



OHIO AUDITOR OF STATE
KEITH FABER



**CAMPBELL CITY SCHOOL DISTRICT
MAHONING COUNTY**

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MAHONING COUNTY**

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INDEPENDENT AUDITOR'S REPORT

Campbell City School District
Mahoning County
280 Sixth Street
Campbell, Ohio 44405

To the Board of Education:

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

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

Emphasis of Matter

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

Other Matters

Required Supplementary Information

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

Supplementary and Other Information

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

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 16, 2022, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.



Keith Faber
Auditor of State
Columbus, Ohio
March 16, 2022

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

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

Financial Highlights

- Net position decreased in fiscal year 2021 due mainly to (1) the decrease in capital assets resulting from current year deletions and annual depreciation exceeding current year additions and (2) changes in the net pension liability. The decrease in net position was partially offset by a reduction in long-term debt obligations due to the continued pay-down of debt.
- During fiscal year 2021, the School District had an asset appraisal performed which resulted in a restatement to beginning capital asset balances.
- Total program expenses increased in fiscal year 2021 due to an increase in pension and OPEB expenses as well as to higher costs related to tuition paid to other districts.

Overview of the Financial Statements

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

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

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

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

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

Campbell City School District
Management's Discussion and Analysis
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Unaudited

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

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

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

Government-wide Financial Analysis

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

Table 1
 Net Position
 Governmental Activities

	2021	Restated 2020	Change
Assets			
Current and Other Assets	\$11,007,525	\$10,728,429	\$279,096
Net OPEB Asset	1,053,744	971,312	82,432
Capital Assets, Net	41,288,569	42,170,336	(881,767)
<i>Total Assets</i>	<u>53,349,838</u>	<u>53,870,077</u>	<u>(520,239)</u>
Deferred Outflows of Resources			
Pension	3,914,615	3,531,469	383,146
OPEB	783,089	447,986	335,103
<i>Total Deferred Outflows of Resources</i>	<u>\$4,697,704</u>	<u>\$3,979,455</u>	<u>\$718,249</u>

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

Table 1
Net Position (continued)
Governmental Activities

	2021	Restated 2020	Change
Liabilities			
Current Liabilities	\$3,244,978	\$3,502,876	\$257,898
Long-Term Liabilities:			
Due Within One Year	1,210,726	1,197,213	(13,513)
Due in More Than One Year:			
Net Pension Liability	19,617,733	17,265,701	(2,352,032)
Net OPEB Liability	1,749,836	1,849,318	99,482
Other Amounts	10,116,166	11,260,651	1,144,485
<i>Total Liabilities</i>	<u>35,939,439</u>	<u>35,075,759</u>	<u>(863,680)</u>
Deferred Inflows of Resources			
Property Taxes	2,144,612	1,987,460	(157,152)
Pension	92,765	808,256	715,491
OPEB	2,155,219	1,719,235	(435,984)
<i>Total Deferred Inflows of Resources</i>	<u>4,392,596</u>	<u>4,514,951</u>	<u>122,355</u>
Net Position			
Net Investment in Capital Assets	30,722,710	30,873,041	(150,331)
Restricted	2,024,651	2,063,452	(38,801)
Unrestricted (Deficit)	<u>(15,031,854)</u>	<u>(14,677,671)</u>	<u>(354,183)</u>
<i>Total Net Position</i>	<u>\$17,715,507</u>	<u>\$18,258,822</u>	<u>(\$543,315)</u>

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

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

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Due to the unique nature of how the net pension liability and the net OPEB liability are satisfied, these liabilities are separately identified within the long-term liability section of the statement of net position.

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. For the School District, total assets and deferred outflows of resources were greater than total liabilities and deferred inflows of resources by \$17,715,507 in fiscal year 2021 and \$18,258,822 in fiscal year 2020.

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

The School District continues to provide the services that the School District residents expect while maintaining the costs of providing those services. The most dramatic changes were decreases to net capital assets and long-term debt as well as the changes in the net pension liability. The decrease in capital assets was due to annual depreciation and current year deletions outpacing current year additions. Long-term debt obligations decreased due to annual debt payments.

In order to further understand what makes up the changes in net position for the current year, the following table gives readers further details regarding the results of activities for fiscal years 2021 and 2020.

Table 2
 Changes in Net Position
 Governmental Activities

	2021	Restated 2020	Change
Program Revenues			
Charges for Services and Sales	\$225,211	\$204,606	\$20,605
Operating Grants and Contributions	4,897,446	4,244,390	653,056
<i>Total Program Revenues</i>	<u>5,122,657</u>	<u>4,448,996</u>	<u>673,661</u>
General Revenues			
Property Taxes	2,188,415	2,278,964	(90,549)
Grants and Entitlements	14,647,249	15,349,988	(702,739)
Unrestricted Contributions	34,379	13,346	21,033
Investment Earnings	14,557	225,641	(211,084)
Miscellaneous	475,786	76,444	399,342
<i>Total General Revenues</i>	<u>17,360,386</u>	<u>17,944,383</u>	<u>(583,997)</u>
<i>Total Revenues</i>	<u>\$22,483,043</u>	<u>\$22,393,379</u>	<u>\$89,664</u>

Campbell City School District
Management's Discussion and Analysis
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Table 2
 Changes in Net Position (continued)
 Governmental Activities

	2021	Restated 2020	Change
Program Expenses			
Instruction:			
Regular	\$9,885,352	\$9,165,237	(\$720,115)
Special	3,942,722	4,600,844	658,122
Vocational	140,802	81,225	(59,577)
Student Intervention Services	213,293	17,006	(196,287)
Support Services:			
Pupil	806,091	637,260	(168,831)
Instructional Staff	463,108	440,243	(22,865)
Board of Education	35,045	37,250	2,205
Administration	1,723,578	1,710,474	(13,104)
Fiscal	434,060	416,363	(17,697)
Business	145,664	196,828	51,164
Operation and Maintenance of Plant	2,670,574	2,326,364	(344,210)
Pupil Transportation	450,066	471,515	21,449
Central	265,824	256,964	(8,860)
Operation of Non-Instructional Services	109,207	37,983	(71,224)
Operation of Food Services	879,363	902,555	23,192
Extracurricular Activities	754,947	710,099	(44,848)
Interest and Fiscal Charges	106,662	118,344	11,682
<i>Total Program Expenses</i>	<u>23,026,358</u>	<u>22,126,554</u>	<u>(899,804)</u>
<i>Change in Net Position</i>	(543,315)	266,825	(810,140)
Net Position Beginning of Year - Restated	<u>18,258,822</u>	<u>17,991,997</u>	<u>266,825</u>
Net Position End of Year	<u>\$17,715,507</u>	<u>\$18,258,822</u>	<u>(\$543,315)</u>

Governmental Activities

The unique nature of property taxes in Ohio creates the need to routinely seek voter approval for operating funds. The overall revenue generated by a voted levy does not increase solely as a result of inflation. It increases as a result of new construction or collection from a new voted levy. Although school districts experience inflationary growth in expenses, tax revenue does not keep pace with the increased expenses due to House Bill 920. As an example, a homeowner with a home valued at \$100,000 and taxed at 1.0 mill would pay \$35.00 annually in taxes. If three years later the home were reappraised and increased to \$200,000 (and this inflationary increase in value is comparable to other property owners) the effective tax rate would become .5 mills and the owner would still pay \$35.00 and the School District would collect the same dollar value the levy generated in the year it passed. The 10 percent rollback on all residential/agricultural property and the 2.5 percent rollback on all owner occupied homes would reduce the amount of taxes paid. Thus school districts dependent upon property taxes are hampered by a lack of revenue growth and must regularly return to the voters to maintain a constant level of service.

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

Campbell City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2021
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Program revenues increased for governmental activities in fiscal year 2021. Charges for services revenue went up due to an increase in rental income related to community center memberships. Operating grants increased due mainly to the new Elementary and Secondary School Emergency Relief funding and Coronavirus Relief funding. General revenues decreased in fiscal year 2021 resulting mainly from a drop in grants and entitlements related to job training and mental health programs.

Instruction composes the most significant portion of governmental program expenses. The increase in program expenses was due to (1) an increase in pension and OPEB expenses and (2) higher costs related to regular instruction, specifically for purchased services related to tuition paid to other districts.

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

Table 3
 Total and Net Cost of Program Services
 Governmental Activities

	Total Cost of Services 2021	Net Cost of Services 2021	Total Cost of Services 2020	Net Cost of Services 2020
Instruction	\$14,182,169	\$11,567,627	\$13,864,312	\$11,539,495
Support Services:				
Pupil and Instructional Staff	1,269,199	648,666	1,077,503	707,424
Board of Education and Administration	1,758,623	1,276,100	1,747,724	1,426,875
Fiscal and Business	579,724	579,724	613,191	613,191
Operation and Maintenance of Plant	2,670,574	2,360,014	2,326,364	2,246,674
Pupil Transportation	450,066	272,203	471,515	377,791
Central	265,824	226,987	256,964	238,064
Operation of Non-Instructional Services	109,207	92,348	37,983	26,432
Operation of Food Service	879,363	176,611	902,555	48,510
Extracurricular Activities	754,947	596,759	710,099	334,758
Interest and Fiscal Charges	106,662	106,662	118,344	118,344
<i>Total Expenses</i>	<u>\$23,026,358</u>	<u>\$17,903,701</u>	<u>\$22,126,554</u>	<u>\$17,677,558</u>

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

Financial Analysis of the School District's Funds

Governmental Funds Information about the School District's major funds begins with the balance sheet. These funds are accounted for using the modified accrual basis of accounting. The general fund balance increased primarily due to reductions in both instructional and support service costs. The title I fund had a decrease in fund balance due to a drop in intergovernmental monies from Ohio Department of Education grants.

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

General Fund Budgeting Highlights

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

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

For the general fund, the final budget basis revenue estimate was higher than the original budget estimate. The change was attributed mainly to an increase in property taxes and miscellaneous revenues.

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

Capital Assets

Capital assets decreased during fiscal year 2021 due to annual depreciation and current year deletions outpacing current year additions to capital assets. Current year additions included construction in progress, land improvements, buildings and improvements and equipment purchases. The School District continues its ongoing commitment to maintaining and improving its capital assets. More detailed information is presented in Note 12 of the notes to the basic financial statements.

Debt Obligations

Debt obligations outstanding as of June 30, 2021, included general obligation bonds, certificates of participation and capital leases payable. On July 9, 2019, the School District issued \$2,000,000 in Certificates of Participation (COPS) for the purpose of acquisition, construction, equipping, installation and rehabilitation of building improvements which included \$1,285,000 in serial bonds and \$715,000 in term bonds. The certificates of participation were issued for a fourteen year period with final maturity in fiscal year 2033. The School District's overall debt margin was \$6,455,581 with an unvoted debt margin of \$72,028 at June 30, 2021. For more information about the School District's debt obligations, see Notes 17 and 18 to the basic financial statements.

School District Outlook

The District understands the importance of whole child education as identified in the State's strategic plan recognizing whole child education, wrap around services, career pathways with valued partnerships and their significant involvement.

The Community Literacy Workforce and Cultural Center (CLWCC) project is focused on building and sustaining a regional economic ecosystem focused on aligning and leveraging resources to improve education, knowledge, skills and health of residents of the Mahoning Valley and beyond.

Campbell City School District
Management's Discussion and Analysis
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The CLWCC project, led by the School District, in significant and strategic partnership with Stark State College (SSC), Eastern Gateway Community College (EGCC), State of Ohio, Public Library of Youngstown and Mahoning County (PLYMC), the City of Campbell, Southwoods Health, Youngstown-Warren Chamber of Commerce, United Way of Youngstown and the Mahoning Valley, and many others, will leverage existing and emerging public-private regional and community partnerships to foster a shared-services approach and facility to be used 12 months a year, daily, evenings, and weekends. This year-round collaborative ecosystem will align resources to expand access to higher education and adult workforce/industry training offerings through Stark State College (SSC) and other higher education organizations and community and industry partners, to impact the region and statewide economic growth through a comprehensive science, technology, engineering, and mathematics (STEM) strategy. The geographic site location greatly expands the project's impact to attract candidates from both Ohio and Pennsylvania, provide training and increase and retain the skilled and Ohio tax-paying workforce.

