds.

The government-wide Statement of Activities presents a comparison between direct expenses and program revenues for each function or program of the governmental activities of the District. 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 amounts paid by the recipient of 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 not classified as program revenues are presented as general revenues of the District.

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

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 District are included on the Statement of Net Position.

Fund Financial Statements - Fund financial statements report detailed information about the District. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column, and all nonmajor funds are aggregated into one column. Fiduciary funds are reported by fund type.

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

Fiduciary funds present a statement of changes in fiduciary net position which reports additions to and deductions from custodial funds.

D. 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. Fiduciary funds also use the accrual basis of accounting.

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

Nonexchange transactions, in which the 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 6). Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted, matching requirements, in which the District must provide local resources to be used for a specified purpose and expenditure requirements, in which the resources are provided to the District on a reimbursement basis. On a modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

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

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

Deferred Outflows of Resources and Deferred Inflows of Resources - In addition to assets, the government-wide statement of net position will 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. See Notes 12 and 13 for deferred outflows of resources related to net pension liability and net OPEB liability/asset, respectively.

In addition to liabilities, both the government-wide statement of net position and the governmental fund financial statements 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 as an inflow of resources (revenue) until that time. Deferred inflows of resources include property taxes and unavailable revenue. Property taxes represent amounts for which there is an enforceable legal claim as of June 30, 2023, but which were levied to finance fiscal year 2024 operations. These amounts have been recorded as a deferred inflow of resources on both the government-wide statement of net position and the governmental fund financial statements. Unavailable revenue is reported only on the governmental funds balance sheet, and represents receivables which will not be collected within the available period. Unavailable revenue includes, but is not limited to, delinquent property taxes and intergovernmental grants. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available.

See Notes 12 and 13 for deferred inflows of resources related to net pension liability/asset and net OPEB liability, respectively. These deferred inflows of resources are only reported on the government-wide statement of net position.

Expenses/Expenditures - On the accrual basis of accounting, expenses are recognized at the time they are incurred. The entitlement value of donated commodities received during the year is reported in the fund financial statements as an expenditure with a like amount reported as intergovernmental revenue.

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.

E. Budgets

The budgetary process is prescribed by provisions of the Ohio Revised Code and entails the preparation of budgetary documents within an established timetable. The major documents prepared are the tax budget, the Certificate of Estimated Resources, and the appropriation resolution, all of which are prepared on the budgetary basis of accounting. The Certificate of Estimated Resources and the appropriations resolution are subject to amendment throughout the year with the legal restriction that appropriations cannot exceed estimated resources, as certified. All funds, other than custodial funds, are legally required to be budgeted and appropriated. The legal level of budgetary control has been established at the first digit of the object level for all functions for the general fund and at the fund level for all other funds. Any budgetary modifications at this level may only be made by resolution of the Board of Education.

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

Alternate Tax Budget:

On October 25, 2005, the Stark County Budget Commission voted to waive the requirement that school districts adopt a tax budget as required by Section 5705.28 of the Ohio Revised Code, by January 15 and the filing by January 20. The Budget Commission now requires an alternate tax budget be submitted by January 20 which no longer requires specific Board approval.

Estimated Resources:

By April 1, the Board of Education accepts, by formal resolution, the tax rates as determined by the Budget Commission and receives the Commission's Certificate of Estimated Resources, which states the projected revenue of each fund. Prior to June 30, the District must revise its budget so that total contemplated expenditures from any fund during the ensuing year will not exceed the amount stated in the certificate of estimated resources. The revised budget then serves as the basis for the appropriation measure. On or about July 1, the certificate is amended to include any unencumbered cash balances from the preceding year. The certificate may be further amended during the year if projected increases or decreases in revenue are identified by the District Treasurer. The amounts reported in the budgetary statement reflect the amounts from the Certificate of Estimated Resources that was in effect at the time the original and final appropriations were passed by the Board of Education.

Appropriations:

Upon receipt from the County Auditor of an Amended Certificate of Estimated Resources based on final assessed values and tax rates or a certificate saying no new certificate is necessary, the annual appropriation resolution is enacted by the Board of Education. Prior to the passage of the annual appropriation measure, the Board may pass a temporary appropriation measure to meet the ordinary expenses of the District. The appropriation resolution, at the first digit of the object level for all functions for the general fund and at the fund level for all other funds, must be within the estimated resources as certified by the County Budget Commission and the total of expenditures may not exceed the appropriation totals at any level of control. Any revisions that alter the level of budgetary control must be approved by the Board of Education.

The Board may pass supplemental fund appropriations so long as the total appropriations by fund do not exceed the amounts set forth in the most recent Certificate of Estimated Resources. During the year, all supplemental appropriations were legally enacted.

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

Lapsing of Appropriations:

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

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

F. Cash and Investments

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

During fiscal year 2023, investments were limited to commercial paper, Federal Farm Credit Bank (FFCB) securities, Federal Home Loan Bank (FHLB) securities, Federal Home Loan Mortgage Corporation (FHLMC) securities, Federal National Mortgage Association (FNMA) securities, Public Equity Funds Company (PEFCO) negotiable certificate of deposit, U.S. Treasury notes. U.S. Government money market funds and State Treasury Asset Reserve of Ohio (STAR Ohio). Except for nonparticipating investment contracts, investments are reported at fair value, which is based on quoted market prices. Nonparticipating investment contracts, such as nonnegotiable certificates of deposit, are reported at cost.

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

There were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, 24 hours notice in advance of all deposits and withdrawals exceeding $100 million is encouraged. STAR Ohio reserves the right to limit the transaction to $250 million, requiring the excess amount to be transacted the following business day(s), but only to the $250 million limit. All accounts of the participant will be combined for these purposes.

Under existing Ohio statutes all investment earnings are assigned to the general fund unless statutorily required to be credited to a specific fund. The Board of Education has, by resolution, specified the funds to receive an allocation of interest earnings. Interest revenue credited to the general fund during fiscal year 2023 amounted to $509,477 which includes $126,147 assigned from other District funds.

For presentation on the basic financial statements, investments of the cash management pool and investments with original maturities of three months or less at the time they are purchased by the District are considered to be cash equivalents. Investments with an initial maturity of more than three months are reported as investments.

An analysis of the District's investment account at fiscal year-end is provided in Note 4.

G. Prepayments

Certain payments to vendors reflect the costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. These items are reported as assets on the balance sheet using the consumption method. A current asset for the prepaid amounts is recorded at the time of the purchase and the expenditure/expense is reported in the year in which services are consumed. At fiscal year-end, because prepayments are not available to finance future governmental fund expenditures, the fund balance is nonspendable on the fund financial statements by an amount equal to the carrying value of the asset.

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

H. Inventory

On government-wide and fund financial statements, purchased inventories are presented at the lower of cost or market and donated commodities are presented at their entitlement value. Inventories are recorded on a first-in, first-out basis and are expensed/expended when used. Inventories are accounted for using the consumption method which means that the costs of inventory items are recorded as an expenditure in the governmental funds when consumed.

On the fund financial statements, reported material and supplies inventory is equally offset by nonspendable fund balance in the governmental funds which indicates that it does not constitute available spendable resources even though it is a component of net current assets.

Inventory consists of expendable supplies held for consumption, donated food, purchased food and non-food supplies.

I. Capital Assets

General capital assets are those assets specifically related to governmental activities. These assets result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide Statement of Net Position, but are not reported in the fund financial statements.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their acquisition value as of the date received. The District's capitalization threshold is $5,000 for general capital assets. The 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 except land and construction in progress 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:

Description	Governmental Activities Estimated Lives
Land improvements	20 years
Buildings and improvements	20 - 50 years
Furniture and equipment	5 - 20 years
Vehicles	8 years
Intangible right to use assets	5 years

The District is reporting intangible right to use assets related to lease equipment and Subscription Based Information Technology Arrangements (SBITAs). The intangible assets are being amortized in a systematic and rational manner of the shorter of the lease term/subscription or the useful life of the underlying asset.

J. Bond Issuance Cost/Unamortized Bond Premium and Discount/Unamortized Deferred Charges on Debt Refunding

On fund financial statements and the government-wide financial statements, issuance costs are expensed/expended in the fiscal year they occur.

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

Bond premiums are deferred and amortized over the term of the bonds using the straight-line method, which approximates the effective interest method. Bond premiums are presented as an addition to the face amount of the bonds.

For bond refundings resulting in the defeasance of debt reported in the government-wide financial statements, the difference between the reacquisition price and the net carrying amount of the old debt is deferred and amortized as a component of interest expense. This accounting gain or loss is amortized over the remaining life of the old debt or the life of the new debt, whichever is shorter and is presented as a deferred outflow of resources on the statement of net position.

