



OHIO AUDITOR OF STATE
KEITH FABER



**CALDWELL EXEMPTED VILLAGE SCHOOL DISTRICT
NOBLE COUNTY
JUNE 30, 2021**

TABLE OF CONTENTS

TITLE	PAGE
Independent Auditor's Report	1
Prepared by Management:	
Management's Discussion and Analysis	5
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Position	15
Statement of Activities.....	16
Fund Financial Statements:	
Balance Sheet	
Governmental Funds	17
Reconciliation of Total Governmental Fund Balances to Net Position of Governmental Activities	18
Statement of Revenues, Expenditures, and Changes in Fund Balances Governmental Funds	19
Reconciliation of the Statements of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	20
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual (Budget Basis) General Fund.....	21
Statement of Fund Net Position	
Health Self-Insurance Internal Service Fund	22
Statement of Revenues, Expenses, and Changes in Fund Net Position Health Self-Insurance Internal Service Fund	23
Statement of Cash Flow	
Health Self-Insurance Internal Service Fund	24
Notes to the Basic Financial Statements	25

**CALDWELL EXEMPTED VILLAGE SCHOOL DISTRICT
NOBLE COUNTY
JUNE 30, 2021**

**TABLE OF CONTENTS
(Continued)**

TITLE	PAGE
Prepared by Management: (Continued)	
Required Supplementary Information:	
Schedule of the School District's Proportionate Share of the Net Pension Liability (School Employees Retirement System of Ohio).....	68
Schedule of the School District's Proportionate Share of the Net Pension Liability (State Teachers Retirement System of Ohio).....	70
Schedule of the School District's Proportionate Share of the Net OPEB Liability (School Employees Retirement System of Ohio).....	72
Schedule of the School District's Proportionate Share of the Net OPEB (Asset) Liability (State Teachers Retirement System of Ohio).....	74
Schedule of School District Contributions (School Employees Retirement System of Ohio)	76
Schedule of School District Contributions (State Teachers Retirement System of Ohio).....	78
Notes to Required Supplementary Information	81
Schedule of Expenditures of Federal Awards	85
Notes to the Schedule of Expenditures of Federal Awards.....	86
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i>	87
Independent Auditor's Report on Compliance with Requirements Applicable to Each Major Federal Program and on Internal Control Over Compliance Required by the Uniform Guidance.....	89
Schedule of Findings – 2 CFR § 200.515	91

OHIO AUDITOR OF STATE KEITH FABER



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

INDEPENDENT AUDITOR'S REPORT

Taylor Clark, Treasurer
Caldwell Exempted Village School District
516 Fairground Street
Caldwell, Ohio 43724

To the Board of Education:

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the major fund, and the aggregate remaining fund information of the Caldwell Exempted Village School District, Noble County, Ohio (the School District), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the School 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 School 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 School 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, the major fund, and the aggregate remaining fund information of the School District, as of June 30, 2021, and the respective changes in financial position and, where applicable, cash flows thereof and the budgetary comparison for the General Fund thereof for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 23 to the financial statements, the financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the School 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 School District's basic financial statements taken as a whole.

The Schedule of Expenditures of Federal Awards (the Schedule) 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 May 31, 2022, on our consideration of the School 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 School District's internal control over financial reporting and compliance.



Keith Faber
Auditor of State
Columbus, Ohio

May 31, 2022

This page intentionally left blank.

Caldwell Exempted Village School District, Ohio
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2021
Unaudited

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

Financial Highlights

Key financial highlights for fiscal year 2021 are as follows:

- Net position of governmental activities increased \$537,753.
- General revenues accounted for \$11,299,498 in revenue or 78 percent of all revenues. Program specific revenues in the form of charges for services, operating and capital grants, contributions, and interest accounted for \$3,106,320, or 22 percent of total revenues of \$14,405,818.
- The School District had \$13,868,065 in expenses related to governmental activities; only \$3,106,320 of these expenses were offset by program specific charges for services, operating and capital grants, contributions, and interest. General revenues of \$11,299,498 were adequate to provide for these programs.

Using this Annual Financial Report

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand the Caldwell Exempted Village School District as a financial whole, an entire operating entity. The statements then proceed to present a detailed outline of specific financial activities and conditions.

The Statement of Net Position and Statement of Activities provide information about the activities of the whole School District, presenting both an aggregate view of the School District's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. The fund financial statements also look at the School District's General Fund with all other non-major funds presented in total in one column. In the case of Caldwell Exempted Village School District, the General Fund is by far the most significant fund.

Government-Wide Financial Statements

Statement of Net Position and the Statement of Activities

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

Caldwell Exempted Village School District, Ohio
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2021
Unaudited

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

In the Statement of Net Position and the Statement of Activities, all of the School District's programs and services are reported as Governmental Activities including instruction, support services, operation of non-instructional services, extracurricular activities, and interest.

Reporting the School District's Most Significant Funds

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 other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The analysis of the School District's major fund begins on page 10. Fund financial reports provide detailed information about the School District's major funds. The School District uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the School District's most significant funds. The School District's only major governmental fund is the General 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 the balances left at fiscal year-end available for spending in future periods. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the School District's general government operations and the basic services it provides. Governmental fund information helps 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 differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is reconciled in the financial statements.

Proprietary Funds Proprietary funds use the same basis of accounting as business-type activities; therefore, these statements will essentially match. The School District's only fund of this type is the Self-Insurance Internal Service Fund. However, the activity of this fund is combined with the Governmental Activities on the entity wide financial statements.

The School District as a Whole

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

Caldwell Exempted Village School District, Ohio
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2021
Unaudited

Table 1
Net Position

	Governmental Activities		
	2021	2020 Restated	Change
Assets			
Current and Other Assets	\$17,251,553	\$15,398,211	\$1,853,342
Capital Assets, Net	4,419,666	4,028,419	391,247
<i>Total Assets</i>	<u>21,671,219</u>	<u>19,426,630</u>	<u>2,244,589</u>
Deferred Outflows of Resources			
Pension	1,928,435	1,998,518	(70,083)
OPEB	358,069	268,236	89,833
<i>Total Deferred Outflows of Resources</i>	<u>2,286,504</u>	<u>2,266,754</u>	<u>19,750</u>
Liabilities			
Current and Other Liabilities	1,610,243	1,174,499	435,744
Long-term Liabilities:			
Due Within One Year	137,815	95,315	42,500
Due in More than One Year:			
Net Pension Liability	9,680,847	8,817,671	863,176
Net OPEB Liability	817,045	912,560	(95,515)
Other Amounts	1,123,392	1,135,792	(12,400)
<i>Total Liabilities</i>	<u>13,369,342</u>	<u>12,135,837</u>	<u>1,233,505</u>
Deferred Inflows of Resources			
Property Taxes	3,820,105	2,986,941	833,164
Pension	96,667	538,153	(441,486)
OPEB	1,059,493	876,687	182,806
<i>Total Deferred Inflows of Resources</i>	<u>4,976,265</u>	<u>4,401,781</u>	<u>574,484</u>
Net Position			
Net Investment in Capital Assets	3,429,801	3,788,666	(358,865)
Restricted	787,938	322,462	465,476
Unrestricted	1,394,377	963,235	431,142
<i>Total Net Position</i>	<u>\$5,612,116</u>	<u>\$5,074,363</u>	<u>\$537,753</u>