Through teamwork, dedication and collaboration, we are committed to reaching the potential of our students' individual needs. We will continue to engage our community in creating a shared vision that will guide us in our decisions; decisions which have led to improvements to the instructional offerings. These changes will be mostly "revenue neutral" due to the School District's becoming more efficient with both staffing and scheduling.

We are very proud of the accomplishments of our students and staff and acknowledge we must always continue to work hard in order to provide students the best opportunities for their futures. Together with the involvement of all members of this prideful region, supportive alumni and staff, we will accomplish our goals for the children we serve while understanding the necessity to be fiscally responsible.

Contacting the School District's Financial Management Personnel

This financial report is designed to provide our citizen's, taxpayers, investors and creditors with a general overview of the School District's finances and to show the School District's accountability for the money it receives. If you have any questions about this report or need additional financial information contact Nora Montanez, Treasurer, Campbell City School District, 280 Sixth Street, Campbell, Ohio 44405.

Campbell City School District

Statement of Net Position

June 30, 2021

	<u>Governmental Activities</u>
Assets	
Equity in Pooled Cash and Cash Equivalents	\$6,382,461
Accrued Interest Receivable	4,897
Intergovernmental Receivable	1,148,499
Prepaid Items	24,145
Inventory Held for Resale	5,038
Materials and Supplies Inventory	1,778
Property Taxes Receivable	3,440,707
Net OPEB Asset (See Note 14)	1,053,744
Nondepreciable Capital Assets	150,278
Depreciable Capital Assets, Net	<u>41,138,291</u>
<i>Total Assets</i>	<u>53,349,838</u>
Deferred Outflows of Resources	
Pension	3,914,615
OPEB	<u>783,089</u>
<i>Total Deferred Outflows of Resources</i>	<u>4,697,704</u>
Liabilities	
Accounts Payable	103,561
Accrued Wages and Benefits	1,648,242
Contracts Payable	1,430
Intergovernmental Payable	565,384
Retainage Payable	44,690
Vacation Benefits Payable	148,256
Accrued Interest Payable	7,730
Unearned Revenue	725,685
Long-Term Liabilities:	
Due Within One Year	1,210,726
Due in More Than One Year:	
Net Pension Liability (See Note 13)	19,617,733
Net OPEB Liability (See Note 14)	1,749,836
Other Amounts	<u>10,116,166</u>
<i>Total Liabilities</i>	<u>35,939,439</u>
Deferred Inflows of Resources	
Property Taxes	2,144,612
Pension	92,765
OPEB	<u>2,155,219</u>
<i>Total Deferred Inflows of Resources</i>	<u>4,392,596</u>
Net Position	
Net Investment in Capital Assets	30,722,710
Restricted for:	
Capital Projects	10,154
Debt Service	415,461
Food Service	41,300
Classroom Facilities Maintenance	686,244
Athletics	7,052
Special Education	251,529
Other Purposes	612,911
Unrestricted (Deficit)	<u>(15,031,854)</u>
<i>Total Net Position</i>	<u>\$17,715,507</u>

See accompanying notes to the basic financial statements

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

	Program Revenues		Net (Expense) Revenue and Changes in Net Position	
	Expenses	Charges for Services and Sales	Operating Grants and Contributions	Governmental Activities
Governmental Activities				
Instruction:				
Regular	\$9,885,352	\$48,592	\$525,564	(\$9,311,196)
Special	3,942,722	0	1,992,085	(1,950,637)
Vocational	140,802	0	46,791	(94,011)
Student Intervention Services	213,293	0	1,510	(211,783)
Support Services:				
Pupil	806,091	0	352,577	(453,514)
Instructional Staff	463,108	0	267,956	(195,152)
Board of Education	35,045	0	0	(35,045)
Administration	1,723,578	0	482,523	(1,241,055)
Fiscal	434,060	0	0	(434,060)
Business	145,664	0	0	(145,664)
Operation and Maintenance of Plant	2,670,574	125,066	185,494	(2,360,014)
Pupil Transportation	450,066	0	177,863	(272,203)
Central	265,824	0	38,837	(226,987)
Operation of Non-Instructional Services	109,207	0	16,859	(92,348)
Operation of Food Services	879,363	11,607	691,145	(176,611)
Extracurricular Activities	754,947	39,946	118,242	(596,759)
Interest and Fiscal Charges	106,662	0	0	(106,662)
<i>Totals</i>	<u>\$23,026,358</u>	<u>\$225,211</u>	<u>\$4,897,446</u>	<u>(17,903,701)</u>
General Revenues				
Property Taxes Levied for:				
			1,974,794	
			188,708	
			24,913	
Grants and Entitlements not				
			14,647,249	
			34,379	
			14,557	
			475,786	
			<u>17,360,386</u>	
				(543,315)
				<u>18,258,822</u>
				<u>\$17,715,507</u>

See accompanying notes to the basic financial statements

Campbell City School District

Balance Sheet

Governmental Funds

June 30, 2021

	General	Title I	Other Governmental Funds	Total Governmental Funds
Assets				
Equity in Pooled Cash and				
Cash Equivalents	\$4,592,647	\$42,115	\$1,747,699	\$6,382,461
Accrued Interest Receivable	4,897	0	0	4,897
Intergovernmental Receivable	22,016	730,106	396,377	1,148,499
Interfund Receivable	581,385	0	0	581,385
Prepaid Items	24,145	0	0	24,145
Inventory Held for Resale	0	0	5,038	5,038
Materials and Supplies Inventory	0	0	1,778	1,778
Property Taxes Receivable	3,099,150	0	341,557	3,440,707
<i>Total Assets</i>	<u>\$8,324,240</u>	<u>\$772,221</u>	<u>\$2,492,449</u>	<u>\$11,588,910</u>
Liabilities				
Accounts Payable	\$79,183	\$744	\$23,634	\$103,561
Accrued Wages and Benefits	1,435,419	117,377	95,446	1,648,242
Contracts Payable	1,430	0	0	1,430
Interfund Payable	0	318,157	263,228	581,385
Intergovernmental Payable	524,979	1,441	38,964	565,384
Retainage Payable	0	0	44,690	44,690
Unearned Revenue	725,685	0	0	725,685
<i>Total Liabilities</i>	<u>2,766,696</u>	<u>437,719</u>	<u>465,962</u>	<u>3,670,377</u>
Deferred Inflows of Resources				
Property Taxes	1,930,277	0	214,335	2,144,612
Unavailable Revenue	1,117,946	539,361	334,544	1,991,851
<i>Total Deferred Inflows of Resources</i>	<u>3,048,223</u>	<u>539,361</u>	<u>548,879</u>	<u>4,136,463</u>
Fund Balances				
Nonspendable	24,145	0	1,778	25,923
Restricted	417	0	1,593,643	1,594,060
Committed	19,184	0	2,500	21,684
Assigned	198,174	0	0	198,174
Unassigned (Deficit)	2,267,401	(204,859)	(120,313)	1,942,229
<i>Total Fund Balances</i>	<u>2,509,321</u>	<u>(204,859)</u>	<u>1,477,608</u>	<u>3,782,070</u>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i>	<u>\$8,324,240</u>	<u>\$772,221</u>	<u>\$2,492,449</u>	<u>\$11,588,910</u>

See accompanying notes to the basic financial statements

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

Total Governmental Fund Balances	\$3,782,070
 <i>Amounts reported for governmental activities in the statement of net position are different because:</i>	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	41,288,569
Other long-term assets are not available to pay for current-period expenditures and therefore are reported as unavailable revenue in the funds:	
Delinquent Property Taxes	1,220,695
Intergovernmental	754,219
Tuition and Fees	<u>16,937</u>
Total	1,991,851
Vacation benefits payable is not expected to be paid with expendable available financial resources and therefore is not reported in the funds.	(148,256)
In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due.	(7,730)
The net OPEB asset and net pension/OPEB liabilities are not due and payable in the current period; therefore, the asset, liabilities and related deferred inflows/outflows are not reported in the funds:	
Net OPEB Asset	1,053,744
Deferred Outflows - Pension	3,914,615
Deferred Outflows - OPEB	783,089
Net Pension Liability	(19,617,733)
Net OPEB Liability	(1,749,836)
Deferred Inflows - Pension	(92,765)
Deferred Inflows - OPEB	<u>(2,155,219)</u>
Total	(17,864,105)
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:	
General Obligation Bonds	(8,015,514)
Certificates of Participation	(2,029,779)
Capital Lease Payable	(551,528)
Compensated Absences	<u>(730,071)</u>
Total	<u>(11,326,892)</u>
 <i>Net Position of Governmental Activities</i>	 <u><u>\$17,715,507</u></u>

See accompanying notes to the basic financial statements

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

	General	Title I	Other Governmental Funds	Total Governmental Funds
Revenues				
Property Taxes	\$1,945,876	\$0	\$215,736	\$2,161,612
Intergovernmental	15,764,916	945,751	2,629,566	19,340,233
Interest	13,492	0	1,246	14,738
Tuition and Fees	48,213	0	0	48,213
Extracurricular Activities	2,130	0	37,816	39,946
Contributions and Donations	34,379	0	8,016	42,395
Charges for Services	0	0	11,607	11,607
Rentals	125,066	0	0	125,066
Miscellaneous	469,633	0	6,153	475,786
<i>Total Revenues</i>	<u>18,403,705</u>	<u>945,751</u>	<u>2,910,140</u>	<u>22,259,596</u>
Expenditures				
Current:				
Instruction:				
Regular	8,130,346	0	551,292	8,681,638
Special	2,692,480	667,771	201,005	3,561,256
Vocational	137,399	0	0	137,399
Student Intervention Services	210,499	0	2,794	213,293
Support Services:				
Pupil	462,229	39,569	305,691	807,489
Instructional Staff	100,986	121,059	121,883	343,928
Board of Education	27,929	0	0	27,929
Administration	1,300,085	158,982	219,520	1,678,587
Fiscal	416,372	0	6,788	423,160
Business	117,581	0	0	117,581
Operation and Maintenance of Plant	2,075,599	0	150,077	2,225,676
Pupil Transportation	321,200	0	45,020	366,220
Central	233,873	20,000	14,900	268,773
Operation of Non-Instructional Services	67,616	4,719	36,872	109,207
Operation of Food Services	56,992	0	697,962	754,954
Extracurricular Activities	334,371	0	140,449	474,820
Capital Outlay	0	0	706,705	706,705
Debt Service:				
Principal Retirement	230,766	0	875,000	1,105,766
Interest and Fiscal Charges	35,001	0	93,006	128,007
<i>Total Expenditures</i>	<u>16,951,324</u>	<u>1,012,100</u>	<u>4,168,964</u>	<u>22,132,388</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>1,452,381</u>	<u>(66,349)</u>	<u>(1,258,824)</u>	<u>127,208</u>
Other Financing Sources (Uses)				
Sale of Capital Assets	3,454	0	0	3,454
Transfers In	0	0	767,629	767,629
Transfers Out	(767,629)	0	0	(767,629)
<i>Total Other Financing Sources (Uses)</i>	<u>(764,175)</u>	<u>0</u>	<u>767,629</u>	<u>3,454</u>
<i>Net Change in Fund Balances</i>	688,206	(66,349)	(491,195)	130,662
<i>Fund Balances Beginning of Year</i>	<u>1,821,115</u>	<u>(138,510)</u>	<u>1,968,803</u>	<u>3,651,408</u>
<i>Fund Balances End of Year</i>	<u>\$2,509,321</u>	<u>(\$204,859)</u>	<u>\$1,477,608</u>	<u>\$3,782,070</u>

See accompanying notes to the basic financial statements

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

Net Change in Fund Balances - Total Governmental Funds	\$130,662
<i>Amounts reported for governmental activities in the statement of activities are different because:</i>	
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation exceeded capital outlay in the current period:	
Capital Asset Additions	643,762
Current Year Depreciation	<u>(1,514,965)</u>
Total	(871,203)
Governmental funds only report the disposal of capital assets to the extent proceeds are received from the sale. In the statement of activities, a gain or loss is reported for each disposal.	
	(10,564)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental funds:	
Delinquent Property Taxes	26,803
Intergovernmental	196,265
Tuition and Fees	<u>379</u>
Total	223,447
Repayment of long-term obligations is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.	
	1,105,766
Contractually required contributions are reported as expenditures in governmental funds; however, the statement of net position reports these amounts as deferred outflows:	
Pension	1,427,742
OPEB	<u>55,341</u>
Total	1,483,083
Except for amounts reported as deferred outflows/inflows, changes in the net pension/OPEB asset or liability are reported as pension/OPEB expense in the statement of activities:	
Pension	(2,681,137)
OPEB	<u>25,692</u>
Total	(2,655,445)
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds:	
Accrued Interest	832
Amortization of Premium	<u>20,513</u>
Total	21,345
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds:	
Vacation Benefits Payable	24,901
Compensated Absences	<u>4,693</u>
Total	<u>29,594</u>
<i>Change in Net Position of Governmental Activities</i>	<u><u>(\$543,315)</u></u>