On the governmental fund financial statements, bond issuance costs and bond premiums are recognized in the current period. A reconciliation between the bonds face value and the amount reported on the Statement of Net Position is presented in Note 9.A.

K. Interfund Balances

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

L. Compensated Absences

The District reports compensated absences in accordance with the provisions of GASB No. 16, “Accounting for Compensated Absences.” Vacation benefits are accrued as a liability as the benefits are earned if the employee’s rights to receive compensation are attributable to services already rendered and it is probable that the 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.” A liability for sick leave is based on the sick leave accumulated at the Balance Sheet date by those employees who are currently eligible to receive termination (severance) payments, as well as those employees expected to become eligible in the future. For purposes of establishing a liability for this future severance eligibility, all employees with fifteen (15) years of service at any age were included.

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

For governmental fund financial statements, compensated absences are recognized as liabilities and expenditures as payments come due each period upon the occurrence of employee resignations and retirements.

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 and compensated absences that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are due for payment during the current year. Bonds and loans are recognized on the fund financial statements when due. Net pension/OPEB liability should be recognized in the governmental funds to the extent that benefit payments are due and payable and the pension/OPEB plan’s fiduciary net pension is not sufficient for payment of those benefits.

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

N. Fund Balance

Fund balance is divided into five classifications based primarily on the extent to which the 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 classification includes amounts that cannot be spent because they are not in spendable form or legally 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.

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

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 District Board of Education (the highest level of decision making authority). Those committed amounts cannot be used for any other purpose unless the 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 District for specific purposes, but do not meet the criteria to be classified as restricted nor committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the general fund, assigned amounts represent intended uses established by policies of the District Board of Education, which includes giving the Treasurer the authority to constrain monies for intended purposes.

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 only used to report a deficit fund balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

The District applies restricted resources first when expenditures are incurred for purposes for which restricted and unrestricted (committed, assigned, and unassigned) fund balance is 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.

O. Net Position

Net position represents the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources. The net position component "net investment in capital assets," consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction or improvement of those assets or related debt also should be included in this component of net position. Net position is reported as restricted when there are limitations imposed on its use either through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. The restriction for other purposes consists of monies restricted for food service operations.

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

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

P. Estimates

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

Q. Interfund Activity

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 basic financial statements.

Interfund activity between governmental funds is eliminated in the Statement of Activities.

R. Nonpublic Schools

Within the District boundaries, St. Paul School is operated through the Youngstown Catholic Diocese. Current State legislation provides funding to this parochial school. The monies are received and disbursed on behalf of the parochial school by the Treasurer of the District, as directed by the parochial school. The activity of these State monies by the District is reflected in a nonmajor governmental fund for financial reporting purposes.

S. Pensions/Other Postemployment Benefits (OPEB)

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

T. Fair Value

The District categorizes its fair value measurements within the fair value hierarch established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

U. Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the Board of Education and that are either unusual in nature or infrequent in occurrence. Neither occurred during fiscal year 2023.

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE

A. Change in Accounting Principles/Restatement of Net Position

For fiscal year 2023, the District has implemented GASB Statement No. 91, "*Conduit Debt Obligations*", GASB Statement No. 94, "*Public-Private and Public-Public Partnerships and Availability Payment Arrangements*", GASB Statement No. 96, "*Subscription Based Information Technology Arrangements*", certain questions and answers of GASB Implementation Guide 2021-1 and certain paragraphs of GASB Statement No. 99, "*Omnibus 2022*".

GASB Statement No. 91 provides a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures. The implementation of GASB Statement No. 91 did not have an effect on the financial statements of the District.

GASB Statement No. 94 is to improve financial reporting by addressing issues related to public-private and public partnership arrangements (PPPs). As used in this Statement, a PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset (the underlying PPP asset), for a period of time in an exchange or exchange-like transaction. The implementation of GASB Statement No. 94 did not have an effect on the financial statements of the District.

GASB Statement No. 96 provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, Leases, as amended.

These changes were incorporated in the District's fiscal year 2023 financial statements. The District recognized $20,661 in governmental activities in subscriptions payable at July 1, 2022; however, this entire amount was offset by the intangible asset, right to use subscription assets.

A net position restatement is required in order implement GASB Statement No. 96. The governmental activities have been restated as follows:

	Governmental Activities
Net position as previously reported	$ 8,530,833
GASB 96	440,651
Restated net position at July 1, 2022	$ 8,971,484

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE - (Continued)

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 the financial statements of the District.

GASB Statement No. 99 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 District.

B. Deficit Fund Balances

Fund balances at June 30, 2023 included the following individual fund deficits:

Nonmajor funds	Deficit
ESSER	$ 118,826
Title VI-B	32,227
Title I	31,730
Title II-A	41,903

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.

NOTE 4 - DEPOSITS AND INVESTMENTS

State statutes classify monies held by the 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 District treasury, in commercial accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.

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

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

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

Interim monies may be deposited or 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); and,

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

Protection of the District's deposits is provided by the Federal Deposit Insurance Corporation (FDIC) and the Ohio Pooled Collateral System (OPCS), 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.

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 District, and must be purchased with the expectation that it will be held to maturity. Investments may only be made through specified dealers and institutions. Payment for investments may be made only upon delivery of the securities representing the investments to the Treasurer or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

A. Deposits with Financial Institutions

At June 30, 2023, the carrying amount of all District deposits was $10,436,484 and the bank balance of all District deposits was $10,783,803. Of the bank balance, $371,140 was covered by the FDIC, $6,669,496 was covered by the Ohio Pooled Collateral System and $3,743,167 was exposed to custodial credit risk because this amount was uninsured and uncollateralized.

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

Custodial credit risk is the risk that, in the event of bank failure, the District will not be able to recover deposits or collateral securities that are in the possession of an outside party. The 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 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 reduced rate set by the Treasurer of State. For 2023, the District's financial institutions were approved for a reduced collateral rate of 62.55% through the OPCS. Although all statutory requirements for the deposit of money had been followed, noncompliance with Federal requirements could potentially subject the District to a successful claim by the FDIC.

B. Investments

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

		Investment Maturities				
Measurement/ Investment type	Measurement Value	6 months or less	7 to 12 months	13 to 18 months	19 to 24 months	Greater than 24 months
Fair value:						
Commercial paper	$ 249,468	$ 249,468	$ -	$ -	$ -	$ -
FFCB	5,583,151	248,638	718,770	268,525	1,614,055	2,733,163
FHLB	5,325,328	-	1,430,205	668,139	692,568	2,534,416
FHLMC	2,211,819	2,211,819	-	-	-	-
FNMA	732,721	-	-	-	459,040	273,681
PEFCO	117,558	-	-	-	-	117,558
Negotiable CDs	1,988,245	614,032	597,201	-	550,162	226,850
US Treasury notes	9,524,151	5,217,221	772,394	-	-	3,534,536
US Government money market	6,726,091	6,726,091	-	-	-	-
Amortized cost:						
STAR Ohio	11,706,565	11,706,565	-	-	-	-
Total	$ 44,165,097	$ 26,973,834	$ 3,518,570	$ 936,664	$ 3,315,825	$ 9,420,204

The weighted average of maturity of investments is 1 year.

The District's investments in U.S. Government money market mutual funds are valued using quoted market prices in active markets (Level 1 inputs). The District's investments in commercial paper, federal agency securities (FFCB, FHLB, FHLMC, FNMA), PEFCO, negotiable CD's, and US Treasury notes 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: As a means of limiting its exposure to fair value losses arising from rising interest rates and according to State law, the District's investment policy limits investment portfolio maturities to five years or less.