The net pension liability (NPL) / net OPEB liability are two of the largest liabilities reported by the School District at June 30, 2021 and are reported pursuant to GASB Statement 68, "Accounting and Financial Reporting for Pension – an Amendment of GASB Statement 27" and GASB Statement 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions," which significantly revises the accounting for costs and liabilities related to other postemployment benefits (OPEB). For reasons discussed below, many end users of this financial statement will gain a clearer understanding of the School District's actual financial condition by adding deferred inflows related to pension and OPEB, the net pension liability and the net OPEB liability to the reported net position and subtracting deferred outflows related to pension and OPEB and the net OPEB asset.

Governmental Accounting Standards Board standards are national and apply to all government financial reports prepared in accordance with generally accepted accounting principles. Prior accounting for pensions (GASB 27) and postemployment benefits (GASB 45) focused on a funding approach. This approach limited pension and OPEB costs to contributions annually required by law, which may or may not be sufficient to fully fund each plan's net pension liability or net OPEB liability.

Caldwell Exempted Village School District, Ohio
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2021
Unaudited

GASB 68 and GASB 75 take an earnings approach to pension and OPEB accounting; however, the nature of Ohio's statewide pension/OPEB plans and state law governing those systems requires additional explanation in order to properly understand the information presented in these statements.

GASB 68 and GASB 75 require the net pension liability and the net OPEB liability to equal the School District's proportionate share of each plan's collective:

1. Present value of estimated future pension/OPEB benefits attributable to active and inactive employees' past service
2. Minus plan assets available to pay these benefits

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.

The employee enters the employment exchange with the knowledge that the employer's promise is limited not by contract but by law. The employer enters the exchange also knowing that there is a specific, legal limit to its contribution to the retirement system. In Ohio, there is no legal means to enforce the unfunded liability of the pension/OPEB plan as against the public employer. State law operates to mitigate/lessen the moral obligation of the public employer to the employee, because all parties enter the employment exchange with notice as to the law. The retirement system is responsible for the administration of the pension and OPEB plans.

Most long-term liabilities have set repayment schedules or, in the case of compensated absences (i.e. sick 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. 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 NetPosition.

In accordance with GASB 68 and GASB 75, the School District's statements prepared on an accrual basis of accounting include an annual pension expense and an annual OPEB expense for their proportionate share of each plan's change in net pension liability and net OPEB (asset) liability, respectively, not accounted for as deferred inflows/outflows.

Caldwell Exempted Village School District, Ohio
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2021
Unaudited

Total assets increased \$2,244,589. Current and other assets increased \$1,853,342, which was mainly due to an increase in cash and cash equivalents in the amount of \$643,674 and the increase in property taxes receivables of \$1,030,043. The School District realized an increase in tax revenue as a result of increases in public utilities property values. The School District realized an increase in State and federal grants, which resulted in an increase of cash balances. Intergovernmental receivables increased by \$293,441 from the prior fiscal year due to new and additional grant awards in fiscal year 2021. The School District also realized an increase in State Foundation. The School District reflects a net OPEB asset in the amount of \$529,706. See Note 16 for more information. Capital Assets increased by \$391,247 due to current year capital asset additions exceeding current year deletions and depreciation expense.

Total deferred outflows of resources increased in the amount of \$19,750. This increase was primarily due to the increase in the changes of assumptions related to the School District's proportionate share of the net pension and the increase in projected versus actual earnings on pension plan investments.

Total liabilities increased \$1,233,505. Long-term liabilities increased \$797,761 due to the net effect between the increase in the net pension/OPEB liability in the amount of \$767,661 and the net increase in other long-term liabilities in the amount of \$30,100. The net pension/OPEB liability net increase represents the School District's proportionate share of the STRS and SERS unfunded benefits. Changes in pension benefits, contribution rates, and return on investments affect the balance of the net pension/OPEB liability. Claims payable increased by \$88,500, due to an increase in actuarial estimates provided by a third party administrator from fiscal year 2021 to fiscal year 2020.

Total deferred inflows of resources increased \$574,484. This increase was the result of three factors; an increase in deferred inflows of resources for property taxes, a decrease in deferred inflows of resources related to pension due to changes in pension plan investments, and an increase in deferred inflows of resources related to OPEB due to changes in assumptions.

This space intentionally left blank.

Caldwell Exempted Village School District, Ohio
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2021
Unaudited

Table 2 shows the changes in net position for fiscal year 2021 compared to fiscal year 2020:

Table 2
Changes in Net Position

	2021	2020 Restated	Change
Revenues			
Program Revenues:			
Charges for Services and Sales	\$557,906	\$681,636	(\$123,730)
Operating Grants, Contributions, and Interest	2,427,824	1,657,462	770,362
Capital Grants and Contributions	120,590	0	120,590
Total Program Revenues	<u>3,106,320</u>	<u>2,339,098</u>	<u>767,222</u>
General Revenues:			
Property Taxes	5,366,455	4,963,546	402,909
Grants and Entitlements	5,705,520	5,721,123	(15,603)
Interest	14,066	122,485	(108,419)
Gifts and Donations	5,652	1,741	3,911
Miscellaneous	207,805	79,587	128,218
Total General Revenues	<u>11,299,498</u>	<u>10,888,482</u>	<u>411,016</u>
Total Revenues	<u>14,405,818</u>	<u>13,227,580</u>	<u>1,178,238</u>
Program Expenses			
Instruction:			
Regular	6,018,098	5,359,557	658,541
Special	2,135,719	1,904,471	231,248
Vocational	193,650	149,354	44,296
Adult/Continuing	2,229	3,845	(1,616)
Student Intervention	562	5,960	(5,398)
Support Services:			
Pupils	593,362	553,513	39,849
Instructional Staff	485,259	361,933	123,326
Board of Education	106,314	77,253	29,061
Administration	1,250,189	1,152,423	97,766
Fiscal	457,589	402,045	55,544
Business	1,903	4,531	(2,628)
Operation and Maintenance of Plant	1,067,477	845,032	222,445
Pupil Transportation	693,644	772,445	(78,801)
Central	1,900	4,750	(2,850)
Operation of Non-Instructional Services	552,849	528,206	24,643
Extracurricular Activities	296,306	299,145	(2,839)
Interest	11,015	2,706	8,309
Total Expenses	<u>13,868,065</u>	<u>12,427,169</u>	<u>1,440,896</u>
Change in Net Position	537,753	800,411	(262,658)
Net Position Beginning of Year	<u>5,074,363</u>	<u>4,273,952</u>	<u>800,411</u>
Net Position End of Year	<u>\$5,612,116</u>	<u>\$5,074,363</u>	<u>\$537,753</u>