See accompanying notes to the basic financial statements

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

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Property Taxes	\$1,904,514	\$1,998,141	\$1,998,141	\$0
Intergovernmental	15,922,954	15,922,681	15,922,681	0
Interest	47,745	47,745	47,745	0
Tuition and Fees	48,223	48,213	48,213	0
Contributions and Donations	34,244	34,244	34,244	0
Rentals	12,932	12,932	12,932	0
Miscellaneous	381,125	406,940	406,940	0
<i>Total Revenues</i>	18,351,737	18,470,896	18,470,896	0
Expenditures				
Current:				
Instruction:				
Regular	9,011,889	8,150,579	8,150,579	0
Special	2,976,886	2,692,370	2,692,370	0
Vocational	151,616	137,125	137,125	0
Student Intervention Services	232,743	210,499	210,499	0
Support Services:				
Pupil	538,555	487,083	487,083	0
Instructional Staff	147,186	133,119	133,119	0
Board of Education	29,070	26,292	26,292	0
Administration	1,445,595	1,307,432	1,307,432	0
Fiscal	458,799	414,949	414,949	0
Business	137,186	124,074	124,074	0
Operation and Maintenance of Plant	2,242,224	2,027,924	2,027,924	0
Pupil Transportation	362,239	327,618	327,618	0
Central	269,598	243,831	243,831	0
Operation of Non-Instructional Services	72,196	65,296	65,296	0
Extracurricular Activities	366,791	331,735	331,735	0
Debt Service:				
Principal Retirement	230,766	230,766	230,766	0
Interest and Fiscal Charges	35,001	35,001	35,001	0
<i>Total Expenditures</i>	18,708,340	16,945,693	16,945,693	0
<i>Excess of Revenues Over (Under) Expenditures</i>	(356,603)	1,525,203	1,525,203	0
Other Financing Sources (Uses)				
Sale of Capital Assets	0	3,454	3,454	0
Advances In	231,969	231,969	231,969	0
Advances Out	(231,969)	(601,584)	(601,584)	0
Transfers Out	(1,330,089)	(767,629)	(767,629)	0
<i>Total Other Financing Sources (Uses)</i>	(1,330,089)	(1,133,790)	(1,133,790)	0
<i>Net Change in Fund Balance</i>	(1,686,692)	391,413	391,413	0
<i>Fund Balance Beginning of Year</i>	3,595,400	3,595,400	3,595,400	0
Prior Year Encumbrances Appropriated	257,039	257,039	257,039	0
<i>Fund Balance End of Year</i>	\$2,165,747	\$4,243,852	\$4,243,852	\$0

See accompanying notes to the basic financial statements

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

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Intergovernmental	\$1,153,088	\$755,006	\$755,006	\$0
Expenditures				
Current:				
Instruction:				
Special	909,729	655,946	655,946	0
Support Services:				
Pupil	56,869	41,005	41,005	0
Instructional Staff	197,564	142,451	142,451	0
Administration	222,783	160,635	160,635	0
Central	27,738	20,000	20,000	0
Operation of Non-Instructional Services	12,317	8,881	8,881	0
<i>Total Expenditures</i>	<u>1,427,000</u>	<u>1,028,918</u>	<u>1,028,918</u>	<u>0</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(273,912)</u>	<u>(273,912)</u>	<u>(273,912)</u>	<u>0</u>
Other Financing Sources (Uses)				
Advances In	318,157	318,157	318,157	0
Advances Out	(64,501)	(64,501)	(64,501)	0
<i>Total Other Financing Sources (Uses)</i>	<u>253,656</u>	<u>253,656</u>	<u>253,656</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	(20,256)	(20,256)	(20,256)	0
<i>Fund Balance Beginning of Year</i>	6,748	6,748	6,748	0
Prior Year Encumbrances Appropriated	20,256	20,256	20,256	0
<i>Fund Balance End of Year</i>	<u>\$6,748</u>	<u>\$6,748</u>	<u>\$6,748</u>	<u>\$0</u>

See accompanying notes to the basic financial statements

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

Note 1 – Description of the School District

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

The School District operates under a locally-elected five-member Board form of government and provides educational services as mandated by State and federal agencies. The Board of Education controls the School District's 3 instructional/support facilities staffed by 122 certified employees and 95 classified employees who provide services to 1,033 students and other community members.

Reporting Entity

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

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

The School District is associated with two jointly governed organizations and two shared risk pools. These organizations are the Area Cooperative Computerized Educational Service System Council of Governments, Mahoning County Career and Technical Center, the Mahoning County School Employees Insurance Consortium and the Schools of Ohio Risk Sharing Authority. These organizations are presented in Notes 16 and 19 to the basic financial statements.

Note 2 – Summary of Significant Accounting Policies

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

Basis of Presentation

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

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

Government-wide Financial Statements The statement of net position and the statement of activities display information about the School District as a whole. These statements include the financial activities of the primary government. These statements usually distinguish between those activities of the School District that are governmental and those that are considered business-type. The School District, however, has no business-type activities.

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

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

Fund Accounting

The School District uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self balancing set of accounts. There are three categories of funds: governmental, proprietary and fiduciary. The School District has no proprietary funds or fiduciary funds.

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

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

Title I Fund The title I fund is used to account for and report restricted Federal grant monies used to assist the School District in meeting the special needs of educationally deprived children.

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

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

Measurement Focus

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

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

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. Differences in the accrual and the modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred outflows/inflows of resources and in the presentation of expenses versus expenditures.

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

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

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

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

Unearned Revenue Unearned revenue represents amounts under the accrual and modified accrual basis of accounting for which asset recognition criteria have been met, but for which revenue recognition criteria have not yet been met because the amounts have not yet been earned. The School District recognizes unearned revenue for the long-term leasing of a telecommunication tower and for space leased by Campbell Library in the School District's new Community Literacy Workforce Cultural Center.

Deferred Outflows/Inflows of Resources In addition to assets, the statements of financial position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. For the School District, deferred outflows of resources are reported on the government-wide statement of net position for pension and OPEB plans. The deferred outflows of resources related to pension and OPEB plans are explained in Notes 13 and 14.

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

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

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

Budgetary Data

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

Campbell City School District
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For the Fiscal Year Ended June 30, 2021

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

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

Cash and Cash Equivalents

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

During fiscal year 2021, investments were limited to STAR Ohio, first American government obligations funds, commercial paper, negotiable certificates of deposit, federal national mortgage association notes, federal home loan mortgage corporation notes, federal farm credit bank bonds and U.S. treasury notes.

Except for nonparticipating investment contracts and STAR Ohio, 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 School District's commercial paper is measured at amortized cost as it is a highly liquid debt instrument with a remaining maturity at the time of purchase of less than one year. The School District measures its investments in the first American government obligations funds at the net asset value (NAV) per share provided by First American Funds.

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

For fiscal year 2021, there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, twenty-four hours advance notice is appreciated for deposits and withdrawals of \$100 million or more. STAR Ohio reserves the right to limit the transactions to \$250 million per day, requiring the excess amount to be transacted the following business day(s), but only to the \$250 million limit. All accounts of the participant will be combined for these purposes.

Campbell City School District
Notes to the Basic Financial Statements
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Following Ohio statutes, the Board of Education has, by resolution, identified the funds to receive an allocation of interest earnings. Interest revenue credited to the general fund during fiscal year 2021 amounted to \$13,492, which includes \$2,887 assigned from other School District funds.

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

Prepaid Items

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

Inventory

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

Capital Assets

All capital assets of the School District are general capital assets. These assets generally result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide statement of net position but are not reported in the fund financial statements.

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

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

<u>Description</u>	<u>Estimated Lives</u>
Land Improvements	15 - 30 years
Buildings and Improvements	20 - 50 years
Furniture, Fixtures and Equipment	5 - 20 years
Vehicles	8 - 10 years

Interfund Balances

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

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

Compensated Absences

Vacation benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is probable that the School District will compensate the employees for the benefits through paid time off or some other means. The School District records a liability for accumulated unused vacation time when earned for all employees with more than one year of service. Since the School District's policy limits the accrual of vacation time to one year from the employee's anniversary date, the outstanding liability is recorded as "vacation benefits payable" on the statement of net position rather than as a long-term liability.

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

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

Pensions/Other Postemployment Benefits (OPEB)

For purposes of measuring the net pension/OPEB liabilities (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 plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. The pension/OPEB plans report investments at fair value.

Accrued Liabilities and Long-term Obligations

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements.

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

Internal Activity

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

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

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

Fund Balance

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

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

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

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

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

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

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

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

Net Position

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

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

Bond Premiums

On the government-wide financial statements, bond premiums are deferred and amortized for the term of the bonds using the straight-line method since the results are not significantly different from the effective interest method. Bond premiums are presented as an increase of the face amount of the bonds payable. On governmental fund statements, bond premiums are receipted in the year the bonds are issued. Under Ohio law, premiums on the original issuance of debt are to be deposited to the bond retirement fund to be used for debt retirement and are precluded from being applied to the project fund. Ohio law does allow premiums on refunding debt to be used as part of the payment to the bond escrow agent.

Estimates

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

Note 3 – Fund Deficits

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

<i>Major Fund:</i>	
Title I	\$204,859
<i>Other Governmental Funds:</i>	
Title IV Part B 21st Century Learning	29,601
IDEA-B Special Education	39,715
Limited English Proficiency	18,643
Reducing Class Size	12,651
Miscellaneous Federal Grants	19,703

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

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

Note 4 – Fund Balances

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

Fund Balances	General	Title I	Other Governmental Funds	Total
<i>Nonspendable</i>				
Prepays	\$24,145	\$0	\$0	\$24,145
Materials and Supplies Inventory	0	0	1,778	1,778
<i>Total Nonspendable</i>	24,145	0	1,778	25,923
<i>Restricted for</i>				
Capital Projects	0	0	10,154	10,154
Debt Service	0	0	393,024	393,024
Food Service	0	0	40,796	40,796
Classroom Facilities Maintenance	0	0	627,687	627,687
Student Activities and Wellness	0	0	431,860	431,860
Athletics	0	0	7,052	7,052
Other Purposes:				
Scholarships	0	0	42,808	42,808
School/Community Programs	0	0	30,583	30,583
Non-Public Schools	0	0	2,413	2,413
Data and Information Systems	0	0	8	8
Early Literacy Reading Programs	0	0	7,258	7,258
New Teacher Mentoring	200	0	0	200
Professional Development	217	0	0	217
<i>Total Restricted</i>	417	0	1,593,643	1,594,060
<i>Committed to</i>				
Capital Projects	0	0	2,500	2,500
Purchases on Order:				
ESC Services	14,614	0	0	14,614
Legal Services	4,570	0	0	4,570
<i>Total Committed</i>	19,184	0	2,500	21,684
<i>Assigned to</i>				
Public School Support	7,379	0	0	7,379
Recreation	20,614	0	0	20,614
Special Enterprise	1,892	0	0	1,892
Purchases on Order:				
Instruction	26,017	0	0	26,017
Support Services/Non-Instructional	141,702	0	0	141,702
Extracurricular Activities	570	0	0	570
<i>Total Assigned</i>	198,174	0	0	198,174
<i>Unassigned (Deficit)</i>	2,267,401	(204,859)	(120,313)	1,942,229
<i>Total Fund Balances</i>	\$2,509,321	(\$204,859)	\$1,477,608	\$3,782,070

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

Note 5 – Budgetary Basis of Accounting

While the School District is reporting financial position, results of operations and changes in fund balance on the basis of generally accepted accounting principles (GAAP), the budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances. The statement of revenues, expenditures and changes in fund balance – budget (non-GAAP basis) and actual for the general fund and the major special revenue fund are presented on the budgetary basis to provide a meaningful comparison of actual results with the budget. The major differences between the budget basis and GAAP basis are as follows:

1. Revenues are recorded when received in cash (budget) as opposed to when susceptible to accrual (GAAP).
2. Advances In and Advances Out are operating transactions (budget) as opposed to balance sheet transactions (GAAP).
3. Investments are reported at cost (budget basis) rather than fair value (GAAP basis).
4. Expenditures are recorded when paid in cash (budget) as opposed to when the liability is incurred (GAAP).
5. Budgetary revenues and expenditures of the public school support, recreation and special enterprise funds are reclassified to the general fund for GAAP reporting.
6. Encumbrances are treated as expenditures (budget) rather than as restricted, committed or assigned fund balance (GAAP).