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

Credit Risk: The District's investments in commercial paper were rated P-1 by Moody's Investor Services. The District's investments in federal agency securities and U.S. Treasury notes 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 an AAAm money market rating. Ohio Law requires that STAR Ohio maintain the highest rating provided by at least one nationally recognized standard rating service. The 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 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 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 District's name. The 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 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 District at June 30, 2023:

Measurement/ Investment type	Measurement Value	% of Total
Fair value:		
Commercial paper	$ 249,468	0.56%
FFCB	5,583,151	12.64%
FHLB	5,325,328	12.06%
FHLMC	2,211,819	5.01%
FNMA	732,721	1.66%
PEFC	117,558	0.27%
Negotiable CDs	1,988,245	4.50%
US Treasury notes	9,524,151	21.56%
US Government money market	6,726,091	15.23%
Amortized cost:		
STAR Ohio	11,706,565	26.51%
Total	$ 44,165,097	100.00%

C. Reconciliation of Cash and Investments to the Financial Statements

The following is a reconciliation of cash and investments as reported in the note above to cash and investments as reported on the financial statements as of June 30, 2023:

Cash and investments per note	
Carrying amount of deposits	$ 10,436,484
Investments	44,165,097
Total	$ 54,601,581
Cash and investments per financial statements	
Governmental activities	$ 54,601,581

NOTE 5 - INTERFUND TRANSACTIONS

A. Interfund transfers for the year ended June 30, 2023, consisted of the following, as reported on the fund statements:

	Amount
Transfers from general fund to:	
Nonmajor governmental funds	$ 360,000

Transfers are used to move revenues from the fund that statute or budget required to collect them to the fund that statute or budget requires to expend them and to use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

B. Interfund loans receivable/payable consisted of the following at June 30, 2023, as reported on the fund statement:

Receivable Fund	Payable Fund	Amount
General fund	Nonmajor governmental funds	$ 1,483,100

The primary purpose of the interfund balances is to cover costs in specific funds where revenues were not received by June 30. These interfund balances will be repaid once the anticipated revenues are received.

Interfund balances between governmental funds are eliminated on the government-wide Statement of Net Position.

NOTE 6 - PROPERTY TAXES

Property taxes are levied and assessed on a calendar year basis while the District's fiscal year runs from July through June. First half tax collections are received by the 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 property and public utility property. Real property tax revenues received in calendar year 2023 represent the collection of calendar year 2022 taxes. Real property taxes received in calendar year 2023 were levied after April 1, 2022, on the assessed values as of January 1, 2022, the lien date. Assessed values for real property taxes are established by State statute at 35 percent of appraised market value. Real property taxes are payable annually or semiannually. If paid annually, payment is due December 31; if paid semiannually, the first payment is due December 31, with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established. Public utility property tax revenues received in calendar year 2023 represent the collection of calendar year 2022 taxes. Public utility real and personal property taxes received in calendar year 2023 became a lien on December 31, 2021, were levied after April 1, 2022, and are collected with real property taxes. Public utility real property is assessed at 35 percent of true value; public utility tangible personal property is currently assessed at varying percentages of true value.

The District receives property taxes from Stark County. The County Auditor periodically advances to the District its portion of the taxes collected. Second-half real property tax payments collected by the County by June 30, 2023, are available to finance fiscal year 2023 operations. The amount available as an advance at June 30, 2023 was $917,225 in the general fund, $49,470 in the debt service fund (a nonmajor governmental fund) and $37,708 in the permanent improvement fund (a nonmajor governmental fund). This amount is recorded as revenue. The amount available for advance at June 30, 2022 was $1,069,387 in the general fund, $82,837 in the debt service fund (a nonmajor governmental fund) and $42,105 in the permanent improvement fund (a nonmajor governmental fund). 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.

NOTE 6 - PROPERTY TAXES – (Continued)

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

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

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

	2022 Second Half Collections		2023 First Half Collections	
	Amount	Percent	Amount	Percent
Agricultural/residential and other real estate	$ 911,699,790	96.09	$ 645,619,750	86.99
Public utility personal	37,140,410	3.91	96,517,860	13.01
Total	$ 948,840,200	100.00	$ 742,137,610	100.00
Tax rate per $1,000 of assessed valuation for:				
Operating	$86.90		$85.60	
Debt service	3.80		2.50	
Permament improvement	2.40		2.40	

NOTE 7 - RECEIVABLES

Receivables at June 30, 2023 consisted of property taxes, accounts (billings for user charged services and student fees), 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	$ 41,322,554
Accounts	141,797
Accrued interest	67,089
Intergovernmental	330,660
Total	$ 41,862,100

Receivables have been disaggregated on the face of the basic financial statements. All receivables are expected to be collected within the subsequent year.

NOTE 8 - CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2023 was as follows. Due to the implementation of GASB Statement No. 96 (see Note 3.A for detail), the District has reported capital assets for the right to use leased equipment which are reflected in the schedule below.

	Restated Balance 6/30/22	Additions	Deductions	Balance 6/30/23
Governmental activities:				
Capital assets, not being depreciated/amortized:				
Land	$ 1,785,562	$ -	$ -	$ 1,785,562
Construction in progress	12,176,568	49,178,667	-	61,355,235
Total capital assets, not being depreciated/amortized	13,962,130	49,178,667	-	63,140,797
Capital assets, being depreciated/amortized:				
Land improvements	6,444,961	476,845	-	6,921,806
Buildings and improvements	45,813,650	1,375,050	-	47,188,700
Furniture and equipment	4,698,229	448,394	-	5,146,623
Vehicles	3,709,438	569,619	(100,995)	4,178,062
Intangible right to use assets:				
SBITAs	461,312	48,236	-	509,548
Equipment	736,473	-	-	736,473
Total capital assets, being depreciated/amortized	61,864,063	2,918,144	(100,995)	64,681,212
Less: accumulated depreciation/amortization				
Land improvements	(3,600,460)	(232,358)	-	(3,832,818)
Buildings and improvements	(26,981,073)	(959,469)	-	(27,940,542)
Furniture and equipment	(3,292,017)	(273,206)	-	(3,565,223)
Vehicles	(2,501,383)	(347,499)	100,995	(2,747,887)
Intangible right to use assets:				
SBITAs	-	(133,007)	-	(133,007)
Equipment	(221,213)	(147,990)	-	(369,203)
Total accumulated depreciation/amortization	(36,596,146)	(2,093,529)	100,995	(38,588,680)
Governmental activities capital assets, net	$ 39,230,047	$ 50,003,282	$ -	$ 89,233,329

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NOTE 8 - CAPITAL ASSETS - (Continued)

Depreciation expense was charged to governmental functions as follows:

Instruction:	
Regular	$ 1,024,284
Special	1,531
Vocational	36,342
Support services:	
Instructional staff	85,353
Administration	1,174
Fiscal	1,546
Business	169,309
Operations and maintenance	494,221
Pupil transportation	21,657
Central	565
Operation of noninstructional services:	
Other non-instructional services	10,082
Food service operations	14,840
Extracurricular activities	232,625
Total depreciation expense	$ 2,093,529

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NOTE 9 - LONG-TERM OBLIGATIONS

A. During the fiscal year 2023, the following changes occurred in governmental activities long-term obligations. Due to the implementation of GASB Statement No. 96 (see Note 3.A for detail), the District has reported obligations for leases payable which are reflected in the schedule below.

	Issued	Due	Interest Rate	Restated Balance 06/30/22	Increase	Decrease	Balance 06/30/23	Amount Due in One Year
General obligation bonds	2020	2056	2.375-4.000%	$ 56,100,000	$ -	$ (2,255,000)	$ 53,845,000	$ 895,000
Tax anticipation notes - direct borrowing	2014	2024	3.00%	335,000	-	(165,000)	170,000	170,000
Notes payable - finance purchase - direct borrowing				-	6,121,500	-	6,121,500	306,000
Leases payable - direct borrowing				505,776	-	(143,759)	362,017	150,714
SBITA payable - direct borrowing				20,661	29,448	(20,897)	29,212	19,404
Settlement payable				58,000	-	(29,000)	29,000	29,000
Net pension liability				31,022,211	21,478,243	-	52,500,454	-
Net OPEB liability				3,913,846	-	(1,112,458)	2,801,388	-
Compensated absences				3,786,161	582,568	(194,428)	4,174,301	244,538
Total				$ 95,741,655	$ 28,211,759	$ (3,920,542)	$ 120,032,872	$ 1,814,656
Add: Unamortized premium							3,485,972	
Total on statement of net position							$ 123,518,844	

B. On September 17, 2020, the District issued school improvement bonds in the amount of $56,100,000 for the purpose of paying the costs of constructing, furnishing, equipping, adding to, renovating, remodeling, rehabilitating, and otherwise improving school district buildings and facilities, and acquiring, clearing, equipping, and otherwise improving real estate for District purposes. Interest rates on the current interest bonds range from 2.375-4.000% with interest payments due on May 1 and November 1 of each year until final maturity at November 1, 2056. The debt will be retired through the debt service fund (a nonmajor governmental fund). At June 30, 2023, there were $1,694,897 in unspent bond proceeds.