Caldwell Exempted Village School District, Ohio
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2021
Unaudited

Net position increased by \$537,753. Overall revenues reflect an increase of \$1,178,238, primarily due to an increase in property taxes of \$402,909 and an increase in operating grants, contributions, and interest of \$770,362. The increase in operating grants, contributions, and interest is due mainly to increases in state and federal grant programs. In fiscal year 2021, 37 percent of the School District's total revenues were from property taxes and 40 percent were from unrestricted grants and entitlements.

Approximately 60 percent of the School District's budget for expenditures is used to fund instructional expenses. Support services make up approximately 34 percent of expenses and approximately 6 percent is used for operation of non-instructional services, extracurricular activities, and interest.

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

Table 3
Governmental Activities

	<u>Total Cost of Services</u> 2021	<u>Net Cost of Services</u> 2021	<u>Total Cost of Services</u> 2020	<u>Net Cost of Services</u> 2020
Program Expenses				
Instruction:				
Regular	\$6,018,098	\$5,190,750	\$5,359,557	\$4,797,985
Special	2,135,719	1,296,834	1,904,471	1,143,723
Vocational	193,650	133,041	149,354	73,593
Adult/Continuing	2,229	2,229	3,845	3,845
Student Intervention	562	562	5,960	5,960
Support Services:				
Pupils	593,362	274,084	553,513	324,741
Instructional Staff	485,259	103,506	361,933	216,686
Board of Education	106,314	106,314	77,253	77,253
Administration	1,250,189	1,184,403	1,152,423	1,107,921
Fiscal	457,589	457,589	402,045	402,045
Business	1,903	1,903	4,531	4,531
Operation and Maintenance of Plant	1,067,477	1,013,944	845,032	832,675
Pupil Transportation	693,644	676,406	772,445	762,304
Central	1,900	1,900	4,750	4,750
Operation of Non-Instructional Services	552,849	77,746	528,206	193,487
Extracurricular Activities	296,306	229,519	299,145	133,866
Interest	11,015	11,015	2,706	2,706
Total	<u><u>\$13,868,065</u></u>	<u><u>\$10,761,745</u></u>	<u><u>\$12,427,169</u></u>	<u><u>\$10,088,071</u></u>

The dependence upon tax revenues and State subsidies for governmental activities is apparent. For 2021, only 22 percent of the governmental activities performed by the School District are supported through program revenues such as charges for services, operating and capital grants, contributions, and interest. The remaining 78 percent is provided through taxes and entitlements.

Caldwell Exempted Village School District, Ohio
 Management's Discussion and Analysis
 For the Fiscal Year Ended June 30, 2021
 Unaudited

The School District's Funds

The School District's major funds are accounted for using the modified accrual basis of accounting. All governmental funds had total revenues and other financing sources in the amount of \$13,995,392 and expenditures and other financing uses in the amount of \$14,280,918, with an overall decrease in fund balance in the amount of \$285,526.

General Fund Budgeting Highlights

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

During the course of fiscal year 2021, the School District did not amend its General Fund revenues or appropriations. The School District closely monitors its resources and uses and if necessary, modifies the budgetary documents on a timely basis.

For the General Fund, total revenue was \$12,158,631, above final estimates of \$10,140,300. Original appropriations were \$12,831,642. Actual expenditures and other financing uses were under appropriations by \$617,830 due to the School District monitoring their spending during fiscal year 2021.

The School District's ending General Fund budgetary balance was \$6,449,079.

Capital Assets and Debt Administration

Capital Assets

At the end of fiscal year 2021, the School District had \$4,419,666 invested in land, construction in progress, buildings and improvements, furniture and equipment, and vehicles. See Note 10 for more detailed information of the School District's capital assets. Table 4 shows fiscal year 2021 balances compared to fiscal year 2020.

**Table 4 - Capital Assets at June 30, 2021
 (Net of Depreciation)**

	Government Activities	
	2021	2020
Land	\$381,096	\$381,096
Construction in Progress	422,854	282,929
Buildings and Improvements	2,896,332	2,568,501
Vehicles	417,799	415,333
Furniture and Equipment	301,585	380,560
Totals	\$4,419,666	\$4,028,419

Caldwell Exempted Village School District, Ohio
 Management’s Discussion and Analysis
 For the Fiscal Year Ended June 30, 2021
 Unaudited

Debt

At June 30, 2021, the School District had \$843,454 in energy conservation bonds, energy conservation loan, and capital leases outstanding. Table 5 shows fiscal year 2021 balances compared to fiscal year 2020.

Table 5 - Outstanding Debt at June 30, 2021

	Governmental Activities 2021	Governmental Activities 2020
Energy Conservation Bonds	\$605,565	\$605,565
Energy Conservation Loan	218,302	239,753
Capital Leases	19,587	0
Totals	\$843,454	\$845,318

See Notes 17 and 18 for more information on the School District’s long-term liabilities. The net pension/OPEB liability under GASB 68 and GASB 75 is also reported as a long-term obligation that has been previously disclosed within the management’s discussion and analysis.

Economic Factors

The School District has experienced increases in net position during fiscal years 2018, 2019, 2020, and 2021. The School District’s net position increased by \$3,974,866 during fiscal year 2018 due to a decrease in the net pension liability. The School District’s net position increased by \$1,408,029 during fiscal year 2019 due to a decrease in the net pension/OPEB liability and an increase in net OPEB asset. The School District’s net position increased by \$881,814 during fiscal year 2020 due to a decrease in the net pension/OPEB liability. The School District’s net position increased by \$537,753 during fiscal year 2021.

Based on the most recent Board-adopted five year forecast, the School District is projecting revenues to exceed expenditures for fiscal year 2022; however, deficit spending is projected for fiscal year 2023, fiscal year 2024, fiscal year 2025, and fiscal year 2026. The Board does not anticipate any layoffs to occur in the upcoming years. As staff retire in the next few years, the Board may not replace those vacated positions unless deemed necessary. The Board of Education and Administration of the School District must maintain careful financial planning and prudent fiscal management in order to maintain the financial stability of the School District.