The following tables summarize the adjustments necessary to reconcile the GAAP basis statements to the budgetary basis statements for the general and the major special revenue fund.

Net Change in Fund Balance		
	General	Title I
GAAP Basis	\$688,206	(\$66,349)
Revenue Accruals	305,426	(190,745)
Advances In	231,696	318,157
Beginning Fair Value Adjustment for Investments	91,777	0
Ending Fair Value Adjustment for Investments	(57,313)	0
Expenditure Accruals	11,761	18,549
Advances Out	(601,584)	(64,501)
Perspective Difference:		
Public School Support	(618)	0
Recreation	(22,601)	0
Special Enterprise	95	0
Encumbrances	(255,432)	(35,367)
Budget Basis	\$391,413	(\$20,256)

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

Note 6 – Deposits and Investments

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

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

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

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.

Interim monies held by the School District can be deposited or invested in the following securities:

1. United States Treasury bills, bonds, notes, or any other obligation or security issued by the United States Treasury, or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligation or security issued by any federal government agency or instrumentality including, but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, and Government National Mortgage Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above, provided the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio, and with certain limitations including a requirement for maturity within ten years from the date of settlement, bonds and other obligations of political subdivisions of the State of Ohio, if training requirements have been met;
5. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
6. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;

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

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

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

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.

Deposits

Custodial Credit Risk for deposits is the risk that in the event of a bank failure, the School District will not be able to recover deposits or collateral securities that are in the possession of an outside party. At June 30, 2021, \$533,379 of the School District's total bank balance of \$2,691,456 was exposed to custodial credit risk because those deposits were uninsured and uncollateralized. The School District's financial institution participates in the Ohio Pooled Collateral System (OPCS) and was approved for a reduced collateral floor of 60 percent resulting in the uninsured and uncollateralized balance.

The School District has no deposit policy for custodial risk beyond the requirements of State statute. Ohio law requires that deposits either be insured or be protected by:

Eligible securities pledged to the School District and deposited with a qualified trustee by the financial institution as security for repayment whose market value at all times shall be at least 105 percent of the deposits being secured; or

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 market value of the securities pledged to be 102 percent of the deposits being secured or a rate set by the Treasurer of State.

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

Investments

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

Measurement/Investment	Measurement Amount	Maturity	Standard & Poor's Rating	Percentage of Total Investments
Net Asset Value Per Share:				
STAR Ohio	\$599,423	Average 54.4 Days	AAAm	N/A
First American Government Obligations Fund	20,120	Less than one year	AAAm	N/A
Total Net Asset Value Per Share	<u>619,543</u>			
Amortized Cost:				
Commercial Paper	476,920	Less than one year	A-1 or A-1+	13.60
Fair Value - Level Two Inputs:				
Federal National Mortgage Association Notes	155,371	Less than four years	AA+	4.43
Federal Home Loan Mortgage Corporation Notes	119,022	Less than five years	AA+	3.39
US Treasury Notes	139,202	Less than five years	AA+	3.97
Federal Farm Credit Bank Bonds	139,121	Less than five years	AA+	3.97
Negotiable Certificates of Deposit	1,856,903	Less than four years	N/A	52.96
Total	<u>\$3,506,082</u>			

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

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

Credit Risk The Standard and Poor's ratings of the School Districts investments are listed in the preceding table. The negotiable certificates of deposit are unrated. The School District has no investment policy that addresses credit risk.

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

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

Note 7 – Property Taxes

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

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

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

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

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

The amount available as an advance at June 30, 2021, was \$67,864 in the general fund, \$852 in the classroom facilities special revenue fund and \$6,684 in the bond retirement debt service fund. The amount available as an advance at June 30, 2020, was \$120,129 in the general fund, \$1,502 in the classroom facilities special revenue fund and \$12,169 in the bond retirement debt service fund.

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

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

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

	2020 Second Half Collections		2021 First Half Collections	
	Amount	Percent	Amount	Percent
Real Estate	\$56,658,130	92.59%	\$67,072,000	93.12%
Public Utility Personal	4,533,240	7.41	4,956,410	6.88
Total	\$61,191,370	100.00%	\$72,028,410	100.00%
Full Tax Rate per \$1,000 of assessed valuation	\$44.65		\$41.75	

The total gross tax rate decreased in order to generate the correct collection amounts for the emergency levy and the bond levy.

Note 8 – Receivables

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

A summary of the principal items of intergovernmental receivables follows:

Governmental Activities	Amounts
Title I Grants	\$730,106
Title IV Part B 21st Century Learning Grant	101,571
ESSER Grant	84,769
IDEA-B Special Education Grant	74,859
Federal Subsidies - Breakfast and Lunch	68,353
Public Preschool Grant	28,000
Reducing Class Size Grant	20,787
Miscellaneous Federal Grants	17,641
State Foundation Adjustments	16,937
Medicaid Reimbursement	5,079
Coronavirus Relief Grant	397
Total	\$1,148,499

Campbell City School District
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For the Fiscal Year Ended June 30, 2021

Note 9 – Contingencies

Grants

The School District received financial assistance from federal and State agencies in the form of grants. The expenditure of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the general fund or other applicable funds. However, in the opinion of management, the effect of any such disallowed claims on the overall financial position of the School District at June 30, 2021, if applicable, cannot be determined at this time.

School Foundation

In fiscal year 2021, School District foundation funding was based on the annualized full-time equivalent (FTE) enrollment of each student. The Ohio Department of Education (ODE) is legislatively required to adjust/reconcile funding as enrollment information is updated by schools throughout the State, which can extend past the fiscal year end. The ODE has finalized the impact of enrollment adjustments to the June 30, 2021 foundation funding for the School District.

Litigation

The School District is not party to legal proceedings.

Note 10 – Risk Management

Property and Liability

The School District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees and natural disasters. During fiscal year 2021, the School District contracted with Schools of Ohio Risk Sharing Authority (SORSA) for property and liability insurance. The comprehensive commercial insurance coverage limits are \$75,626,803 with a \$1,000 deductible. The business auto coverage limits are \$15,000,000 for liability and \$1,000,000 for uninsured motorists. The School District has liability insurance coverage limits of \$15,000,000 per claim and \$17,000,000 general aggregate.

Employee Health Benefits

For fiscal 2021, the School District was a participant in the Mahoning County School Employees Insurance Consortium (the “Consortium”) to provide employee health, dental, vision and prescription drug benefits. The Consortium is administered by Anthem.

Contribution rates are calculated and set through an annual update process. The School District pays a monthly contribution which is placed in a common fund from which claims or payments are made for all participating school districts and claims are paid for all participants regardless of claims flow. The Consortium is responsible for paying health plan claims up to \$300,000 per individual per year. Any claims exceeding the \$300,000 is covered by the School District’s stop-loss carrier.

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Effective January 1, 2019, the School District provides full-time employees with 89 percent Board paid hospitalization, prescription drug, dental and vision.

Postemployment health care is provided to plan participants or their beneficiaries through the respective retirement systems discussed in Note 14. As such, no funding provisions are required by the School District.

Worker's Compensation

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

Note 11 – Other Employee Benefits

Compensated Absences

The criteria for determining vacation and sick leave benefits are derived from negotiated agreements and State laws. Classified employees earn ten to twenty days of vacation per year, depending upon length of service and hours worked. The Superintendent and the Treasurer earn 30 days of vacation annually. Accumulated, unused vacation is not paid out to employees upon termination of employment. Teachers do not earn vacation.

Teachers, administrators and classified employees earn sick leave at the rate of one and one-fourth days per month. Upon retirement, certificated and classified employees with ten to fifteen years of service receive payment for fifteen percent of the total sick leave accumulation up to a maximum of thirty-two days. Certificated employees with sixteen years or more of service upon retirement receive payment for twenty-five percent of the total sick leave accumulation, up to a maximum of sixty-two days. Classified employees with sixteen years or more of service upon retirement receive payment for twenty-five percent of the total sick leave accumulation, up to a maximum of sixty days.

Life Insurance Benefits

The School District provides life insurance to all employees through Educational Employees Life Insurance Trust in the amount of \$50,000 for employees who work 2,080 hours or more per year and \$27,000 for employees who work less than 2,080 hours per year. Premiums are paid by the School District.

Campbell City School District
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For the Fiscal Year Ended June 30, 2021

Note 12 – Capital Assets

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

Governmental Activities	Balance 6/30/2020	Additions	Deductions	Balance 6/30/2021
<i>Capital Assets not being Depreciated:</i>				
Land	\$150,278	\$0	\$0	\$150,278
Construction in Progress	20,000	29,500	(49,500)	0
<i>Total Nondepreciable Capital Assets</i>	170,278	29,500	(49,500)	150,278
<i>Capital Assets being Depreciated:</i>				
Land Improvements	1,023,687	217,713	0	1,241,400
Buildings and Improvements	55,399,419	415,633	0	55,815,052
Furniture, Fixtures and Equipment	3,523,578	30,416	0	3,553,994
Vehicles	1,277,082	0	(105,638)	1,171,444
<i>Total Capital Assets being Depreciated</i>	61,223,766	663,762	(105,638)	61,781,890
<i>Less Accumulated Depreciation:</i>				
Land Improvements	(962,253)	(27,477)	0	(989,730)
Buildings and Improvements	(15,135,587)	(1,220,953)	0	(16,356,540)
Furniture, Fixtures and Equipment	(2,374,375)	(186,054)	0	(2,560,429)
Vehicles	(751,493)	(80,481)	95,074	(736,900)
<i>Total Accumulated Depreciation</i>	(19,223,708)	(1,514,965) *	95,074	(20,643,599)
<i>Total Assets being Depreciated, Net</i>	42,000,058	(851,203)	(10,564)	41,138,291
<i>Governmental Activities Capital Assets, Net</i>	\$42,170,336	(\$821,703)	(\$60,064)	\$41,288,569

*Depreciation expense was charged to governmental activities as follows:

Instruction:	
Regular	\$512,258
Special	124,843
Vocational	2,220
Support Services:	
Instructional Staff	136,157
Board of Education	7,116
Administration	53,557
Fiscal	10,737
Business	25,191
Operation and Maintenance of Plant	154,469
Pupil Transportation	77,083
Food Service Operation	125,705
Extracurricular Activities	285,629
Total Depreciation Expense	\$1,514,965

Campbell City School District
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For the Fiscal Year Ended June 30, 2021

Note 13 – Defined Benefit Pension Plans

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

Net Pension Liability/Net OPEB Liability

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

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

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

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

The proportionate share of each plan’s unfunded benefits is presented as a *net OPEB asset* or long-term *net pension/OPEB liability* on the accrual basis of accounting. Any liability for the contractually-required pension/OPEB contribution outstanding at the end of the year is included in *intergovernmental payable* on both the accrual and modified accrual bases of accounting. The remainder of this note includes the required pension disclosures. See Note 14 for the required OPEB disclosures.

Plan Description - School Employees Retirement System (SERS)

Plan Description – School District non-teaching employees participate in SERS, a cost-sharing multiple-employer defined benefit pension plan administered by SERS. SERS provides retirement, disability and survivor benefits, and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by Ohio Revised Code Chapter 3309. SERS issues a publicly available, stand-alone

Campbell City School District
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For the Fiscal Year Ended June 30, 2021

financial report that includes financial statements, required supplementary information and detailed information about SERS' fiduciary net position. That report can be obtained by visiting the SERS website at www.ohsers.org under Employers/Audit Resources.