Principal and interest requirements to retire the 2020 general obligation bonds outstanding at June 30, 2023 are as follows:

Fiscal Year Ending,	Principal	2020 Bonds Interest	Total
2024	$ 895,000	$ 1,605,512	$ 2,500,512
2025	920,000	1,578,287	2,498,287
2026	950,000	1,550,237	2,500,237
2027	980,000	1,516,387	2,496,387
2028	1,015,000	1,476,488	2,491,488
2029 - 2033	5,735,000	6,731,639	12,466,639
2034 - 2038	6,770,000	5,700,188	12,470,188
2039 - 2043	7,850,000	4,605,639	12,455,639
2044 - 2048	9,085,000	3,360,230	12,445,230
2049 - 2053	10,300,000	2,132,622	12,432,622
2054 - 2058	9,345,000	570,975	9,915,975
Total	$ 53,845,000	$ 30,828,204	$ 84,673,204

NOTE 9 - LONG-TERM OBLIGATIONS - (Continued)

C. On August 8, 2013, the District issued tax anticipation notes for general improvements and technology upgrades. The tax anticipation notes are considered a direct borrowing. The notes were issued at 3.00%, have a final maturity date of December 1, 2023 and have semi-annual payments due in June and December. The notes will be retired from the permanent improvement fund (a nonmajor governmental fund).

The following is a summary of the future annual debt service requirements to maturity for the tax anticipation notes:

Fiscal Year	Tax Anticipation Notes		
Ending June 30,	Principal	Interest	Total
2024	$ 170,000	$ 2,550	$ 172,550

D. On March 8, 2023, the District entered into a notes payable - finance purchase arrangement. The notes are considered a direct borrowing. The notes carry and interest rate of 3.95%, have a final maturity date of December 1, 2037 and have semi-annual payments due in June and December. The notes will be retired from the permanent improvement fund (a nonmajor governmental fund).

The following is a summary of the future annual debt service requirements to maturity for the notes payable - finance purchase agreement.

Fiscal Year Ending,	Principal	Interest	Total
2024	$ 306,000	$ 267,996	$ 573,996
2025	319,000	223,412	542,412
2026	331,600	210,562	542,162
2027	344,700	197,206	541,906
2028	358,400	183,320	541,720
2029 - 2033	2,015,500	688,337	2,703,837
2034 - 2038	2,446,300	249,053	2,695,353
Total	$ 6,121,500	$ 2,019,886	$ 8,141,386

E. *Leases Payable* - The District has entered into lease agreements for the use of right to use equipment. Due to the implementation of GASB Statement No. 87, the District will report an intangible capital asset and corresponding liability for the future scheduled payments under the leases. The lease payments will be paid from the general fund.

The District has entered into lease agreements for copier equipment and a postage machine at varying years and terms as follows:

Lease	Lease Commencement Date	Years	Lease End Date	Payment Method
Copier lease	2020	5	2025	Monthly
Postage machine lease	2019	5	2024	Monthly

NOTE 9 - LONG-TERM OBLIGATIONS - (Continued)

The following is a schedule of future lease payments under the lease agreements:

Fiscal Year	Principal	Interest	Total
2024	$ 150,714	$ 14,682	$ 165,396
2025	157,152	6,996	164,148
2026	54,151	565	54,716
Total	$ 362,017	$ 22,243	$ 384,260

F. *SBITA Payable* - The District has entered into SBITA agreements for the use of right to use subscriptions. Due to the implementation of GASB Statement No. 96, the District will report an intangible capital asset and corresponding liability for the future scheduled payments under the subscription. The lease payments will be paid from the general fund.

The District has entered into subscriptions for the terms as follows:

Lease	Lease Commencement Date	Years	Lease End Date	Payment Method
Scurly	2021	3	2024	Annual
BrainPop	2020	4	2024	Annual
Snap & Read	2022	3	2025	Annual

The following is a schedule of future payments under the subscriptions:

Fiscal Year	Principal	Interest	Total
2024	$ 19,404	$ 1,495	$ 20,899
2025	9,808	502	10,310
2026	-	-	-
Total	$ 29,212	$ 1,997	$ 31,209

G. During fiscal year 2015, the District was party to legal proceedings in which it was required to pay a settlement of $290,000. The settlement will be paid out over ten years and have a final payment in fiscal year 2024. The settlement will be retired from the general fund.

The following is a summary of the future payments for the settlement payable:

Fiscal Year Ending June 30,	Settlement Payable Principal
2024	$ 29,000

H. *Net pension and Net OPEB Liability*: Detail on the net pension liability and OPEB liability/asset can be found in Notes 12 and 13, respectively. The District pays obligations related to employee compensation from the fund benefitting from their services.

I. *Compensated Absences*: Compensated absences will be paid from the fund from which the employee is paid, primarily the general fund and food service fund (a nonmajor governmental fund).

NOTE 9 - LONG-TERM OBLIGATIONS - (Continued)

I. Legal Debt Margin

The Ohio Revised Code provides that voted net general obligation debt of the District shall never exceed 9% of the total assessed valuation of the District. The code further provides that unvoted indebtedness shall not exceed 1/10 of 1% of the property valuation of the 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 District. The assessed valuation used in determining the 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 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 effects of these debt limitations at June 30, 2023, are a voted debt margin of $14,896,990 (including available funds of $1,949,605), an unvoted debt margin of $742,138 and an energy conservation debt margin of $6,679,238.

NOTE 10 - OTHER EMPLOYEE BENEFITS

A. Compensated Absences

The criteria for determining vacation and sick leave components are derived from negotiated agreements and State laws. Classified employees earn ten to thirty days of vacation per fiscal year, depending upon the length of service. Accumulated, unused vacation time is paid to classified employees and administrators upon termination of employment. Teachers do not earn vacation time. Teachers, administrators and classified employees earn sick leave at the rate of one and one-fourth days per month. Sick leave may be accumulated up to a maximum of 327 days for classified personnel and 320 for certificated personnel. Upon completion of ten or more years of service with the District and retirement from the profession, payment is made for one-fourth of accrued, but unused sick leave credit up to a maximum of 68 days for both classified and certificated personnel. In addition, upon retirement for classified and certified personnel, $15 and $12, respectively, is paid for each day of sick leave accumulated above 200 days. Upon completion of ten or more years of service with the State, or other political subdivision, but less than ten years of service with the district and retirement from the profession, payment is made for one-fourth of accrued, but unused sick leave credit up to a maximum of 62 days for both classified and certificated personnel.

B. Insurance Benefits

The District provides life insurance and accidental death and dismemberment insurance to most employees through National Term Life Insurance Company.

NOTE 11 - RISK MANAGEMENT

A. Comprehensive

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions, injuries to employees and natural disasters. During fiscal year 2023, the District has contracted with private companies for various types of insurance as follows:

Type of Coverage	Amount of Coverage	Deductible
Buildings and Contents		
Replacement Cost	$145,237,870	$ 5,000
Inland Marine Coverage	various	500
Automobile Liability	1,000,000	0
Automobile Comprehensive	ACV	100
Automobile Collision	ACV	500

NOTE 11 - RISK MANAGEMENT - (Continued)

Type of Coverage	Amount of Coverage	Deductible
Uninsured Motorists	100,000	0
Employers Stop Gap Liability	1,000,000	0
School Leaders E&O Liability	1,000,000	2,500
Law Enforcement Professional Liability	1,000,000	2,500
Sexual Misconduct & Molestation Liability	1,000,000	0
Employee Benefits Liability	1,000,000	1,000
Umbrella Policy	10,000,000	10,000

ACV - Actual Cash Value

General Liability:		
Per occurrence	1,000,000	0
Aggregate	2,000,000	0

Settled claims have not exceeded this commercial coverage in any of the past three years. There has been no significant reduction in coverage from the prior year.

B. Group Health and Dental Insurance

The District participates in the Stark County School Council of Governments Health Benefit Plan, a shared risk pool (Note 2.A.) to provide employee medical/surgical benefits. Rates are set through an annual calculation process. The District pays a monthly contribution which is placed in a common fund from which claim payments are made for all participating districts. The certified and classified staff pay 10% of medical, dental and vision premiums monthly.

Claims are paid for all participants regardless of claims flow. Upon termination, all District claims would be paid without regard to the District's account balance or the Directors have the right to hold monies for an exiting school district subsequent to the settlement of all expenses and claims.

C. Workers' Compensation

The District participates in a workers compensation program jointly sponsored by the Ohio Association of School Business Officials (OASBO) and the Ohio School Board Association (OSBA), known as SchoolComp. CompManagement, Inc. (CMI) is the program's third party administrator. SchoolComp serves to group its members' risks for the purpose of obtaining a favorable experience rating to determine its premium liability to the Ohio Bureau of Workers' Compensation (OBWC) and the Ohio Workers' Compensation Fund. This may be accomplished through participation in a group rating program or through group retrospective rating. The District has chosen to participate in a group rating program for fiscal year 2023. Participation in SchoolComp is restricted to members who meet enrollment criteria and are jointly in good standing with OASBO and OSBA. OASBO and OSBA are certified sponsors recognized by OBWC.