Contacting the School District’s Financial Management

This financial report is designed to provide our citizens, taxpayers, and investors and creditors with a general overview of the School District’s finances and to show the School District’s accountability for the money it receives. If you have questions about this report or need additional financial information, contact Taylor Clark, Interim Treasurer at Caldwell Exempted Village School District, 516 Fairground St., Caldwell, Ohio 43724.

This page intentionally left blank.

Caldwell Exempted Village School District, Ohio

Statement of Net Position

June 30, 2021

	<u>Governmental Activities</u>
Assets	
Equity in Pooled Cash and Cash Equivalents	\$7,763,836
Cash and Cash Equivalents with Fiscal Agents	2,778,294
Accounts Receivable	510
Intergovernmental Receivable	526,021
Prepaid Items	50,745
Inventory Held for Resale	8,007
Property Taxes Receivable	5,594,434
Net OPEB Asset	529,706
Nondepreciable Capital Assets	803,950
Depreciable Capital Assets, Net	<u>3,615,716</u>
<i>Total Assets</i>	<u>21,671,219</u>
Deferred Outflows of Resources	
Pension	1,928,435
OPEB	<u>358,069</u>
<i>Total Deferred Outflows of Resources</i>	<u>2,286,504</u>
Liabilities	
Accounts Payable	253,884
Accrued Wages and Benefits Payable	839,268
Contracts Payable	74,366
Intergovernmental Payable	265,138
Accrued Interest Payable	1,112
Matured Compensated Absences Payable	6,875
Claims Payable	169,600
Long-Term Liabilities:	
Due Within One Year	137,815
Due In More Than One Year:	
Net Pension Liability	9,680,847
Net OPEB Liability	817,045
Other Amounts	<u>1,123,392</u>
<i>Total Liabilities</i>	<u>13,369,342</u>
Deferred Inflows of Resources	
Property Taxes	3,820,105
Pension	96,667
OPEB	<u>1,059,493</u>
<i>Total Deferred Inflows of Resources</i>	<u>4,976,265</u>
Net Position	
Net Investment in Capital Assets	3,429,801
Restricted for:	
Capital Projects	43,903
Student Activities	57,207
State Programs	410,226
Federal Programs	266,716
Classroom Facilities	2,965
Unclaimed Monies	6,921
Unrestricted	<u>1,394,377</u>
<i>Total Net Position</i>	<u><u>\$5,612,116</u></u>

See accompanying notes to the basic financial statements

Caldwell Exempted Village School District, Ohio
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, Contributions, and Interest		Capital Grants and Contributions
Governmental Activities				Governmental Activities	
Instruction:					
Regular	\$6,018,098	\$411,684	\$295,074	\$120,590	(5,190,750)
Special	2,135,719	0	838,885	0	(1,296,834)
Vocational	193,650	0	60,609	0	(133,041)
Adult/Continuing	2,229	0	0	0	(2,229)
Student Intervention	562	0	0	0	(562)
Support Services:					
Pupils	593,362	22,930	296,348	0	(274,084)
Instructional Staff	485,259	0	381,753	0	(103,506)
Board of Education	106,314	0	0	0	(106,314)
Administration	1,250,189	0	65,786	0	(1,184,403)
Fiscal	457,589	0	0	0	(457,589)
Business	1,903	0	0	0	(1,903)
Operation and Maintenance of Plant	1,067,477	0	53,533	0	(1,013,944)
Pupil Transportation	693,644	763	16,475	0	(676,406)
Central	1,900	0	0	0	(1,900)
Operation of Non-Instructional Services:					
Food Service Operations	520,214	21,249	414,777	0	(84,188)
Community Services	32,635	35,973	3,104	0	6,442
Extracurricular Activities	296,306	65,307	1,480	0	(229,519)
Interest	11,015	0	0	0	(11,015)
<i>Total Governmental Activities</i>	<u>\$13,868,065</u>	<u>\$557,906</u>	<u>\$2,427,824</u>	<u>\$120,590</u>	<u>(10,761,745)</u>
General Revenues					
Property Taxes Levied for General Purposes					5,366,455
Grants and Entitlements not Restricted to Specific Programs					5,705,520
Interest					14,066
Donations not Restricted to Specific Programs					5,652
Miscellaneous					207,805
<i>Total General Revenues</i>					<u>11,299,498</u>
<i>Change in Net Position</i>					537,753
<i>Net Position Beginning of Year - Restated (See Note 3)</i>					<u>5,074,363</u>
<i>Net Position End of Year</i>					<u>\$5,612,116</u>

See accompanying notes to the basic financial statements

Caldwell Exempted Village School District, Ohio

*Balance Sheet
Governmental Funds
June 30, 2021*

	General	Other Governmental Funds	Total Governmental Funds
Assets			
Equity in Pooled Cash and Cash Equivalents	\$7,081,917	\$674,998	\$7,756,915
Cash and Cash Equivalents with Fiscal Agents	0	25,821	25,821
Accounts Receivable	510	0	510
Interfund Receivable	66,816	0	66,816
Intergovernmental Receivable	89,684	436,337	526,021
Prepaid Items	50,745	0	50,745
Inventory Held for Resale	0	8,007	8,007
Property Taxes Receivable	5,594,434	0	5,594,434
Restricted Assets:			
Equity in Pooled Cash and Cash Equivalents	6,921	0	6,921
<i>Total Assets</i>	<u>\$12,891,027</u>	<u>\$1,145,163</u>	<u>\$14,036,190</u>
Liabilities, Deferred Inflows of Resources, and Fund Balances Liabilities			
Accounts Payable	\$124,054	\$129,830	\$253,884
Accrued Wages and Benefits Payable	740,568	98,700	839,268
Contracts Payable	0	74,366	74,366
Interfund Payable	0	66,816	66,816
Intergovernmental Payable	196,431	68,707	265,138
Matured Compensated Absences Payable	6,875	0	6,875
<i>Total Liabilities</i>	<u>1,067,928</u>	<u>438,419</u>	<u>1,506,347</u>
Deferred Inflows of Resources			
Property Taxes	3,820,105	0	3,820,105
Unavailable Revenue	295,650	345,811	641,461
<i>Total Deferred Inflows of Resources</i>	<u>4,115,755</u>	<u>345,811</u>	<u>4,461,566</u>
Fund Balances			
Nonspendable	57,666	0	57,666
Restricted	0	496,168	496,168
Assigned	2,456,001	108,785	2,564,786
Unassigned (Deficit)	5,193,677	(244,020)	4,949,657
<i>Total Fund Balances</i>	<u>7,707,344</u>	<u>360,933</u>	<u>8,068,277</u>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i>	<u>\$12,891,027</u>	<u>\$1,145,163</u>	<u>\$14,036,190</u>