Age and service requirements for retirement are as follows:

	Eligible to Retire on or before August 1, 2017 *	Eligible to Retire on or after August 1, 2017
Full Benefits	Any age with 30 years of service credit	Age 67 with 10 years of service credit; or Age 57 with 30 years of service credit
Actuarially Reduced Benefits	Age 60 with 5 years of service credit Age 55 with 25 years of service credit	Age 62 with 10 years of service credit; or Age 60 with 25 years of service credit

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

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

An individual whose benefit effective date is before April 1, 2018, is eligible for a cost of living adjustment (COLA) on the first anniversary date of the benefit. Beginning April 1, 2018, new benefit recipients must wait until the fourth anniversary of their benefit for COLA eligibility. The COLA is added each year to the base benefit amount on the anniversary date of the benefit. A three-year COLA suspension is in effect for all benefit recipients for the years 2018, 2019, and 2020. Upon resumption of the COLA, it will be indexed to the percentage increase in the CPI-W, not to exceed 2.5 percent and with a floor of 0 percent. In 2020, the Board of Trustees approved a 0.5 percent cost-of-living adjustment (COLA) for eligible retirees and beneficiaries in 2021.

Funding Policy – Plan members are required to contribute 10 percent of their annual covered salary and the School District is required to contribute 14 percent of annual covered payroll. The contribution requirements of plan members and employers are established and may be amended by the SERS' Retirement Board up to statutory maximum amounts of 10 percent for plan members and 14 percent for employers. The Retirement Board, acting with the advice of the actuary, allocates the employer contribution rate among four of the System's funds (Pension Trust Fund, Death Benefit Fund, Medicare B Fund, and Health Care Fund). For the fiscal year ended June 30, 2021, the allocation to pension, death benefits, and Medicare B was 14.0 percent. For fiscal year 2021, the Retirement Board did not allocate any employer contribution to the Health Care Fund.

The School District's contractually required contribution to SERS was \$400,666 for fiscal year 2021. Of this amount \$71,533 is reported as an intergovernmental payable.

Plan Description - State Teachers Retirement System (STRS)

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

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

The DB plan offers an annual retirement allowance based on final average salary multiplied by a percentage that varies based on years of service. Effective August 1, 2015, the calculation is 2.2 percent of final average salary for the five highest years of earnings multiplied by all years of service. In April 2017, the Retirement Board made the decision to reduce COLA granted on or after July 1, 2017, to 0 percent to preserve the fiscal integrity of the retirement system. Benefit recipients' base benefit and past cost-of living increases are not affected by this change. Eligibility changes will be phased in until August 1, 2026, when retirement eligibility for unreduced benefits will be five year 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 at any age.

The DC Plan allows members to place all their member contributions and 9.53 percent of the 14 percent employer contributions into an investment account. The member determines how to allocate the member and employer money among various investment choices offered by STRS. The remaining 4.47 percent of the 14 percent employer rate is allocated to the defined benefit unfunded liability. A member is eligible to receive a retirement benefit at age 50 and termination of employment. The member may elect to receive a lifetime monthly annuity or a lump sum withdrawal.

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

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

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

Funding Policy – Employer and member contribution rates are established by the State Teachers Retirement Board and limited by Chapter 3307 of the Ohio Revised Code. The fiscal year 2021 employer and employee contribution rate of 14 percent was equal to the statutory maximum rates. For fiscal year 2021, the full employer contribution was allocated to pension.

Campbell City School District
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The School District's contractually required contribution to STRS was \$1,027,076 for fiscal year 2021. Of this amount \$182,623 is reported as an intergovernmental payable.

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

The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The School District's proportion of the net pension liability was based on the School District's share of contributions to the pension plan relative to the contributions of all participating entities. Following is information related to the proportionate share and pension expense:

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Proportion of the Net Pension Liability:			
Current Measurement Date	0.07726200%	0.05995700%	
Prior Measurement Date	<u>0.07181110%</u>	<u>0.05864558%</u>	
Change in Proportionate Share	<u>0.00545090%</u>	<u>0.00131142%</u>	
Proportionate Share of the Net			
Pension Liability	\$5,110,272	\$14,507,461	\$19,617,733
Pension Expense	\$723,474	\$1,957,663	\$2,681,137

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

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Deferred Outflows of Resources			
Differences between expected and actual experience	\$9,926	\$32,551	\$42,477
Changes of assumptions	0	778,771	778,771
Net difference between projected and actual earnings on pension plan investments	324,399	705,499	1,029,898
Changes in proportionate Share and difference between School District contributions and proportionate share of contributions	225,941	409,786	635,727
School District contributions subsequent to the measurement date	<u>400,666</u>	<u>1,027,076</u>	<u>1,427,742</u>
Total Deferred Outflows of Resources	<u>\$960,932</u>	<u>\$2,953,683</u>	<u>\$3,914,615</u>
Deferred Inflows of Resources			
Differences between expected and actual experience	<u>\$0</u>	<u>\$92,765</u>	<u>\$92,765</u>

\$1,427,742 reported as deferred outflows of resources related to pension resulting from School District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the fiscal year ending June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

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	SERS	STRS	Total
Fiscal Year Ending June 30:			
2022	\$151,801	\$618,437	\$770,238
2023	171,685	356,149	527,834
2024	135,216	490,985	626,201
2025	101,564	368,271	469,835
Total	\$560,266	\$1,833,842	\$2,394,108

Actuarial Assumptions - SERS

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

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

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

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

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

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

Campbell City School District
Notes to the Basic Financial Statements
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The most recent experience study was completed for the five year period ended June 30, 2015.

The long-term return expectation for the Pension Plan Investments has been determined by using a building-block approach and assumes a time horizon, as defined in SERS' *Statement of Investment Policy*. A forecasted rate of inflation serves as the baseline for the return expectation. Various real return premiums over the baseline inflation rate have been established for each asset class. The long-term expected nominal rate of return has been determined by calculating an arithmetic weighted average of the expected real return premiums for each asset class, adding the projected inflation rate, and adding the expected return from rebalanced uncorrelated asset classes.

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

Discount Rate The total pension liability was calculated using the discount rate of 7.50 percent. The projection of cash flows used to determine the discount rate assumed the contributions from employers and from the members would be computed based on contribution requirements as stipulated by State statute. Projected inflows from investment earnings were calculated using the long-term assumed investment rate of return (7.50 percent). Based on those assumptions, the plan's fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefits to determine the total pension liability.

Sensitivity of the School District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate Net pension liability is sensitive to changes in the discount rate, and to illustrate the potential impact the following table presents the net pension liability calculated using the discount rate of 7.50 percent, as well as what each plan's net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.50 percent), or one percentage point higher (8.50 percent) than the current rate.

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
School District's proportionate share of the net pension liability	\$7,000,448	\$5,110,272	\$3,524,377

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Notes to the Basic Financial Statements
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Actuarial Assumptions – STRS

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

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

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

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

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

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

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

Campbell City School District
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Discount Rate The discount rate used to measure the total pension liability was 7.45 percent as of June 30, 2020. The projection of cash flows used to determine the discount rate assumes that member and employer contributions will be made at the statutory contribution rates in accordance with rate increases described above. For this purpose, only employer contributions that are intended to fund benefits of current plan members and their beneficiaries are included. Based on those assumptions, STRS' fiduciary net position was projected to be available to make all projected future benefit payments to current plan members as of June 30, 2020. Therefore, the long-term expected rate of return on pension plan investments of 7.45 percent was applied to all periods of projected benefit payment to determine the total pension liability as of June 30, 2020.

Sensitivity of the School District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate The following table presents the School District's proportionate share of the net pension liability calculated using the current period discount rate assumption of 7.45 percent, as well as what the School District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one-percentage-point lower (6.45 percent) or one-percentage-point higher (8.45 percent) than the current rate:

	1% Decrease (6.45%)	Current Discount Rate (7.45%)	1% Increase (8.45%)
School District's proportionate share of the net pension liability	\$20,656,098	\$14,507,461	\$9,297,002

Note 14 – Defined Benefit OPEB Plans

See note 13 for a description of the net OPEB liability

Plan Description - School Employees Retirement System (SERS)

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

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.

Campbell City School District
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Funding Policy - State statute permits SERS to fund the health care benefits through employer contributions. Each year, after the allocation for statutorily required pensions and benefits, the Retirement Board may allocate the remainder of the employer contribution of 14 percent of covered payroll to the Health Care Fund in accordance with the funding policy. For fiscal year 2021, no allocation was made to health care. An additional health care surcharge on employers is collected for employees earning less than an actuarially determined minimum compensation amount, pro-rated if less than a full year of service credit was earned. For fiscal year 2021, this amount was \$23,000. Statutes provide that no employer shall pay a health care surcharge greater than 2 percent of that employer's SERS-covered payroll; nor may SERS collect in aggregate more than 1.5 percent of the total statewide SERS-covered payroll for the health care surcharge. For fiscal year 2021, the School District's surcharge obligation was \$55,341.

The surcharge, added to the allocated portion of the 14 percent employer contribution rate is the total amount assigned to the Health Care Fund. The School District's contractually required contribution to SERS was \$55,341 for fiscal year 2021. Of this amount \$55,341 is reported as an intergovernmental 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 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. All benefit recipients pay a portion of the health care costs in the form of a monthly premium. Under Ohio law, funding for post-employment health care may be deducted from employer contributions, currently 14 percent of covered payroll. For the fiscal year ended June 30, 2021, STRS did not allocate any employer contributions to post-employment health care.

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

The net OPEB liability (asset) was measured as of June 30, 2020, and the total OPEB liability used to calculate the net OPEB liability (asset) was determined by an actuarial valuation as of that date. The School District's proportion of the net OPEB liability (asset) was based on the School District's share of contributions to the respective retirement systems relative to the contributions of all participating entities. Following is information related to the proportionate share and OPEB expense:

	SERS	STRS	Total
Proportion of the Net OPEB Liability:			
Current Measurement Date	0.08051420%	0.05995700%	
Prior Measurement Date	0.07353770%	0.05864558%	
Change in Proportionate Share	0.00697650%	0.00131142%	
Proportionate Share of the:			
Net OPEB Liability	\$1,749,836	\$0	\$1,749,836
Net OPEB (Asset)	\$0	(\$1,053,744)	(\$1,053,744)
OPEB Expense	\$27,188	(\$52,880)	(\$25,692)

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

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Deferred Outflows of Resources			
Differences between expected and actual experience	\$22,982	\$67,518	\$90,500
Changes of assumptions	298,287	17,394	315,681
Net difference between projected and actual earnings on OPEB plan investments	19,716	36,929	56,645
Changes in proportionate Share and difference between School District contributions and proportionate share of contributions	226,151	38,771	264,922
School District contributions subsequent to the measurement date	<u>55,341</u>	<u>0</u>	<u>55,341</u>
Total Deferred Outflows of Resources	<u><u>\$622,477</u></u>	<u><u>\$160,612</u></u>	<u><u>\$783,089</u></u>
Deferred Inflows of Resources			
Differences between expected and actual experience	\$889,915	\$209,891	\$1,099,806
Changes of assumptions	44,075	1,000,879	1,044,954
Changes in Proportionate Share and Difference between School District contributions and proportionate share of contributions	<u>10,459</u>	<u>0</u>	<u>10,459</u>
Total Deferred Inflows of Resources	<u><u>\$944,449</u></u>	<u><u>\$1,210,770</u></u>	<u><u>\$2,155,219</u></u>

\$55,341 reported as deferred outflows of resources related to OPEB resulting from School District contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability or an increase to the net OPEB asset in the year ending June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Fiscal Year Ending June 30:	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
2022	(\$78,860)	(\$262,333)	(\$341,193)
2023	(77,433)	(237,337)	(314,770)
2024	(77,665)	(228,568)	(306,233)
2025	(73,958)	(224,796)	(298,754)
2026	(52,794)	(46,513)	(99,307)
Thereafter	<u>(16,603)</u>	<u>(50,611)</u>	<u>(67,214)</u>
Total	<u><u>(\$377,313)</u></u>	<u><u>(\$1,050,158)</u></u>	<u><u>(\$1,427,471)</u></u>

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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, 2020, are presented below:

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

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

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

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

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consultant for each major asset class. These ranges were combined to produce the long-term expected rate of return, 7.50 percent, by weighting the expected future real rates of return by the target asset allocation percentage and then adding expected inflation. The capital market assumptions developed by the investment consultant are intended for use over a 10-year horizon and may not be useful in setting the long-term rate of return for funding pension plans which covers a longer timeframe. The assumption is intended to be a long-term assumption and is not expected to change absent a significant change in the asset allocation, a change in the inflation assumption, or a fundamental change in the market that alters expected returns in future years.

The SERS health care plan follows the same asset allocation and long-term expected real rate of return for each major asset class as the pension plan, see Note 13.