NOTE 12 - 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.

NOTE 12 - DEFINED BENEFIT PENSION PLANS - (Continued)

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

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

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

The remainder of this note includes the required pension disclosures. See Note 13 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 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.

NOTE 12 - DEFINED BENEFIT PENSION PLANS - (Continued)

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.

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 2022, the Board of Trustees approved a 2.5% cost-of-living adjustment (COLA) for eligible retirees and beneficiaries in 2023.

Funding Policy - Plan members are required to contribute 10.00% of their annual covered salary and the 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, 2023, the allocation to pension, death benefits, and Medicare B was 14.00%. For fiscal year 2023, the Retirement Board did not allocate any employer contribution to the Health Care Fund.

The District's contractually required contribution to SERS was $1,129,365 for fiscal year 2023. Of this amount, $144,320 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.

NOTE 12 - DEFINED BENEFIT PENSION PLANS - (Continued)

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 Ohio. 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.

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.

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 2023 employer and employee contribution rate of 14% was equal to the statutory maximum rates. For fiscal year 2023, the full employer contribution was allocated to pension.

The District's contractually required contribution to STRS was $3,744,478 for fiscal year 2023. Of this amount, $626,100 is reported as pension and postemployment benefits payable.

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

The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on the District's share of contributions to the pension plan relative to the contributions of all participating entities.

NOTE 12 - DEFINED BENEFIT PENSION PLANS - (Continued)

Following is information related to the proportionate share and pension expense:

	SERS	STRS	Total
Proportion of the net pension liability prior measurement date	0.200674800%	0.184718286%	
Proportion of the net pension liability current measurement date	0.194968700%	0.188730510%	
Change in proportionate share	-0.005706100%	0.004012224%	
Proportionate share of the net pension liability	$ 10,545,424	$ 41,955,030	$ 52,500,454
Pension expense	$ 583,762	$ 4,962,762	$ 5,546,524

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

	SERS	STRS	Total
Deferred outflows of resources			
Differences between expected and actual experience	$ 427,098	$ 537,080	$ 964,178
Net difference between projected and actual earnings on pension plan investments	-	1,459,943	1,459,943
Changes of assumptions	104,054	5,020,756	5,124,810
Difference between employer contributions and proportionate share of contributions/ change in proportionate share	54,242	704,128	758,370
Contributions subsequent to the measurement date	1,129,365	3,744,478	4,873,843
Total deferred outflows of resources	$ 1,714,759	$ 11,466,385	$ 13,181,144

	SERS	STRS	Total
Deferred inflows of resources			
Differences between expected and actual experience	$ 69,228	$ 160,492	$ 229,720
Net difference between projected and actual earnings on pension plan investments	367,987	-	367,987
Changes of assumptions	-	3,779,186	3,779,186
Difference between employer contributions and proportionate share of contributions/ change in proportionate share	220,921	147,739	368,660
Total deferred inflows of resources	$ 658,136	$ 4,087,417	$ 4,745,553

$4,873,843 reported as deferred outflows of resources related to pension resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the fiscal year ending June 30, 2024.

NOTE 12 - 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:

	SERS	STRS	Total
Fiscal Year Ending June 30:			
2024	$ (117,533)	$ (1,056,728)	$ (1,174,261)
2025	(65,172)	(1,170,815)	(1,235,987)
2026	(35,526)	(2,172,077)	(2,207,603)
2027	145,489	8,034,110	8,179,599
Total	$ (72,742)	$ 3,634,490	$ 3,561,748

Actuarial Assumptions - SERS

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

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

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

NOTE 12 - 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, 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 2022, mortality rates were based on the PUB-2010 General Employee Amount Weight Below Median Healthy Retiree mortality table projected to 2017 with ages set forward 1 year and adjusted 94.20% 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 Weight 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 using a building-block approach and assumes a time horizon, as defined in SERS' *Statement of Investment Policy*. A forecasted rate of inflation serves as the baseline for the return expectation. Various real return premiums over the baseline inflation rate have been established for each asset class. The long-term expected nominal rate of return has been determined by calculating a weighted 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.

NOTE 12 - 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 %	(0.33) %
US Equity	24.75	5.72
Non-US Equity Developed	13.50	6.55
Non-US Equity Emerging	6.75	8.54
Fixed Income/Global Bonds	19.00	1.14
Private Equity	11.00	10.03
Real Estate/Real Assets	16.00	5.41
Multi-Asset Strategy	4.00	3.47
Private Debt/Private Credit	3.00	5.28
Total	100.00 %	

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

Sensitivity of the 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
District's proportionate share of the net pension liability	$ 15,522,360	$ 10,545,424	$ 6,352,422

Actuarial Assumptions - STRS

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

	June 30, 2022	June 30, 2021
Inflation	2.50%	2.50%
Projected salary increases	Varies by service from 2.50% to 8.50%	12.50% at age 20 to 2.50% at age 65
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%

NOTE 12 - DEFINED BENEFIT PENSION PLANS - (Continued)

For the June 30, 2022 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 Disable Annuitant Table projected forward generationally using mortality improvement scale MP-2020.

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

Actuarial assumptions used in the June 30, 2022 valuation are based on the results of an actuarial experience study for the period July 1, 2015 through June 30, 2021. An actuarial experience study is done on a quinquennial basis.

STRS Ohio's 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	100.00 %	

* Target allocation percentage is effective as of July 1, 2022. Target weights were phased in over a 3-month period concluding on October 1, 2022.
**10-Year annualized geometric nominal returns, which include the real rate of return and inflation of 2.25% and is net of investment expenses. Over a 30-year period, STRS Ohio's investment consultant indicates that the above target allocations should generate a return above the actuarial rate of return, without net value added by management.

Discount Rate - The discount rate used to measure the total pension liability was 7.00% as of June 30, 2022. The projection of cash flows used to determine the discount rate assumes that member and employer contributions will be made at the statutory contribution rates in accordance with the rates described previously. For this purpose, only employer contributions that are intended to fund benefits of current plan members and their beneficiaries are included. Based on those assumptions, STRS Ohio's fiduciary net position was projected to be available to make all projected future benefit payments to current plan members as of June 30, 2022. Therefore, the long-term expected rate of return on 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, 2022.

NOTE 12 - DEFINED BENEFIT PENSION PLANS - (Continued)

Sensitivity of the 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, 2022, 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
District's proportionate share of the net pension liability	$ 63,378,777	$ 41,955,030	$ 23,837,173

Changes Between Measurement Date and Reporting Date - STRS approved a one-time 1.00% cost-of-living adjustment to eligible benefit recipients effective July 1, 2023. It is unknown what effect this change will have on the net pension liability.

NOTE 13 - DEFINED BENEFIT OPEB PLANS

Net OPEB Liability/Asset

See Note 12 for a description of the net OPEB liability (asset).

Plan Description - School Employees Retirement System (SERS)

Health Care Plan Description - The 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.

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.

NOTE 13 - DEFINED BENEFIT OPEB PLANS - (Continued)

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, 2023, 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 2023, this amount was $25,000. 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 2023, the District's surcharge obligation was $146,843.

The surcharge added to the allocated portion of the 14% employer contribution rate is the total amount assigned to the Health Care Fund. The District's contractually required contribution to SERS was $146,843 for fiscal year 2023. Of this amount, $146,843 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, 2023, STRS did not allocate any employer contributions to post-employment health care.

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, 2022, 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 District's proportion of the net OPEB liability/asset was based on the District's share of contributions to the respective retirement systems relative to the contributions of all participating entities.

Following is information related to the proportionate share and OPEB expense:

	SERS	STRS	Total
Proportion of the net OPEB liability/asset prior measurement date	0.206799300%	0.184718286%	
Proportion of the net OPEB liability/asset current measurement date	0.199527600%	0.188730510%	
Change in proportionate share	-0.007271700%	0.004012224%	
Proportionate share of the net OPEB liability	$ 2,801,388	$ -	$ 2,801,388
Proportionate share of the net OPEB asset	$ -	$ (4,886,860)	$ (4,886,860)
OPEB expense	$ (234,762)	$ (984,274)	$ (1,219,036)

NOTE 13 - DEFINED BENEFIT OPEB PLANS - (Continued)

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

	SERS	STRS	Total
Deferred outflows of resources			
Differences between expected and actual experience	$ 23,550	$ 70,846	$ 94,396
Net difference between projected and actual earnings on OPEB plan investments	14,562	85,067	99,629
Changes of assumptions	445,597	208,161	653,758
Difference between employer contributions and proportionate share of contributions/ change in proportionate share	144,956	1,175	146,131
Contributions subsequent to the measurement date	146,843	-	146,843
Total deferred outflows of resources	$ 775,508	$ 365,249	$ 1,140,757

	SERS	STRS	Total
Deferred inflows of resources			
Differences between expected and actual experience	$ 1,791,972	$ 733,920	$ 2,525,892
Net difference between projected and actual earnings on OPEB plan investments	-	-	-
Changes of assumptions	1,149,991	3,465,261	4,615,252
Difference between employer contributions and proportionate share of contributions/ change in proportionate share	305,937	111,566	417,503
Total deferred inflows of resources	$ 3,247,900	$ 4,310,747	$ 7,558,647

$146,843 reported as deferred outflows of resources related to OPEB resulting from 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, 2024.