See accompanying notes to the basic financial statements

Caldwell Exempted Village School District, Ohio
*Reconciliation of Total Governmental Fund Balances to
 Net Position of Governmental Activities
 June 30, 2021*

Total Governmental Fund Balances		\$8,068,277
<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.		4,419,666
Other long-term assets are not available to pay for current-period expenditures and therefore are reported as deferred inflows of resources in the funds:		
Delinquent Property Taxes	227,434	
Intergovernmental Revenue	373,548	
Miscellaneous	40,479	641,461
An internal service fund is used by management to charge the costs of insurance to individual funds. The assets and liabilities of the internal fund are included in governmental activities in the statement of net position.		2,582,873
Accrued Interest Payable is recognized for outstanding long-term liabilities with interest accrual that are not expected to be paid with expendable available financial resources and therefore are not reported in the funds.		(1,112)
The net pension liability, net OPEB asset, and net OPEB liability is not due and payable in the current period; therefore, the asset, the liabilities and related deferred inflows/outflows are not reported in the funds:		
Net OPEB Asset	529,706	
Deferred Outflows - Pension	1,928,435	
Deferred Inflows - Pension	(96,667)	
Net Pension Liability	(9,680,847)	
Deferred Outflows - OPEB	358,069	
Deferred Inflows - OPEB	(1,059,493)	
Net OPEB Liability	(817,045)	(8,837,842)
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:		
Compensated Absences Payable	(417,753)	
Capital Leases Payable	(19,587)	
Energy Conservation Bonds Payable	(605,565)	
Energy Conservation Loan Payable	(218,302)	(1,261,207)
Net Position of Governmental Activities		\$5,612,116

See accompanying notes to the basic financial statements

Caldwell Exempted Village School District, Ohio
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended June 30, 2021

	General	Other Governmental Funds	Total Governmental Funds
Revenues			
Property Taxes	\$5,213,412	\$0	\$5,213,412
Intergovernmental	6,439,614	1,493,168	7,932,782
Interest	11,905	0	11,905
Tuition and Fees	411,684	0	411,684
Extracurricular Activities	23,693	65,307	89,000
Charges for Services and Sales	0	21,249	21,249
Gifts and Donations	14,502	1,480	15,982
Miscellaneous	153,671	21,894	175,565
<i>Total Revenues</i>	<u>12,268,481</u>	<u>1,603,098</u>	<u>13,871,579</u>
Expenditures			
Current:			
Instruction:			
Regular	5,391,110	300,792	5,691,902
Special	1,839,168	302,687	2,141,855
Vocational	180,297	0	180,297
Adult/Continuing	2,144	0	2,144
Student Intervention	562	0	562
Support Services:			
Pupils	457,161	136,276	593,437
Instructional Staff	392,095	89,073	481,168
Board of Education	105,663	0	105,663
Administration	1,184,027	49,654	1,233,681
Fiscal	454,475	0	454,475
Business	1,903	0	1,903
Operation and Maintenance of Plant	636,842	119,954	756,796
Pupil Transportation	730,786	0	730,786
Central	1,900	0	1,900
Operation of Non-Instructional Services:			
Food Service Operations	12,133	529,285	541,418
Community Services	0	2,500	2,500
Extracurricular Activities	153,680	122,187	275,867
Capital Outlay	0	948,984	948,984
Debt Service:			
Principal Retirement	26,497	0	26,497
Interest and Fiscal Charges	9,903	0	9,903
<i>Total Expenditures</i>	<u>11,580,346</u>	<u>2,601,392</u>	<u>14,181,738</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>688,135</u>	<u>(998,294)</u>	<u>(310,159)</u>
Other Financing Sources (Use)			
Inception of Capital Lease	24,633	0	24,633
Transfers In	0	99,180	99,180
Transfers Out	(99,180)	0	(99,180)
<i>Total Other Financing Sources (Use)</i>	<u>(74,547)</u>	<u>99,180</u>	<u>24,633</u>
<i>Net Change in Fund Balances</i>	613,588	(899,114)	(285,526)
<i>Fund Balances Beginning of Year</i>	<u>7,093,756</u>	<u>1,260,047</u>	<u>8,353,803</u>
<i>Fund Balances End of Year</i>	<u>\$7,707,344</u>	<u>\$360,933</u>	<u>\$8,068,277</u>

See accompanying notes to the basic financial statements

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

Net Change in Fund Balances - Total Governmental Funds (\$285,526)

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

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period:

Capital Outlay	783,144	
Current Year Depreciation	<u>(337,646)</u>	445,498

Capital Assets removed from the capital asset account on the statement of net position results in a gain or loss on disposal of capital assets on the Statement of Activities. (54,251)

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

Delinquent Property Taxes	153,043	
Intergovernmental Revenues	310,822	
Miscellaneous	<u>32,240</u>	496,105

Repayment of principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. 26,497

Some capital assets were financed through capital leases. In governmental funds, a capital lease arrangement is considered a source of financing, but in the Statement of Net Position the lease obligation is reported as a liability. (24,633)

In the Statement of Activities interest is accrued on outstanding bonds, whereas in governmental funds, interest is expended when due. (1,112)

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

Pension	762,117	
OPEB	<u>26,364</u>	788,481

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

Pension	(1,253,890)	
OPEB	<u>4,007</u>	(1,249,883)

Expenses resulting from compensated absences in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. (31,964)

The internal service fund used by management to charge the costs of insurance to individual funds is not reported in the district-wide statement of activities. The net change of the internal service fund is reported with governmental activities. 428,541

Change in Net Position of Governmental Activities \$537,753

See accompanying notes to the basic financial statements

Caldwell Exempted Village School District, Ohio
*Statement of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual (Budget Basis)*
General Fund
For the Fiscal Year Ended June 30, 2021