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

Sensitivity of the School District's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate and Changes in the Health Care Cost Trend Rates The net OPEB liability is sensitive to changes in the discount rate and the health care cost trend rate. The following table presents the net OPEB liability of SERS, what SERS' net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (1.63%) and higher (3.63%) than the current discount rate (2.63%). Also shown is what SERS' net OPEB liability would be based on health care cost trend rates that are 1 percentage point lower (6.00% decreasing to 3.75%) and higher (8.00% decreasing to 5.75%) than the current rate.

	1% Decrease (1.63%)	Current Discount Rate (2.63%)	1% Increase (3.63%)
School District's proportionate share of the net OPEB liability	\$2,141,757	\$1,749,836	\$1,438,261
	1% Decrease (6.00 % decreasing to 3.75%)	Current Trend Rate (7.00 % decreasing to 4.75%)	1% Increase (8.00 % decreasing to 5.75%)
School District's proportionate share of the net OPEB liability	\$1,377,864	\$1,749,836	\$2,247,261

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Actuarial Assumptions – STRS

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

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

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

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

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

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

The STRS health care plan follows the same asset allocation and long-term expected real rate of return for each major asset class as the pension plan, see Note 13.

Discount Rate The discount rate used to measure the total OPEB liability was 7.45 percent as of June 30, 2020. The projection of cash flows used to determine the discount rate assumes STRS continues to allocate no employer contributions to the health care fund. Based on these assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments to current plan members as of June 30, 2020. Therefore, the long-term expected rate of return on health care plan investments of 7.45 percent was used to measure the total OPEB liability as of June 30, 2020.

Campbell City School District
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Sensitivity of the School District's Proportionate Share of the Net OPEB Asset to Changes in the Discount and Health Care Cost Trend Rate The following table represents the net OPEB asset as of June 30, 2020, calculated using the current period discount rate assumption of 7.45 percent, as well as what the net OPEB asset would be if it were calculated using a discount rate that is one percentage point lower (6.45 percent) or one percentage point higher (8.45 percent) than the current assumption. Also shown is the net OPEB asset as if it were calculated using health care cost trend rates that are one percentage point lower or one percentage point higher than the current health care cost trend rates.

	1% Decrease (6.45%)	Current Discount Rate (7.45%)	1% Increase (8.45%)
School District's proportionate share of the net OPEB asset	(\$916,825)	(\$1,053,744)	(\$1,169,913)

	1% Decrease	Current Trend Rate	1% Increase
School District's proportionate share of the net OPEB asset	(\$1,162,702)	(\$1,053,744)	(\$921,015)

Note 15 – Interfund Transactions

Interfund Transfers

The general fund transferred \$750,171 and \$17,458 to the bond retirement debt service fund and the permanent improvement capital project fund, respectively, for debt retirement and construction projects.

Interfund Balances

The general fund reported an interfund receivable at June 30, 2021, \$581,385. The title I fund and other governmental funds had interfund payables of \$318,157 and \$263,228, respectively, due to the timing of grant receipts. All advances are expected to be repaid within one year.

Note 16 – Jointly Governed Organizations

Area Cooperative Computerized Educational Service System Council of Governments

The Area Cooperative Computerized Educational Service System (ACCESS) Council of Governments is a computer network which provides data services to twenty-three school districts. The jointly governed organization was formed for the purpose of applying modern technology with the aid of computers and other electronic equipment to administrative and instructional functions among member districts. Each of the governments of these schools supports ACCESS based upon a per pupil charge before any e-rate credits. The School District paid \$25,610 to ACCESS during fiscal year 2021. ACCESS is governed by an assembly consisting of the superintendents or other designees of the member school districts. The assembly exercises total control over the operation of ACCESS including budgeting, appropriating, contracting and designating management. The degree of control exercised by any participating school district is limited to its representation on the Board. All of ACCESS revenues are generated from charges for services and State funding. Financial information can be obtained by contacting the Treasurer of the Access Council of Governments, 493 Bev Road, Unit 1, Boardman, Ohio 44514.

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Mahoning County Career and Technical Center

The Mahoning County Career and Technical Center is a distinct political subdivision of the State of Ohio operated under the direction of a Board consisting of representatives from the participating school districts' elected boards, which possesses its own budgeting and taxing authority. The degree of control exercised by any participating school district is limited to its representation on the Board. The School District did not contribute any amounts to the Mahoning County Career and Technical Center during fiscal year 2021. To obtain financial information, write to the Treasurer of the Career and Technical Center at 7300 North Palmyra Road, Canfield, Ohio 44406.

Note 17 – Capital Lease

In prior years, the School District entered into a capital lease for the construction of a stadium facility. The lease obligation meets the criteria of a capital lease and has been recorded on the government-wide statements. The original amounts capitalized for the capital lease and the book value as of June 30, 2021, are as follows:

	Amounts
Asset:	
Land Improvements	\$145,171
Buildings and Improvements	2,689,829
Furniture, Fixtures and Equipment	125,958
Vehicles	33,848
Less: Accumulated Depreciation	(1,583,616)
Current Book Value	\$1,411,190

The following is a schedule of the future long-term minimum lease payments required under the capital lease and the present value of the minimum lease payments as of June 30, 2021:

Fiscal Year Ending June 30,	Capital Leases
2022	\$266,078
2023	265,725
2024	36,985
2025	19,453
Total Minimum Lease Payments	588,241
Less: Amount Representing Interest	(36,713)
Present Value of Minimum Lease Payments	\$551,528

Campbell City School District
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Note 18 – Long-Term Obligations

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

Debt Issue	Interest Rate	Original Issue	Year of Maturity
2010 Various Purpose Refunding Bonds:			
Current Interest Serial Bonds	2.90% to 3.70%	\$1,185,000	2018 to 2023
2013 Energy Conservation Improvement Bonds:			
Current Issue Term Bonds	3.20% to 4.00%	480,000	2019 to 2029
2017 Qualified Zone Academy Bonds:			
Serial Bonds	0.00%	9,000,000	2018 to 2033
2019 Certificates of Participation			
Serial Bonds	2.00% to 3.00%	1,285,000	2020 to 2030
Term Bonds	3.25% to 4.00%	715,000	2031 to 2034

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

	Principal Outstanding 6/30/20	Additions	Deductions	Principal Outstanding 6/30/21	Amounts Due in One Year
General Obligation Bonds:					
2010 Various Purpose Refunding Bonds					
Current Interest Serial Bonds	\$620,000	\$0	(\$200,000)	\$420,000	\$205,000
Premium	33,505	0	(13,864)	19,641	0
Total 2010 Various Purpose Refunding Bonds	<u>653,505</u>	<u>0</u>	<u>(213,864)</u>	<u>439,641</u>	<u>205,000</u>
2013 Energy Conservation Improvement Bonds					
Current Interest Term Bonds	405,000	0	(40,000)	365,000	40,000
Premium	12,339	0	(1,466)	10,873	0
Total 2013 Energy Conservation Improvement Bonds	<u>417,339</u>	<u>0</u>	<u>(41,466)</u>	<u>375,873</u>	<u>40,000</u>
2017 Qualified Zone Academy Bonds (QZAB)					
Serial Bonds	7,800,000	0	(600,000)	7,200,000	600,000
<i>Total General Obligation Bonds</i>	<u>8,870,844</u>	<u>0</u>	<u>(855,330)</u>	<u>8,015,514</u>	<u>845,000</u>
Certificates of Participation:					
2019 Certificates of Participation					
Current Interest Serial Bonds	1,285,000	0	(35,000)	1,250,000	40,000
Current Interest Term Bonds	715,000	0	0	715,000	0
Premium	69,962	0	(5,183)	64,779	0
Total 2019 Certificates of Participation	<u>2,069,962</u>	<u>0</u>	<u>(40,183)</u>	<u>2,029,779</u>	<u>40,000</u>
Other Long-Term Obligations:					
Net Pension Liability					
SERS	4,296,584	813,688	0	5,110,272	0
STRS	12,969,117	1,538,344	0	14,507,461	0
Total Net Pension Liability	<u>17,265,701</u>	<u>2,352,032</u>	<u>0</u>	<u>19,617,733</u>	<u>0</u>
Net OPEB Liability					
SERS	1,849,318	0	(99,482)	1,749,836	0
Capital Lease Payable	782,294	0	(230,766)	551,528	242,557
Compensated Absences	734,764	86,754	(91,447)	730,071	83,169
<i>Total Other Long-Term Obligations</i>	<u>20,632,077</u>	<u>2,438,786</u>	<u>(421,695)</u>	<u>22,649,168</u>	<u>325,726</u>
<i>Total Governmental Activities</i>					
<i>Long-Term Liabilities</i>	<u>\$31,572,883</u>	<u>\$2,438,786</u>	<u>(\$1,317,208)</u>	<u>\$32,694,461</u>	<u>\$1,210,726</u>

Campbell City School District
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Compensated absences will be paid from the general fund and the food service, IDEA-B Special Education and Title I special revenue funds. Capital leases will be paid from the general fund. There are no repayment schedules for the net pension liability and net OPEB liability; however, employer pension and OPEB contributions are made from the general fund. For additional information related to the net pension and net OPEB liabilities, see Notes 13 and 14.

On March 23, 2010, the School District issued \$1,635,000 in general obligation bonds to refund a portion of the 2000 various purpose improvement bonds. The general obligation bonds included serial, term and capital appreciation (deep discount) bonds in the amount of \$1,185,000, \$325,000 and \$125,000, respectively. The bonds were issued for a twelve year period with a final maturity at December 1, 2022. The bonds will be retired from the bond retirement debt service fund. The term and capital appreciation bonds have been retired in full.

On December 3, 2013, the School District issued \$592,000 in energy conservation improvement bonds for energy improvements to various School District buildings. The energy conservation improvement bonds included serial, term and capital appreciation (deep discount) bonds in the amount of \$70,000, \$480,000 and \$42,000, respectively. The bonds were issued for a fifteen year period with a final maturity at December 1, 2028. The bonds will be repaid from the bond retirement debt service fund. The serial and capital appreciation bonds have been retired in full.

The term bonds are being repaid through annual debt service repayments through fiscal year 2029. The term bonds maturing on December 1, 2023 and 2028 are subject to mandatory sinking fund redemption at a redemption price of 100 percent of the principal amount to be redeemed, plus accrued interest to the date of redemption, on December 1 in the years and in the respective principal amounts as follows:

Fiscal Year	Issue	
	\$240,000	\$240,000
2022	\$40,000	\$0
2023	40,000	0
2025	0	45,000
2026	0	45,000
2027	0	50,000
2028	0	50,000
Total Mandatory Sinking		
Fund Payments	80,000	190,000
Amount Due at Stated Maturity	45,000	50,000
Total	\$125,000	\$240,000
<i>Stated Maturity</i>	<i>12/1/2023</i>	<i>12/1/2028</i>

On December 14, 2017, the School District issued \$9,000,000 in qualified zone academy bonds (QZAB), in accordance with House of Representatives Bill 1424, the Emergency Economic Stabilization Act of 2008 (Public Law 110-343) as provided for under Sections 54A and 54E of the Internal Revenue Code of 1986, to be used for the development of a Community Literacy Workforce and Cultural Center that would include a STEM Academy and provide students with early college and workforce experience. The bonds come due annually and are subject to annual debt service requirements. The bonds will be repaid from the bond retirement debt service fund. The QZAB does not bear interest.

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On July 9, 2019, the School District issued \$2,000,000 in Certificates of Participation (COPS) for the purpose of acquisition, construction, equipping, installation and rehabilitation of building improvements which included \$1,285,000 in serial bonds and \$715,000 in term bonds. The certificates of participation were issued for a fourteen year period with final maturity in fiscal year 2033. The certificates will be paid from property taxes from the bond retirement debt service fund. The COPs were issued through a series of lease agreements and trust indentures in accordance with Section 3313.375 of the Ohio Revised Code. The COPs have been designated to be “qualified tax exempt obligations” within the meaning of 265(b)(3) of the Ohio Revised Code. In accordance with the lease terms, the project assets are leased to the Ohio School Building Leasing Corporation, and then subleased back to the School District. The COPs were issued through a series of annual leases with the right to renew for successive one-year terms through fiscal year 2034 subject to annual appropriations. To satisfy the trustee agreements, the School District is required to make annual base rent payments, subject to the lease terms and appropriations, semi-annually. The base rent includes an interest component of 2 to 4 percent. The School District has the option to purchase the renovations on any lease payment date by paying the amount necessary to defease the indenture. The certificates of participation were issued at a premium of \$75,144. This premium will be amortized over 14 years using the straight line method.