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

	SERS	STRS	Total
Fiscal Year Ending June 30:			
2024	$ (606,816)	$ (1,224,474)	$ (1,831,290)
2025	(575,220)	(1,110,041)	(1,685,261)
2026	(485,218)	(527,365)	(1,012,583)
2027	(322,178)	(218,417)	(540,595)
2028	(236,749)	(285,863)	(522,612)
Thereafter	(393,054)	(579,338)	(972,392)
Total	$ (2,619,235)	$ (3,945,498)	$ (6,564,733)

NOTE 13 - DEFINED BENEFIT OPEB PLANS - (Continued)

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.

Key methods and assumptions used in calculating the total OPEB liability in the latest actuarial valuation date of 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	3.69%
Prior measurement date	1.92%
Single equivalent interest rate, net of plan investment expense, including price inflation:	
Current measurement date	4.08%
Prior measurement date	2.27%
Medical trend assumption:	
Current measurement date	7.00 to 4.40%
Prior measurement date	
Medicare	5.125 to 4.400%
Pre-Medicare	6.750 to 4.400%

NOTE 13 - DEFINED BENEFIT OPEB PLANS - (Continued)

In 2022, mortality rates were based on the PUB-2010 General Employee Amount Weight Below Median Healthy Retiree mortality table projected to 2017 with ages set forward 1 year and adjusted 94.20% 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 expected rate of return on plan assets is reviewed as part of the actuarial 5-year experience study. The most recent study covers fiscal years 2016 through 2020, and was adopted by the Board in 2021. Several factors are considered in evaluating the long-term rate of return assumption including long-term historical data, estimates inherent in current market data, and a long-normal distribution analysis in which best-estimate ranges of expected future real rates of return were developed by the investment consultant for each major asset class. These ranges were combined to produce the long-term expected rate of return, 7.00%, by weighting the expected future real rates of return by the target asset allocation percentage and then adding expected inflation. The capital market assumptions developed by the investment consultant are intended for use over a 10-year horizon and may not be useful in setting the long-term rate of return for funding pension plans which covers a longer timeframe. The assumption is intended to be a long-term assumption and is not expected to change absent a significant change in the asset allocation, a change in the inflation assumption, or a fundamental change in the market that alters expected returns in future years.

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash	2.00 %	(0.33) %
US Equity	24.75	5.72
Non-US Equity Developed	13.50	6.55
Non-US Equity Emerging	6.75	8.54
Fixed Income/Global Bonds	19.00	1.14
Private Equity	11.00	10.03
Real Estate/Real Assets	16.00	5.41
Multi-Asset Strategy	4.00	3.47
Private Debt/Private Credit	3.00	5.28
Total	100.00 %	

NOTE 13 - DEFINED BENEFIT OPEB PLANS - (Continued)

Discount Rate - The discount rate used to measure the total OPEB liability at June 30, 2022, was 4.08%. The discount rate used to measure total OPEB liability prior to June 30, 2022, was 2.27%. 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 was projected to become insufficient to make all projected future benefit payments of current System members by SERS actuaries. The Municipal Bond Index Rate is used in the determination of the SEIR for both the June 30, 2022 and the June 30, 2021 total OPEB liability. The Municipal Bond Index rate is the single rate that will generate a present value of benefit payments equal to the sum of the present value determined by the long-term expected rate of return, and the present value determined by discounting those benefits after the date of depletion. The Municipal Bond Index Rate is 3.69% at June 30, 2022 and 1.92% at June 30, 2021.

Sensitivity of the 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 (3.08%) and higher (5.08%) than the current discount rate (4.08%). Also shown is what the net OPEB liability would be based on health care cost trend rates that are 1 percentage point lower (6.00% decreasing to 3.40%) and higher (8.00% decreasing to 5.40%) than the current rate (7.00% decreasing to 4.40%).

	1% Decrease	Current Discount Rate	1% Increase
District's proportionate share of the net OPEB liability	$ 3,479,367	$ 2,801,388	$ 2,254,076

	1% Decrease	Current Trend Rate	1% Increase
District's proportionate share of the net OPEB liability	$ 2,160,373	$ 2,801,388	$ 3,638,658

NOTE 13 - DEFINED BENEFIT OPEB PLANS - (Continued)

Actuarial Assumptions - STRS

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results used in the June 30, 2022 actuarial valuation, compared with June 30, 2021 actuarial valuation, are presented below:

	June 30, 2022		June 30, 2021	
Inflation	2.50%		2.50%	
Projected salary increases	Varies by service from 2.50% to 8.50%		12.50% at age 20 to 2.50% at age 65	
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	Initial	Ultimate
Medical				
Pre-Medicare	7.50%	3.94%	5.00%	4.00%
Medicare	-68.78%	3.94%	-16.18%	4.00%
Prescription Drug				
Pre-Medicare	9.00%	3.94%	6.50%	4.00%
Medicare	-5.47%	3.94%	29.98%	4.00%

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

For the June 30, 2022 actuarial valuation, 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.

For the prior measurement date, for healthy retirees the mortality rates are based on the RP-2014 Annuitant Mortality Tables with 50% of rates through age 69, 70% of rates between ages 70 and 79, 90% of rates between ages 80 and 84, and 100% of rates thereafter, projected forward generationally using mortality improvement scale MP-2016. For disabled retirees, mortality rates are based on the RP-2014 Disabled Mortality Tables with 90% of rates for males and 100% of rates for females, projected forward generationally using mortality improvement scale MP-2016.

Actuarial assumptions used in the June 30, 2022 valuation are based on the results of an actuarial experience study for the period July 1, 2015 through June 30, 2021. An actuarial experience study is done on a quinquennial basis.

Assumption Changes Since the Prior Measurement Date - The discount rate remained unchanged at 7.00% for the June 30, 2022 valuation.

Benefit Term Changes Since the Prior Measurement Date - Salary increase rates were updated based on the actuarial experience study for the period July 1, 2015 through June 30, 2021 and were changed from age based to service based.

NOTE 13 - DEFINED BENEFIT OPEB PLANS - (Continued)

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	100.00 %	

* Target allocation percentage is effective as of July 1, 2022. Target weights were phased in over a 3-month period concluding on October 1, 2022.
**10-Year annualized geometric nominal returns, which include the real rate of return and inflation of 2.25% and is net of investment expenses. Over a 30-year period, STRS Ohio's investment consultant indicates that the above target allocations should generate a return above the actuarial rate of return, without net value added by management.

Discount Rate - The discount rate used to measure the total OPEB liability was 7.00% as of June 30, 2022. The projection of cash flows used to determine the discount rate assumed STRS Ohio 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, 2022. 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, 2022.

Sensitivity of the District's Proportionate Share of the Net OPEB Asset to Changes in the Discount and Health Care Cost Trend Rate - The following table represents the net OPEB asset as of June 30, 2022, 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.

	1% Decrease	Current Discount Rate	1% Increase
District's proportionate share of the net OPEB asset	$ 4,517,774	$ 4,886,860	$ 5,203,015

	1% Decrease	Current Trend Rate	1% Increase
District's proportionate share of the net OPEB asset	$ 5,068,864	$ 4,886,860	$ 4,657,127

NOTE 14 - BUDGETARY BASIS OF ACCOUNTING

While reporting financial position, results of operations, and changes in fund balance on the basis of generally accepted accounting principles (GAAP), the budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts and disbursements.

The Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (non-GAAP budgetary basis) presented for the general fund is presented on the budgetary basis to provide a meaningful comparison of actual results with the budget. The major differences between the budget basis and the GAAP basis are that:

(a) Revenues and other financing sources are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis);

(b) Expenditures and other financing uses are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis);

(c) In order to determine compliance with Ohio law, and to reserve that portion of the applicable appropriation, total outstanding encumbrances (budget basis) are recorded as the equivalent of an expenditure, as opposed to a restricted, committed or assigned fund balance for that portion of outstanding encumbrances not already recognized as an account payable (GAAP basis);

(d) Advances-in and advances-out are operating transactions (budget basis) as opposed to balance sheet transactions (GAAP basis);

(e) Investments are reported a fair value (GAAP basis) as opposed to cost basis (budget basis); and,

(f) Some funds are included in the general fund (GAAP basis), but have separate legally adopted budgets (budget basis).

The adjustments necessary to convert the results of operations for the year on the budget basis to the GAAP basis for the general fund is as follows:

Net Change in Fund Balance

	General fund
Budget basis	$ (751,877)
Net adjustment for revenue accruals	(288,351)
Net adjustment for expenditure accruals	(966,316)
Net adjustment for other sources/uses	874,223
Funds budgeted elsewhere	(102,707)
Adjustment for encumbrances	1,204,403
GAAP basis	$ (30,625)

Certain funds that are legally budgeted in separate special revenue funds are considered part of the general fund on a GAAP basis. This includes the special trust fund, uniform school supplies fund, rotary fund - special services fund, adult education fund, internal services rotary fund and the public school support fund.

NOTE 15 - CONTINGENCIES

A. Grants

The District receives significant financial assistance from numerous federal, State and local agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the District. However, in the opinion of management, any such disallowed claims will not have a material effect on the financial position of the District.

B. Litigation

The District is a party to legal proceedings seeking damages or injunctive relief generally incidental to its operations and spending projects. The District management is of the opinion that disposition of the claim and legal proceedings will not have a material effect, if any, on the financial condition of the District.

C. 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 (ODE) is legislatively required to follow will continue to adjust as enrollment information is updated by the District, which can extend past the fiscal year-end. The final adjustment was not material and is not reflected in the accompanying financial statements.

NOTE 16 - STATUTORY RESERVES

The District is required by State law to annually set-aside certain general fund revenue amounts, as defined by statutory formula, for the acquisition and construction of capital improvements. Amounts not spent by the end of the fiscal year or offset by similarly restricted resources received during the year must be held in cash at fiscal year-end. This amount must be carried forward to be used for the same purpose in future years. Expenditures exceeding the set-aside requirement may not be carried forward to the next fiscal year.

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

	Capital Improvements
Set-aside balance June 30, 2022	$ -
Current year set-aside requirement	904,554
Current year offsets	(1,666,508)
Total	$ (761,954)
Balance carried forward to fiscal year 2024	$ -
Set-aside balance June 30, 2023	$ -

Although the District had offsets during the year that reduced the set-aside amount below zero for the capital improvements reserve, this extra amount may not be used to reduce the set-aside requirement for future years. The negative amount is therefore not presented as being carried forward to the next fiscal year.

NOTE 17 - COMMITMENTS

A. Other Commitments

The District utilizes encumbrance accounting as part of its budgetary controls. Encumbrances outstanding at year-end are for subsequent-year expenditures and may be reported as part of restricted, committed, or assigned classifications of fund balance. At year end, the District's commitments for encumbrances in the governmental funds were as follows:

Fund Type	Year-End Encumbrances
General fund	$ 590,340
Building fund	19,023,071
Other governmental	1,286,131
Total	$ 20,899,542

B. Contractual Commitments

As of June 30, 2023, the District had the following contractual commitments outstanding:

Vendor	Total Contract	Amount Paid	Remaining Commitment June 30, 2023
Sol Harris/Day Architects	$ 1,786,635	$ (950,550)	$ 836,085
Technology Engineering	434,102	(426,102)	8,000
Hammond Construction	53,364,898	(34,673,567)	18,691,331
Total	$ 55,585,635	$ (36,050,219)	$ 19,535,416

NOTE 18 - TAX ABATEMENT AGREEMENTS ENTERED INTO BY OTHER GOVERNMENTS

The City of North Canton entered into Community Reinvestment Area (CRA) agreements with LMD Property, Reed Funeral home, Insight Realty and residential owners for the abatement of property taxes to bring jobs and economic development into the City. Plain Township entered into a Community Reinvestment Area (CRA) agreement with Integrity Meander Hospitality Group IV, LLC for the abatement of property taxes to bring jobs and economic development into the Township. Under the agreements, the companies' and property owners' property taxes assessed to the District have been abated. During fiscal year 2023, the District's property taxes were reduced by approximately $76,680.

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

NORTH CANTON CITY SCHOOL DISTRICT
STARK COUNTY

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

FEDERAL GRANTOR ***Pass Through Grantor*** Program Title	Federal AL Number	Pass Through Entity Identifying Number	Provided Through To Subrecipients	Expenditures	Non-Cash Expenditures
U.S. DEPARTMENT OF AGRICULTURE					
Passed Through Ohio Department of Education					
Child Nutrition Cluster:					
Special Milk Program	10.556	044503-3L60-2022	$ -	$ 192	$ -
School Breakfast Program	10.553	044503-3L70-2022	-	150,021	-
National School Lunch Program	10.555	044503-3L60-2022	-	525,480	-
COVID-19 National School Lunch Program	10.555	044503-3L60-2022	-	18,088	-
Special Milk Program	10.556	044503-3L60-2023	-	1,016	-
School Breakfast Program	10.553	044503-3L70-2023	-	136,024	-
National School Lunch Program	10.555	044503-3L60-2023	-	632,171	146,864
COVID-19 National School Lunch Program	10.555	044503-3L60-2023	-	105,408	-
Total Child Nutrition Cluster			-	1,568,400	146,864
Pandemic Electronic Benefit Transfer (P-EBT) Administrative Costs	10.649	044503-3HF0-2023	-	628	-
Total U.S. Department of Agriculture			-	1,569,028	146,864
U.S. DEPARTMENT OF THE TREASURY					
Passed Through Ohio Facilities Construction Commission (OFCC)					
COVID-19 Coronavirus SLFRF - Ohio K-12 School Safety Program	21.027	044503-5CV3-2023	-	214,171	-
Total U.S. Department of the Treasury			-	214,171	-
U.S. DEPARTMENT OF EDUCATION					
Passed Through Ohio Department of Education					
Special Education Cluster:					
Special Education Grants to States	84.027A	044503-3M20-2022	-	(5,718)	-
Special Education Grants to States	84.027A	044503-3M20-2023	-	986,148	-
COVID-19 American Rescue Plan - Special Education	84.027X	044503-3IA0-2023	-	115,545	-
Special Education Preschool Grants	84.173A	044503-3C50-2022	-	(43)	-
Special Education Preschool Grants	84.173A	044503-3C50-2023	-	24,824	-
COVID-19 American Rescue Plan - Special Education Preschool Grants	84.173A	044503-3IA0-2023	-	15,404	-
Total Special Education Cluster			-	1,136,160	-
Title I:					
Title I Grants to Local Educational Agencies	84.010A	044503-3M00-2022	-	130,036	-
Title I Grants to Local Educational Agencies	84.010A	044503-3M00-2023	-	310,005	-
Expanding Opportunities for Each Child	84.010A	044503-3M00-2022	-	395	-
Total Title I			-	440,436	-
Title II-A					
Improving Teacher Quality State Grants, Title II-A	84.367A	044503-3Y60-2022	-	22,916	-
Improving Teacher Quality State Grants, Title II-A	84.367A	044503-3Y60-2023	-	61,057	-
Total Title II-A			-	83,973	-
Title III					
English Language Acquisition State Grants	84.365A	044503-3Y30-2023	3,652	3,652	-
Total Title III			3,652	3,652	-
Title IV-A					
Student Support and Academic Enrichment	84.424A	044503-3HI0-2022	-	18,394	-
Student Support and Academic Enrichment	84.424A	044503-3HI0-2023	-	22,565	-
Total Title IV-A			-	40,959	-
Elementary and Secondary School Emergency Relief					
COVID-19 American Rescue Plan - ESSER	84.425U	044503-3HS0-2023	-	1,762,948	-
COVID-19 American Rescue Plan - Homeless	84.425W	044503-3HZ0-2023	-	6,872	-
COVID-19 American Rescue Plan - Homeless Targeted	84.425W	044503-3HZ0-2023	-	8,428	-
Total Elementary and Secondary School Emergency Relief			-	1,778,248	-
Passed Through Plain Local School District					
Career and Technical Education - Basic Grants to States	84.048	N/A	-	40,579	-
Total U.S. Department of Education			3,652	3,524,007	-
Total Federal Financial Assistance			$ 3,652	$ 5,307,206	$ 146,864

The accompanying notes are an integral part of this schedule.