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Property Taxes	\$4,090,000	\$4,090,000	\$5,169,576	\$1,079,576
Intergovernmental	5,642,065	5,642,065	6,499,723	857,658
Interest	60,100	60,100	12,117	(47,983)
Tuition and Fees	344,000	344,000	398,927	54,927
Rent	1,200	1,200	0	(1,200)
Contributions and Donations	0	0	5,652	5,652
Miscellaneous	2,935	2,935	72,636	69,701
<i>Total Revenues</i>	<u>10,140,300</u>	<u>10,140,300</u>	<u>12,158,631</u>	<u>2,018,331</u>
Expenditures				
Current:				
Instruction:				
Regular	5,812,624	5,812,624	5,428,014	384,610
Special	1,652,548	1,652,548	1,914,893	(262,345)
Vocational	186,584	186,584	212,760	(26,176)
Adult/Continuing	1,500	1,500	0	1,500
Intervention	6,450	6,450	2,708	3,742
Support Services:				
Pupils	497,746	497,746	439,664	58,082
Instructional Staff	314,359	314,359	396,660	(82,301)
Board of Education	96,568	96,568	120,369	(23,801)
Administration	1,238,437	1,238,437	1,197,665	40,772
Fiscal	501,350	501,350	466,265	35,085
Business	5,000	5,000	3,652	1,348
Operation and Maintenance of Plant	1,232,588	1,232,588	844,345	388,243
Pupil Transportation	1,035,268	1,035,268	818,353	216,915
Central	11,500	11,500	3,805	7,695
Operation of Non-Instructional Services -				
Food Service Operations	18,800	18,800	38,144	(19,344)
Extracurricular Activities	174,950	174,950	160,541	14,409
Capital Outlay				
Building Improvement Services	45,370	45,370	45,370	0
Debt Service:				
Principal	0	0	21,451	(21,451)
Interest	0	0	7,074	(7,074)
<i>Total Expenditures</i>	<u>12,831,642</u>	<u>12,831,642</u>	<u>12,121,733</u>	<u>709,909</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(2,691,342)</u>	<u>(2,691,342)</u>	<u>36,898</u>	<u>2,728,240</u>
Other Financing Sources (Uses)				
Refund of Prior Year Expenditures	5,000	5,000	74,005	69,005
Refund of Prior Year Receipts	(2,201)	(2,201)	0	2,201
Transfers Out	0	0	(95,080)	(95,080)
<i>Total Other Financing Sources (Uses)</i>	<u>2,799</u>	<u>2,799</u>	<u>(21,075)</u>	<u>(23,874)</u>
<i>Net Change in Fund Balance</i>	<u>(2,688,543)</u>	<u>(2,688,543)</u>	<u>15,823</u>	<u>2,704,366</u>
<i>Fund Balance Beginning of Year</i>	<u>5,898,564</u>	<u>5,898,564</u>	<u>5,898,564</u>	<u>0</u>
<i>Prior Year Encumbrances Appropriated</i>	<u>534,692</u>	<u>534,692</u>	<u>534,692</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$3,744,713</u>	<u>\$3,744,713</u>	<u>\$6,449,079</u>	<u>\$2,704,366</u>

See accompanying notes to the basic financial statements

Caldwell Exempted Village School District, Ohio
Statement of Fund Net Position
Health Self-Insurance Internal Service Fund
June 30, 2021

Current Assets	
Cash and Cash Equivalents with Fiscal Agents	\$2,752,473
Current Liabilities	
Claims Payable	<u>169,600</u>
Net Position	
Unrestricted	<u><u>\$2,582,873</u></u>

See accompanying notes to the basic financial statements

Caldwell Exempted Village School District, Ohio
*Statement of Revenues, Expenses
and Changes in Fund Net Position
Health Self-Insurance Internal Service Fund
For the Fiscal Year Ended June 30, 2021*

Operating Revenues	
Charges for Services	\$2,665,298
Miscellaneous	<u>91,872</u>
<i>Total Operating Revenues</i>	<u>2,757,170</u>
Operating Expenses	
Purchased Services	545,420
Claims	<u>1,785,370</u>
<i>Total Operating Expenses</i>	<u>2,330,790</u>
<i>Operating Income</i>	426,380
Non-Operating Revenues	
Interest	<u>2,161</u>
<i>Change in Net Position</i>	428,541
<i>Net Position Beginning of Year - Restated (See Note 3)</i>	<u>2,154,332</u>
<i>Net Position End of Year</i>	<u><u>\$2,582,873</u></u>

See accompanying notes to the basic financial statements

Caldwell Exempted Village School District, Ohio
Statement of Cash Flows
Health Self-Insurance Internal Service Fund
For the Fiscal Year Ended June 30, 2021

Increase (Decrease) in Cash and Cash Equivalents

Cash Flows from Operating Activities	
Cash Received from Transactions with Other Funds	\$2,665,298
Miscellaneous Revenues	91,872
Cash Payments for Goods and Services	(545,420)
Cash Payments for Claims	<u>(1,696,870)</u>
<i>Net Cash Provided by Operating Activities</i>	514,880
Cash Flows from Investing Activities	
Interest on Investments	<u>2,161</u>
<i>Net Increase in Cash and Cash Equivalents</i>	517,041
<i>Cash and Cash Equivalents Beginning of Year</i>	<u>2,235,432</u>
<i>Cash and Cash Equivalents End of Year</i>	<u><u>\$2,752,473</u></u>
Reconciliation of Operating Income to Net Cash Provided by Operating Activities	
<i>Operating Income</i>	\$426,380
Increase in Claims Payable	<u>88,500</u>
<i>Net Cash Provided by Operating Activities</i>	<u><u>\$514,880</u></u>

See accompanying notes to the basic financial statements

Caldwell Exempted Village School District, Ohio

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

Note 1 - Description of the School District and Reporting Entity

Caldwell Exempted Village 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 authorized by its charter and further mandated by State and federal agencies.

The School District is located in Caldwell, Ohio, in Noble County and also consists of Aurelius Township in Washington County. The Board of Education controls the School District's three instructional/support facilities staffed by 47 classified employees and 68 certified full-time teaching personnel who provide services to 890 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 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 benefit to, or impose specific financial burdens on, the primary government. No separate governmental units meet the criteria for inclusion as a component unit.

The School District participates in the Ohio Mid-Eastern Regional Educational Service Agency Information Technology Center Regional Council of Governments (OME-RESA) and the Mid-East Career and Technology Centers, which are defined as jointly governed organizations; the Ohio School Plan (OSP), which is defined as a group insurance purchasing pool; the South Central Ohio Insurance Consortium, which is defined as a risk sharing, claims servicing, and insurance purchasing pool; and is associated with the Caldwell Public Library, which is defined as a Related Organization. Additional information concerning these organizations is presented in Notes 19 and 20.

Note 2 - Summary of Significant Accounting Policies

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

Caldwell Exempted Village School District, Ohio

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

Basis of Presentation

The School District's basic financial statements consist of government-wide statements, including a Statement of Net Position and a Statement of Activities, and fund financial statements, which provide a more detailed level of financial information.

Government-wide Financial Statements The Statement of Net Position and the Statement of Activities display information about the School District as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The activity of the internal service fund is eliminated to avoid "doubling up" revenues and expenses. These statements usually distinguish between those activities of the School District that are governmental (primarily supported by taxes and intergovernmental revenues) and those that are considered business-type activities (primarily supported by fees and charges). 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. 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 fiscal 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 fiscal 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 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 is the description of the School District's only major governmental fund:

Caldwell Exempted Village School District, Ohio

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

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

The other governmental funds of the School District account for grants and other resources whose use is restricted or assigned to a particular purpose.