The term bonds mature on December 1, 2031 and 2033 are subject to mandatory sinking fund redemption at a redemption price of 100 percent of the principal amount to be redeemed, plus accrued interest to the date of redemption as follows:

Fiscal Year	Issue	
	\$345,000	\$370,000
2031	\$170,000	\$0
2033	0	180,000
Total Mandatory Sinking Fund Payments	170,000	180,000
Amount Due at Stated Maturity	175,000	190,000
Total	\$345,000	\$370,000
<i>Stated Maturity</i>	<i>12/1/2031</i>	<i>12/1/2033</i>

The School District’s overall debt margin was \$6,455,581 with an unvoted debt margin of \$72,028 at June 30, 2021. Principal and interest requirements to retire general obligation bonds are as follows:

Fiscal Year	Various Purpose Refunding Bonds		QZAB
	Serial		Serial
	Principal	Interest	Principal
2022	\$205,000	\$11,645	\$600,000
2023	215,000	3,977	600,000
2024	0	0	600,000
2025	0	0	600,000
2026	0	0	600,000
2027 - 2031	0	0	3,000,000
2032 - 2033	0	0	1,200,000
Total	\$420,000	\$15,622	\$7,200,000

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Fiscal Year	Energy Conservation Improvement Bonds		Certificates of Participation			
	Term		Serial		Term	
	Principal	Interest	Principal	Interest	Principal	Interest
2022	\$40,000	\$12,960	\$40,000	\$33,068	\$0	\$26,013
2023	40,000	11,680	135,000	30,444	0	26,012
2024	45,000	10,320	140,000	26,318	0	26,013
2025	45,000	8,700	145,000	22,044	0	26,012
2026	45,000	6,900	150,000	17,619	0	26,013
2027 - 2031	150,000	9,000	640,000	29,840	170,000	127,300
2032 - 2034	0	0	0	0	545,000	32,644
Total	\$365,000	\$59,560	\$1,250,000	\$159,333	\$715,000	\$290,007

Note 19 – Shared Risk Pools

Mahoning County School Employees Insurance Consortium The School District participates in the Mahoning County Schools Employees Insurance Consortium (Consortium). This is a shared risk pool composed of twelve Mahoning County School Districts. The Consortium 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 as the Board of Directors. The assembly exercises control over the operation of the Consortium. Consortium revenues are generated from charges for services.

Schools of Ohio Risk Sharing Authority The School District participates in the Schools of Ohio Risk Sharing Authority (SORSA), a shared risk pool among member school districts. SORSA was established in 2002 as an Ohio nonprofit, self-funded group insurance consortium that offers property, electronic data processing, boiler and machinery, crime, general liability, automobile liability and physical damage and school board errors and omissions insurance coverage. The Consortium is governed by a Board of Directors composed of representatives from the participating school districts. The Board of Directors exercises control over the operation of the Consortium. Consortium revenues are generated from charges for services.

Note 20 – Set-Aside Calculation

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

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

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

	Capital Improvements
Set-Aside Balance as of June 30, 2020	(\$620,000)
Current Year Set-Aside Requirement	192,565
Qualifying Disbursements	(74,821)
Offsets	(1,032,496)
Total	(\$1,534,752)
Set-Aside Balance Carried Forward to Future Fiscal Years	(\$420,000)
Set-Aside Balance as of June 30, 2021	\$0

The School District had a negative carryover balance and qualifying disbursements during the fiscal year that reduced the capital acquisition set-aside below zero. The negative balance being carried forward in the capital acquisition set-aside represents the still outstanding balance on the School District's Ohio Schools Facilities Commission bonds.

Note 21 – Encumbrances

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

General	\$255,432
Title I	35,367
Other Governmental Funds	211,076
Total	\$501,875

Note 22 – Change in Accounting Principle and Restatement of Net Position

Change in Accounting Principles

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

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

Restatement of Net Position

During fiscal year 2021, the School District had an asset appraisal performed and it was determined that net capital assets were overstated at June 30, 2020. The appraisal had an effect on construction in progress, depreciable assets, and depreciation because the Community Literacy Workforce and Cultural Center was considered to be completed as of the end of fiscal year 2020 even though a few residual retainage payments were not made until early fiscal year 2021.

	Beginning Balance 6/30/2020	Adjustments	Adjusted Balance 6/30/2020
Governmental Activities			
<i>Capital Assets not being Depreciated:</i>			
Land	\$150,278	\$0	\$150,278
Construction in Progress	14,204,500	(14,184,500)	20,000
<i>Total Nondepreciable Capital Assets</i>	<u>14,354,778</u>	<u>(14,184,500)</u>	<u>170,278</u>
<i>Capital Assets being Depreciated:</i>			
Land Improvements	1,179,352	(155,665)	1,023,687
Buildings and Improvements	41,406,247	13,993,172	55,399,419
Furniture, Fixtures and Equipment	5,209,908	(1,686,330)	3,523,578
Vehicles	1,281,723	(4,641)	1,277,082
<i>Total Capital Assets being Depreciated</i>	<u>49,077,230</u>	<u>12,146,536</u>	<u>61,223,766</u>
<i>Less Accumulated Depreciation:</i>			
Land Improvements	(1,098,611)	136,358	(962,253)
Buildings and Improvements	(14,381,260)	(754,327)	(15,135,587)
Furniture, Fixtures and Equipment	(4,719,086)	2,344,711	(2,374,375)
Vehicles	(734,385)	(17,108)	(751,493)
<i>Total Accumulated Depreciation</i>	<u>(20,933,342)</u>	<u>1,709,634</u>	<u>(19,223,708)</u>
<i>Total Assets being Depreciated, Net</i>	<u>28,143,888</u>	<u>13,856,170</u>	<u>42,000,058</u>
<i>Governmental Activities Capital Assets, Net</i>	<u>\$42,498,666</u>	<u>(\$328,330)</u>	<u>\$42,170,336</u>

The restatement for net capital assets had the following effect on net position as reported at June 30, 2020:

Net Position June 30, 2020	\$18,587,152
Adjustments:	
Capital Assets, Net	(328,330)
Restated Net Position June 30, 2020	<u>\$18,258,822</u>

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

Note 23 – COVID-19

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

Note 24 – Subsequent Event

For fiscal year 2022, School District foundation funding received from the state of Ohio will be funded using a direct funding model. Under this new model, community school, STEM school, scholarship, and open enrollment funding will be directly funded by the State of Ohio to the respective educating schools. For fiscal year 2021 and prior, the amounts related to students who were residents of the School District were funded to the School District who, in turn, made the payment to the educating school. For fiscal year 2021, the School District reported \$2,334,232 in revenue and expenditures/expense related to these programs. Also during fiscal year 2021, the school district reported \$15,231 in tuition and fees from the resident school districts which will be direct funded to the School District as the educating entity in fiscal year 2022. This new funding system calculates a unique base cost and a unique "per-pupil local capacity amount" for each School District. The School District's state core foundation funding is then calculated. Any change in funding will be subject to a phase in percentage of 16.67 percent for fiscal year 2022 and 33.33 percent for fiscal year 2023.

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

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Required Supplementary Information

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

	<u>2021</u>	<u>2020</u>	<u>2019</u>
School District's Proportion of the Net Pension Liability	0.07726200%	0.07181110%	0.06926250%
School District's Proportionate Share of the Net Pension Liability	\$5,110,272	\$4,296,584	\$3,966,792
School District's Covered Payroll	\$2,726,236	\$2,463,526	\$2,222,815
School District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered - Payroll	187.45%	174.41%	178.46%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	68.55%	70.85%	71.36%

(1) Information prior to 2014 is not available.

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

See accompanying notes to the required supplementary information

2018	2017	2016	2015	2014
0.06972700%	0.07292570%	0.07286820%	0.07805700%	0.07805700%
\$4,166,035	\$5,337,487	\$4,157,930	\$3,950,420	\$4,641,799
\$2,238,957	\$2,270,236	\$2,200,521	\$2,283,221	\$2,290,542
186.07%	235.11%	188.95%	173.02%	202.65%
69.50%	62.98%	69.16%	71.70%	65.52%

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

	2021	2020	2019
School District's Proportion of the Net OPEB Liability	0.08051420%	0.07353770%	0.07052230%
School District's Proportionate Share of the Net OPEB Liability	\$1,749,836	\$1,849,318	\$1,956,479
School District's Covered Payroll	\$2,726,236	\$2,463,526	\$2,222,815
School District's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered - Payroll	64.19%	75.07%	88.02%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	18.17%	15.57%	13.57%

(1) Information prior to 2017 is not available.

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

See accompanying notes to the required supplementary information

2018	2017
0.07050360%	0.07375020%
\$1,892,130	\$2,102,154
\$2,238,957	\$2,270,236
84.51%	92.60%
12.46%	11.49%

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

	<u>2021</u>	<u>2020</u>	<u>2019</u>
School District's Proportion of the Net Pension Liability	0.05995700%	0.05864558%	0.05734590%
School District's Proportionate Share of the Net Pension Liability	\$14,507,461	\$12,969,117	\$12,609,076
School District's Covered Payroll	\$7,267,443	\$6,936,600	\$6,544,457
School District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered - Payroll	199.62%	186.97%	192.67%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	75.50%	77.40%	77.30%

(1) Information prior to 2014 is not available.

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

See accompanying notes to the required supplementary information

2018	2017	2016	2015	2014
0.05626206%	0.05604610%	0.05626321%	0.05787598%	0.05787598%
\$13,365,173	\$18,760,318	\$15,549,506	\$14,077,441	\$16,768,955
\$6,262,564	\$5,901,036	\$5,878,264	\$5,858,686	\$6,172,769
213.41%	317.92%	264.53%	240.28%	271.66%
75.30%	66.80%	72.10%	74.70%	69.30%

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

	2021	2020	2019
School District's Proportion of the Net OPEB (Asset) Liability	0.05995700%	0.05864558%	0.05734590%
School District's Proportionate Share of the Net OPEB (Asset) Liability	(\$1,053,744)	(\$971,312)	(\$921,490)
School District's Covered Payroll	\$7,267,443	\$6,936,600	\$6,544,457
School District's Proportionate Share of the Net OPEB (Asset) Liability as a Percentage of its Covered - Payroll	-14.50%	-14.00%	-14.08%
Plan Fiduciary Net Position as a Percentage of the Total OPEB (Asset) Liability	182.10%	174.70%	176.00%

(1) Information prior to 2017 is not available.

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

See accompanying notes to the required supplementary information

<u>2018</u>	<u>2017</u>
0.05626206%	0.05604610%
\$2,195,139	\$2,997,360
\$6,262,564	\$5,901,036
35.05%	50.79%
47.10%	37.30%

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

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Net Pension Liability				
Contractually Required Contribution	\$400,666	\$381,673	\$332,576	\$300,080
Contributions in Relation to the Contractually Required Contribution	<u>(400,666)</u>	<u>(381,673)</u>	<u>(332,576)</u>	<u>(300,080)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
School District Covered Payroll (1)	\$2,861,900	\$2,726,236	\$2,463,526	\$2,222,815
Pension Contributions as a Percentage of Covered Payroll	<u>14.00%</u>	<u>14.00%</u>	<u>13.50%</u>	<u>13.50%</u>
Net OPEB Liability				
Contractually Required Contribution (2)	\$55,341	\$53,330	\$56,947	\$50,348
Contributions in Relation to the Contractually Required Contribution	<u>(55,341)</u>	<u>(53,330)</u>	<u>(56,947)</u>	<u>(50,348)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
OPEB Contributions as a Percentage of Covered Payroll	<u>1.93%</u>	<u>1.96%</u>	<u>2.31%</u>	<u>2.27%</u>
Total Contributions as a Percentage of Covered Payroll (2)	<u>15.93%</u>	<u>15.96%</u>	<u>15.81%</u>	<u>15.77%</u>

(1) The School District's covered payroll is the same for Pension and OPEB.