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

NOTE A – BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of the North Canton City School District (the District) under programs of the federal government for the year ended June 30, 2023. The information on this Schedule is prepared in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position or changes in net position.

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.

NOTE F - TRANSFERS BETWEEN PROGRAM YEARS

Federal regulations require schools to obligate certain federal awards by June 30. However, with ODE's consent, schools can transfer unobligated amounts to the subsequent fiscal year's program. The District transferred the following amounts from 2023 to 2024 programs:

Program Title	AL Number	Amt. Transferred
Title I Grants to Local Educational Agencies	84.010A	$ 56,285
Supporting Effective Instruction State Grant, Title II-A	84.367A	$ 17,620
Student Support and Academic Enrichment, Title IV-A	84.424A	$ 6,108
American Rescue Plan - Homeless - Targeted	84.425W	$ 8,072

OHIO AUDITOR OF STATE
KEITH FABER

88 East Broad Street
Columbus, Ohio 43215
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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 Canton City School District
Stark County
525 7th Street NE
North Canton, Ohio 44720

To the Board of Education:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States *(Government Auditing Standards)*, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the North Canton City School District, Stark County, (the District) as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated March 20, 2024, wherein we noted the District adopted new accounting guidance in Governmental Accounting Standards Board Statement 96 – *Subscription Based Information Technology Arrangements.*

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of This Report

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

Keith Faber
Auditor of State
Columbus, Ohio

March 20, 2024

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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 Canton City School District
Stark County
525 7th Street NE
North Canton, Ohio 44720

To the Board of Education:

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited North Canton City School District's, Stark County, (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 Canton City School District's major federal programs for the year ended June 30, 2023. North Canton 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 Canton City School District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2023.

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control Over Compliance

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

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

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

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

Keith Faber

Keith Faber
Auditor of State
Columbus, Ohio

March 20, 2024

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

1. SUMMARY OF AUDITOR'S RESULTS

(d)(1)(i)	**Type of Financial Statement Opinion**	Unmodified
(d)(1)(ii)	**Were there any material weaknesses in internal control reported at the financial statement level (GAGAS)?**	No
(d)(1)(ii)	**Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?**	No
(d)(1)(iii)	**Was there any reported material noncompliance at the financial statement level (GAGAS)?**	No
(d)(1)(iv)	**Were there any material weaknesses in internal control reported for major federal programs?**	No
(d)(1)(iv)	**Were there any significant deficiencies in internal control reported for major federal programs?**	No
(d)(1)(v)	**Type of Major Programs' Compliance Opinion**	Unmodified
(d)(1)(vi)	**Are there any reportable findings under 2 CFR § 200.516(a)?**	No
(d)(1)(vii)	**Major Programs (list):**	Elementary and Secondary School Emergency Relief – AL #84.425D Special Education Grants to States Cluster - AL #84.027 and #84.173
(d)(1)(viii)	**Dollar Threshold: Type A\B Programs**	Type A: > $ 750,000 Type B: all others
(d)(1)(ix)	**Low Risk Auditee under 2 CFR § 200.520?**	Yes

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

None

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None

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APPENDIX D

Proposed Text of Opinion of Bond Counsel

We have served as bond counsel to our client North Canton City School District, Ohio (the "School District"), in connection with the issuance by the School District of its $27,800,000 Classroom Facilities and School Improvement Bonds, Series 2024 (the "Bonds"), dated the date of this letter, and issued for the purpose of constructing, furnishing and equipping a new middle school building and otherwise improving school district buildings and facilities and 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, as amended, 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.

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" (June 2013). 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 Bond issue by substituting "Bonds" for "Securities," "School District" for "Issuer" and "Bond Registrar" for "registrar" or "Agent" 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"), New York, NY, 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 certificate 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 certificates

representing their ownership interests in 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 Bonds 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 Bond documents. 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 Bond Registrar 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 dividend payments (*debt charges*) 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 Bond Registrar, on 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 Bond Registrar, 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 dividend payments (*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 Bond Registrar, 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 Bonds.*)

10. DTC may discontinue providing its services as depository with respect to the Bonds at any time by giving reasonable notice to the School District or the Bond Registrar. Under such

circumstances, in the event that a successor depository is not obtained, Bond 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, Bond certificates will be printed (*or otherwise produced*) and delivered to DTC. (*See also* **Revision of Book-Entry System; Replacement Bonds**.)

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 Bond Registrar 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 Bond Registrar 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 Bond Registrar 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 Bond proceedings (except the Continuing Disclosure Agreement under which others as well as DTC may be considered an owner or holder of the Bonds, see **Continuing Disclosure Agreement**), DTC will be and will be considered by the School District and the Bond Registrar 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 Bond Registrar to be, and will not have any rights as, owners or holders of Bonds under the Bond proceedings.

Reference herein to "DTC" includes when applicable any successor securities depository and the nominee of the depository.

Revision of Book-Entry System; Replacement Bonds

The Bond proceedings provide 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 Bond Registrar has made provision for notification of the Beneficial Owners of the Bonds by appropriate notice to DTC, the School District and the Bond

Registrar will authenticate and deliver Replacement Bonds of any one maturity, if applicable, 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 Bond Registrar 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 Bond Registrar. Interest on Replacement Bonds will be payable on the interest payment date by the Bond Registrar by transmittal to the registered owner of record on the Bond Register as of the 15^{th} day 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 Bond Registrar without charge (except taxes or governmental fees). Exchange or transfer of then-redeemable Replacement Bonds is not required to be made: (i) between the 15^{th} day 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

$27,800,000
North Canton City School District, Ohio
Classroom Facilities and School Improvement Bonds, Series 2024

CONTINUING DISCLOSURE AGREEMENT

THIS CONTINUING DISCLOSURE AGREEMENT, dated as of May 2, 2024 (the Agreement), is made, signed and delivered by **NORTH CANTON CITY SCHOOL DISTRICT, OHIO**, a school district and political subdivision duly organized and existing under the Constitution and 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 $27,800,000 Classroom Facilities and School Improvement Bonds, Series 2024 (the Bonds), authorized by Resolution No. 02-12-24, adopted by the Board of Education of the School District on February 21, 2024 (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 Northwood Securities, Inc., (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.

"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, 2025 (as to the financial information and operating data described in Section 4(a) hereof, starting with such financial information and operating data for Fiscal Year 2024), and, as to the Audited Financial Statements, when and if available, starting with such Audited Financial Statements for Fiscal Year 2024.

"Financial Obligation" means a (a) debt obligation, (b) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation, or (c) guarantee of an obligation or instrument described in either clause (a) or (b). 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 April 11, 2024.

"Participating Underwriter" means any of the original underwriters of the Bonds required to comply with the Rule in connection with offering of the Bonds.

"Policy" means, for these purposes, means the Ohio School District Credit Enhancement Program.

"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: in the table of historical and projected enrollment in the School District's schools shown under **The School System – Enrollment**; in the table of the largest School District taxpayers shown under **Ad Valorem Property Taxes – Assessed Valuation**; under the captions **Ad Valorem Property Taxes – Collections** and **– Delinquencies**, together with information as to aggregate assessed valuation of the School District and overlapping and School District tax rates; **State School Funding System**; **School District Debt and Other Long-Term Obligations**, including the **Debt Tables**; 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, <u>if material</u>;

(8) Bond calls, <u>if material</u>, and tender offers; (b)

(9) Defeasances;

(10) Release, substitution, or sale of property securing repayment of the securities, <u>if material</u>; (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, <u>if material</u>;

(14) Appointment of a successor or additional trustee or the change of name of a trustee, <u>if material;</u>

(15) Incurrence of a Financial Obligation of the Obligated Person, <u>if material</u>, 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, <u>if material</u>; 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.

<u>Note</u>:

(a) The School District has not obtained or provided, and does not expect to obtain or provide, any debt service reserves, credit enhancements (except for the Policy) 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 Stark, 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 CANTON CITY SCHOOL DISTRICT, OHIO

By: ___________________________________
President, Board of Education

By: ___________________________________
Superintendent

By: ___________________________________
Treasurer, Board of Education

CERTIFICATE OF FISCAL OFFICER –
CONTINUING DISCLOSURE AGREEMENT

As fiscal officer of North Canton 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 2024, 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: May 2, 2024

____
Treasurer, Board of Education
North Canton City School District, Ohio

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$27,800,000
NORTH CANTON CITY SCHOOL DISTRICT, OHIO
GENERAL OBLIGATION (Unlimited Tax)
CLASSROOM FACILITIES AND SCHOOL IMPROVEMENT BONDS, SERIES 2024

northland