Proprietary Fund Type Proprietary fund reporting focuses on the determination of operating income, changes in net position, financial position, and cash flows. Proprietary funds are classified as enterprise or internal service. The School District's only proprietary fund type is an Internal Service Fund.

Health Self-Insurance Internal Service Fund The internal service fund accounts for the financing of services provided by one department or agency to other departments or agencies of the School District on a cost reimbursement basis. The School District's only internal service fund accounts for the operations of the School District's self-insurance program for employee medical, vision, prescription drug, and dental insurance claims. In addition, this fund accounts for insurance activity from outside participation related to the Caldwell Public Library.

Measurement Focus

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

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

Like the government-wide statements, all proprietary and fiduciary funds are accounted for on a flow of economic resources measurement focus. All assets and deferred outflows of resources and all liabilities and deferred inflows of resources associated with the operation of these funds are included on the Statement of Fund Net Position. In fiduciary funds, a liability to the beneficiaries of fiduciary activity is recognized when an event has occurred that compels the government to disburse fiduciary resources. Fiduciary fund liabilities other than those to beneficiaries are recognized using the economic resources measurement focus.

For proprietary funds, the Statement of Revenues, Expenses and Changes in Fund Net Position presents increases (i.e., revenues) and decreases (i.e., expenses) in total net position. The Statement of Cash Flows provides information about how the School District finances and meets the cash flow needs of its proprietary activities.

Caldwell Exempted Village School District, Ohio

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

Basis of Accounting

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

Revenues - Exchange and Non-Exchange Transactions Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year or 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 the accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied (See Note 8). 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, investment earnings, tuition and fees, grants, charges for services, and rentals.

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.

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

Caldwell Exempted Village School District, Ohio

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

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 16. The deferred outflows of resources related to pension and OPEB plans are explained in Notes 15 and 16.

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 and OPEB plans, and unavailable revenue. Property taxes represent amounts for which there is an enforceable legal claim as of June 30, 2021, but which were levied to finance fiscal year 2022 operations. These amounts have been recorded as a deferred inflow on both the government-wide Statement of Net Position and the governmental fund financial statements. Unavailable revenue is reported only on the governmental funds Balance Sheet and represents receivables which will not be collected within the available period. For the School District unavailable revenue includes delinquent property taxes, intergovernmental, tuition and fees, and miscellaneous revenues. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available. Deferred inflows of resources related to pension and OPEB plans are reported on the government-wide Statement of Net Position. (See Notes 15 and 16)

Cash and Cash Equivalents, and Investments

To improve cash management, 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.

The School District participates in the South Central Ohio Insurance Consortium for self-insurance. The School District also has debt proceeds held by a fiscal agent. These monies are held separate from the School District's central bank account and are reflected in the financial statements as "cash and cash equivalents with fiscal agents".

During fiscal year 2021, the School District invested in STAR Ohio. STAR Ohio (the State Treasury Asset Reserve of Ohio), is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but has adopted Governmental Accounting Standards Board (GASB), Statement No. 79, Certain External Investment Pools and Pool Participants. The School District measures their investment in STAR Ohio at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides an NAV per share that approximates fair value.

For fiscal year 2021, there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, 24 hours advance notice is appreciated for deposits and withdrawals of \$100 million or more. STAR Ohio reserves the right to limit the transaction to \$250 million per day, requiring the excess amount to be transacted the following business day(s), but only to the \$250 million limit. All accounts of the participant will be combined for these purposes.

Following Ohio statutes, the Board of Education has, by resolution, specified the funds to receive an allocation of interest earnings. Interest revenue credited to the General Fund during fiscal year 2021 amounted to \$11,905, which includes \$769 assigned from other School District funds.

Caldwell Exempted Village School District, Ohio

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

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. Investments with an initial maturity of more than three months not purchased from the pool are reported as investments.

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. A current asset for the prepaid amount is recorded at the time of the purchase and an expenditure/expense is reported in the year in which the services are consumed.

Inventory

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

Capital Assets

All of the School District’s capital assets are general capital assets resulting from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide Statement of Net Position but are not reported in the fund financial statements.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. The School District was able to estimate the historical cost for the initial reporting of capital assets by back trending (i.e., estimating the current replacement cost of the assets to be capitalized and using an appropriate price-index to deflate the costs to the acquisition year or estimated acquisition year). Donated fixed 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 currently capitalizes land, buildings and improvements, vehicles, and machinery, equipment, furniture and fixtures. The School District does not possess any infrastructure. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset’s life are not capitalized.

All reported capital assets, except land, 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:

Description	Governmental Activities Estimated Lives
Buildings and Improvements	20-50 Years
Vehicles	8 Years
Machinery, Equipment, Furniture, and Fixtures	5-20 Years

Caldwell Exempted Village School District, Ohio

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

Interfund Balances

On fund financial statements, receivables and payables resulting from short-term interfund are classified as "interfund receivables/payables." These amounts are eliminated on the Statement of Net Position.

Compensated Absences

Vacation benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is probable that the employer will compensate the employees for the benefits through paid time off or some other means. A liability is recorded for vacation eligible employees after one year of service with the School District.

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

On the governmental fund financial statements, compensated absences are recognized as liabilities and expenditures to the extent payments come due each person upon the occurrence of employee resignations and retirements. These amounts are recorded in the accounts "matured compensated absences payable" in the funds from which these payments will be made.

Accrued Liabilities and Long-term Obligations

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

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

Internal Activity

Transfers within governmental activities are eliminated on the government-wide statements. Internal allocations of overhead expenses from one program to another or within the same program are eliminated on the Statement of Activities. Payments of interfund services provided and used are not eliminated.

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

Caldwell Exempted Village School District, Ohio

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

Restricted Assets

Assets are reported as restricted assets when limitations on their use change the normal understanding of the availability of the asset. Such constraints are either imposed by creditors, contributors, grantors, or laws of other government or imposed by law through constitutional provisions or enabling legislation. Restricted assets represent unclaimed monies.

Fund Balance

Fund balance is divided into five classifications based primarily on the extent to which the School District is bound to observe constraints imposed upon the use of the resources in 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 are legally or contractually required to be maintained intact. The "not in spendable form" includes items that are not expected to be converted to cash.

Restricted: The restricted fund balance category includes amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation. 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 determined by a formal action (resolution) of the School District Board of Education. Those committed amounts cannot be used for any other purpose unless the School District Board of Education removes or changes the specified use by taking the same type of action (resolution) it employed to previously commit those amounts. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for the 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. 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 State Statute. State statute authorizes the School District's Treasurer to assign fund balance for purchases on order provided such amounts have been lawfully appropriated. The School District's Board of Education assigned fund balance to cover a gap between estimated revenue and appropriations in fiscal year 2022's appropriated budget.