(2) Includes Surcharge

See accompanying notes to the required supplementary information

2017	2016	2015	2014	2013	2012
\$313,454	\$317,833	\$290,029	\$316,454	\$317,011	\$297,819
(313,454)	(317,833)	(290,029)	(316,454)	(317,011)	(297,819)
\$0	\$0	\$0	\$0	\$0	\$0
\$2,238,957	\$2,270,236	\$2,200,521	\$2,283,221	\$2,290,542	\$2,214,268
14.00%	14.00%	13.18%	13.86%	13.84%	13.45%
\$37,255	\$36,666	\$55,522	\$41,985	\$42,545	\$44,229
(37,255)	(36,666)	(55,522)	(41,985)	(42,545)	(44,229)
\$0	\$0	\$0	\$0	\$0	\$0
1.66%	1.62%	2.52%	1.84%	1.86%	2.00%
15.66%	15.62%	15.70%	15.70%	15.70%	15.45%

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

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Net Pension Liability				
Contractually Required Contribution	\$1,027,076	\$1,017,442	\$971,124	\$916,224
Contributions in Relation to the Contractually Required Contribution	<u>(1,027,076)</u>	<u>(1,017,442)</u>	<u>(971,124)</u>	<u>(916,224)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
School District Covered Payroll (1)	\$7,336,257	\$7,267,443	\$6,936,600	\$6,544,457
Pension Contributions as a Percentage of Covered Payroll	<u>14.00%</u>	<u>14.00%</u>	<u>14.00%</u>	<u>14.00%</u>
Net OPEB Liability				
Contractually Required Contribution	\$0	\$0	\$0	\$0
Contributions in Relation to the Contractually Required Contribution	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
OPEB Contributions as a Percentage of Covered Payroll	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>
Total Contributions as a Percentage of Covered Payroll	<u>14.00%</u>	<u>14.00%</u>	<u>14.00%</u>	<u>14.00%</u>

(1) The School District's covered payroll is the same for Pension and OPEB.

See accompanying notes to the required supplementary information

2017	2016	2015	2014	2013	2012
\$876,759	\$826,145	\$822,957	\$761,629	\$802,460	\$805,121
(876,759)	(826,145)	(822,957)	(761,629)	(802,460)	(805,121)
\$0	\$0	\$0	\$0	\$0	\$0
\$6,262,564	\$5,901,036	\$5,878,264	\$5,858,686	\$6,172,769	\$6,193,238
14.00%	14.00%	14.00%	13.00%	13.00%	13.00%
\$0	\$0	\$0	\$58,587	\$61,728	\$61,932
0	0	0	(58,587)	(61,728)	(61,932)
\$0	\$0	\$0	\$0	\$0	\$0
0.00%	0.00%	0.00%	1.00%	1.00%	1.00%
14.00%	14.00%	14.00%	14.00%	14.00%	14.00%

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

Net Pension Liability

Changes in Assumptions – SERS

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

Beginning with fiscal year 2017, amounts reported incorporate changes in assumptions used by SERS in calculating the total pension liability in the latest actuarial valuation. These assumptions compared with those used in fiscal year 2016 and prior are presented below:

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

Beginning with fiscal year 2017, mortality assumptions use mortality rates that are based on the RP-2014 Blue Collar Mortality Table with fully generational projection and a five year age set-back for both males and females. Amounts reported for fiscal year 2016 and prior, use mortality assumptions that are based on the 1994 Group Annuity Mortality Table set back one year for both men and women. Special mortality tables were used for the period after disability retirement.

Changes in Assumptions - STRS

Beginning with fiscal year 2018, amounts reported incorporate changes in assumptions and changes in benefit terms used by STRS in calculating the total pension liability in the latest actuarial valuation. These new assumptions compared with those used in fiscal year 2017 and prior are presented below:

	<u>Fiscal Year 2018</u>	<u>Fiscal Year 2017 and Prior</u>
Inflation	2.50 percent	2.75 percent
Projected salary increases	12.50 percent at age 20 to 2.50 percent at age 65	12.25 percent at age 20 to 2.75 percent at age 70
Investment Rate of Return	7.45 percent, net of investment expenses, including inflation	7.75 percent, net of investment expenses, including inflation
Payroll Increases	3 percent	3.5 percent
Cost-of-Living Adjustments (COLA)	0.0 percent, effective July 1, 2017	2 percent simple applied as follows: for members retiring before August 1, 2013, 2 percent per year; for members retiring August 1, 2013, or later, 2 percent COLA commences on fifth anniversary of retirement date.

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

Beginning with fiscal year 2018, post-retirement mortality rates for healthy retirees are based on the RP-2014 Annuitant Mortality Table with 50 percent of rates through age 69, 70 percent of rates between ages 70 and 79, 90 percent of rates between ages 80 and 84, and 100 percent of rates thereafter, projected forward generationally using mortality improvement scale MP-2016. Post-retirement disabled mortality rates are based on the RP-2014 Disabled Mortality Table with 90 percent of rates for males and 100 percent of rates for females, projected forward generationally using mortality improvement scale MP-2016. Pre-retirement mortality rates are based on RP-2014 Employee Mortality Table, projected forward generationally using mortality improvement scale MP-2016.

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

Net OPEB Liability

Changes in Assumptions – SERS

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

Municipal Bond Index Rate:	
Fiscal year 2021	2.45 percent
Fiscal year 2020	3.13 percent
Fiscal year 2019	3.62 percent
Fiscal year 2018	3.56 percent
Fiscal year 2017	2.92 percent
Single Equivalent Interest Rate, net of plan investment expense, including price inflation	
Fiscal year 2021	2.63 percent
Fiscal year 2020	3.22 percent
Fiscal year 2019	3.70 percent
Fiscal year 2018	3.63 percent
Fiscal year 2017	2.98 percent

Changes in Assumptions – STRS

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

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

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

Changes in Benefit Terms – STRS OPEB

For fiscal year 2018, the subsidy multiplier for non-Medicare benefit recipients was reduced from 2.1 percent to 1.9 percent per year of service. Medicare Part B premium reimbursements were discontinued for certain survivors and beneficiaries and all remaining Medicare Part B premium reimbursements will be discontinued beginning January 2020.

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

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

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

**CAMPBELL CITY SCHOOL DISTRICT
MAHONING COUNTY**

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

FEDERAL GRANTOR <i>Pass Through Grantor</i> Program / Cluster Title	Federal CFDA Number	Total Federal Receipts	Total Federal Expenditures
U.S. DEPARTMENT OF AGRICULTURE			
<i>Passed Through Ohio Department of Education:</i>			
Child Nutrition Cluster:			
COVID - 19 School Breakfast Program	10.553	\$29,946	\$29,946
School Breakfast Program	10.553	152,625	152,625
COVID - 19 National School Lunch Program	10.555	60,505	60,505
National School Lunch Program	10.555	342,183	342,183
Total Child Nutrition Cluster		<u>585,259</u>	<u>585,259</u>
Total U.S. Department of Agriculture		585,259	585,259
U.S. DEPARTMENT OF TREASURY			
<i>Passed Through Ohio Department of Education:</i>			
COVID-19 CRF - Coronavirus Relief Fund	21.019	62,411	62,808
COVID-19 CRF - Broadband Ohio	21.019	151,466	151,466
Total U.S. Department of Treasury		213,877	214,274
U.S. DEPARTMENT OF EDUCATION			
<i>Passed Through Ohio Department of Education:</i>			
Title I Grants to Local Educational Agencies - 2020	84.010	755,007	993,553
Total Title I Grants to Local Educational Agencies		<u>755,007</u>	<u>993,553</u>
Improving Teacher Quality State Grants (Title II-A) - 2020	84.367	74,819	74,888
Total Improving Teacher Quality State Grants		<u>74,819</u>	<u>74,888</u>
Title IV-A Student Support - 2020	84.424	46,190	59,860
Total Title IV-A Student Support		<u>46,190</u>	<u>59,860</u>
21st Century Grant - 2020	84.287	158,478	167,318
Total 21st Century Grant		<u>158,478</u>	<u>167,318</u>
Covid-19 ESSER Grant - 2021	84.425D	418,806	461,027
Total ESSER Grant		<u>418,806</u>	<u>461,027</u>
Special Education Cluster:			
Special Education Grants to States (IDEA, Part B) - 2020	84.027	267,833	267,406
<i>Passed Through Mahoning County Educational Service Center:</i>			
IDEA Preschool	84.173	4,272	4,272
Total Special Education Cluster		<u>272,105</u>	<u>271,678</u>
U.S. DEPARTMENT OF EDUCATION			
<i>Passed Through Mahoning County Educational Service Center:</i>			
Title III LEP Grant	84.365		18,643
Total Title III LEP Grant			<u>18,643</u>
Total U.S. Department of Education		1,725,405	2,046,967
Total Federal Awards Receipts and Expenditures		\$ 2,524,541	\$ 2,846,500

The accompanying notes are an integral part of this schedule.

**CAMPBELL CITY SCHOOL DISTRICT
MAHONING COUNTY**

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

NOTE A – BASIS OF PRESENTATION

The accompanying Schedule of Federal Awards Receipts and Expenditures (the Schedule) includes the federal award activity of Campbell City School District (the District's) under programs of the federal government for the year ended June 30, 2021. The information on this Schedule is prepared in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position or changes in net position of the District.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the cash basis of accounting. Such expenditures are recognized following the cost principles contained in Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, wherein certain types of expenditures may or may not be allowable or may be limited as to reimbursement.

NOTE C – INDIRECT COST RATE

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

NOTE D - CHILD NUTRITION CLUSTER

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

NOTE E – FOOD DONATION PROGRAM

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



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

Campbell City School District
Mahoning County
280 Sixth Street
Campbell, Ohio 44405

To the Board of Education:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Campbell City School District, Mahoning County, (the District) as of and for the ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated March 16, 2022, wherein we noted the financial impact of COVID-19 and the continuing emergency measures which may impact subsequent periods of the District.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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



Keith Faber
Auditor of State
Columbus, Ohio

March 16, 2022



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

Campbell City School District
Mahoning County
280 Sixth Street
Campbell, Ohio 44405

To the Board of Education:

Report on Compliance for the Major Federal Program

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

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to opine on the District's compliance for the District's major federal based on our audit of the applicable compliance requirements referred to above. Our compliance audit followed auditing standards generally accepted in the United States of America; the standards for financial audits included in the Comptroller General of the United States' *Government Auditing Standards*; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). These standards and the Uniform Guidance require us to plan and perform the audit to reasonably assure whether noncompliance with the applicable compliance requirements referred to above that could directly and materially affect a major federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on the Major Federal Program

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

Report on Internal Control Over Compliance

The District's management is responsible for establishing and maintaining effective internal control over compliance with the applicable compliance requirements referred to above. In planning and performing our compliance audit, we considered the District's internal control over compliance with the applicable requirements that could directly and materially affect a major federal program, to determine our auditing procedures appropriate for opining on the major federal program's compliance and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not to the extent needed to opine on the effectiveness of internal control over compliance. Accordingly, we have not opined on the effectiveness of the District's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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



Keith Faber
Auditor of State
Columbus, Ohio

March 16, 2022

**CAMPBELL CITY SCHOOL DISTRICT
MAHONING COUNTY**

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

1. SUMMARY OF AUDITOR'S RESULTS

<i>(d)(1)(i)</i>	Type of Financial Statement Opinion	Unmodified
<i>(d)(1)(ii)</i>	Were there any material weaknesses in internal control reported at the financial statement level (GAGAS)?	No
<i>(d)(1)(ii)</i>	Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?	No
<i>(d)(1)(iii)</i>	Was there any reported material noncompliance at the financial statement level (GAGAS)?	No
<i>(d)(1)(iv)</i>	Were there any material weaknesses in internal control reported for major federal programs?	No
<i>(d)(1)(iv)</i>	Were there any significant deficiencies in internal control reported for major federal programs?	No
<i>(d)(1)(v)</i>	Type of Major Programs' Compliance Opinion	Unmodified
<i>(d)(1)(vi)</i>	Are there any reportable findings under 2 CFR § 200.516(a)?	No
<i>(d)(1)(vii)</i>	Major Programs (list):	Nutrition Cluster (AL # 10.553, 10.555)
<i>(d)(1)(viii)</i>	Dollar Threshold: Type A/B Programs	Type A: > \$750,000 Type B: all others
<i>(d)(1)(ix)</i>	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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OHIO AUDITOR OF STATE KEITH FABER



CAMPBELL CITY SCHOOL DISTRICT

MAHONING COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

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



Certified for Release 3/31/2022

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

This report is a matter of public record and is available online at
www.ohioauditor.gov