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

Caldwell Exempted Village School District, Ohio

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

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 the amounts in any of the unrestricted fund balance classifications could be used.

Net Position

Net position represents the difference between assets and liabilities. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction, or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use either through external restrictions imposed by creditors, grantors, or laws or regulations of other governments.

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

Pensions/Other Postemployment Benefits (OPEB)

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

Operating Revenues and Expenses

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

Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the Board of Education and that are either unusual in nature or infrequent in occurrence.

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.

Caldwell Exempted Village School District, Ohio

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

Budgetary Process

All funds, except custodial funds, are legally required to be budgeted and appropriated. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriations resolution, all of 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 amount the School District may appropriate.

The certificate of estimated resources establishes a limit on the amounts that the Board of Education may appropriate. The appropriation resolution is the Board's authorization to spend resources and sets annual limits on expenditures plus encumbrances at a level of control selected by the Board. The legal level of control has been established by the Board of Education at the fund level for all funds of the School District. Any budgetary modifications at this level may only be made by resolution of the Board of Education. The treasurer has been authorized to further allocate appropriations to the function and object level within each fund. Advances in/out are not required to be budgeted since they represent a temporary cash flow resource and are intended to be repaid.

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

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

Note 3 - Change in Accounting Principle and Restatement of Net Position

Change in Accounting Principle

For fiscal year 2021, the School District implemented the Governmental Accounting Standards Board's (GASB) Statement No. 98, The Annual Comprehensive Financial Report. GASB 98 establishes the term annual comprehensive financial report and its acronym ACFR. That new term and acronym replace instances of comprehensive annual financial report and its acronym in generally accepted accounting principles for state and local governments. The School District is also implementing Implementation Guide No. 2019-1. These changes were incorporated in the School District's 2021 financial statements; however, there was no effect on beginning net position/fund balance.

Restatement of Net Position

The following restatement of Net Position took place for fiscal year 2021 as a result of updated information received concerning the Health Self-Insurance Internal Service Fund.

Caldwell Exempted Village School District, Ohio

Notes to the Basic Financial Statements

For the Fiscal Year ended June 30, 2021

	Governmental Activities	Internal Service Activities
Net Position June 30, 2020	<u>\$5,155,766</u>	<u>\$2,235,735</u>
Adjustments:		
Health Self Insurance Adjustment	<u>(81,403)</u>	<u>(81,403)</u>
Restated Net Position June 30, 2020	<u><u>\$5,074,363</u></u>	<u><u>\$2,154,332</u></u>

Note 4 - Fund Balances

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

Fund Balances	General	Other Governmental Funds	Total
<u>Nonspendable:</u>			
Prepaid Items	50,745	\$0	\$50,745
Unclaimed Monies	6,921	0	6,921
<i>Total Nonspendable</i>	<u>57,666</u>	<u>0</u>	<u>57,666</u>
<u>Restricted for:</u>			
Student Activities	0	57,207	57,207
State Programs	0	409,288	409,288
Federal Programs	0	8,626	8,626
Classroom Facilities	0	2,965	2,965
Capital Projects	0	18,082	18,082
<i>Total Restricted</i>	<u>0</u>	<u>496,168</u>	<u>496,168</u>
<u>Assigned to:</u>			
Public School Support	39,418	0	39,418
Capital Improvements	0	108,785	108,785
Fiscal Year 2022 Appropriations	1,796,047	0	1,796,047
Purchases on Order	620,536	0	620,536
<i>Total Assigned</i>	<u>2,456,001</u>	<u>108,785</u>	<u>2,564,786</u>
Unassigned (Deficit)	<u>5,193,677</u>	<u>(244,020)</u>	<u>4,949,657</u>
<i>Total Fund Balances</i>	<u><u>\$7,707,344</u></u>	<u><u>\$360,933</u></u>	<u><u>\$8,068,277</u></u>

Caldwell Exempted Village School District, Ohio

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

Note 5 - Fund Deficits

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

Special Revenue Funds:	
IDEA Part B	\$37,572
Title I	10,895
Title II-A	18,700
Food Service	20,643
ESSER	155,388
Miscellaneous State Grants	822
	<u>\$244,020</u>

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

Note 6 - 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 Balances - Budget and Actual (Budget Basis) presented for the General Fund is presented on the budgetary basis to provide a meaningful comparison of actual results with the budget. The major differences between the budget basis and GAAP basis are as follows:

1. Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis).
2. Expenditures are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis).
3. Encumbrances are treated as expenditures (budget) rather than assigned fund balance (GAAP).
4. Cash deficits and prepaid items are reported on the balance sheet (GAAP basis), but not on the budgetary basis.
5. Budgetary revenues and expenditures of the Public School Support Fund are reclassified to the General Fund for GAAP reporting.

The following tables summarize the adjustments necessary to reconcile the GAAP basis statements to the budgetary basis statements:

Caldwell Exempted Village School District, Ohio

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

Net Change in Fund Balance

	<u>General Fund</u>
GAAP Basis	\$613,588
Net Adjustment for Revenue Accruals	(62,630)
Unreported Items:	
Beginning of Fiscal Year	212
Prepaid Items:	
Beginning of Fiscal Year	44,754
End of Fiscal Year	(50,728)
Net Adjustment for Expenditure Accruals	63,824
Cash Deficits	59,616
To Reclassify Excess of Revenues Over Expenditures into Financial Statement Fund Types	7,144
Encumbrances	<u>(659,957)</u>
Budget Basis	<u><u>\$15,823</u></u>

Note 7 - 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 of Education has identified as not required for use within the current five year period of designation of depositories. Inactive deposits must either be evidenced by certificates of deposit maturing not later than the end of the current period of designation of depositories, or by savings or deposit accounts including, but not limited to, passbook accounts.

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

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

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;

Caldwell Exempted Village School District, Ohio

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

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

At June 30, 2021, the School District's internal service fund had a cash balance of \$2,752,473 with South Central Ohio Insurance Consortium, a claims servicing pool (See Note 19). The balance is held by the claims administrator in a pooled account which is representative of numerous entities and therefore cannot be included in the risk disclosures reported by the School District. Disclosures for the South Central Ohio Insurance Consortium as a whole may be obtained from the consortium's fiscal agent.

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

Caldwell Exempted Village School District, Ohio

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

	Measurement Amount	Maturity	Standard & Poor's Rating
Net Asset Value Per Share Star Ohio	\$5,995,100	Average 54.4 days	AAAm

Interest Rate Risk: The School District’s investment policy addresses interest rate risk to the extent that it allows the Treasurer to invest funds to a maximum maturity of five years, and allows for the withdrawal of funds from approved public depositories or sell negotiable instruments prior to maturity in accord with the law. State statute requires that an investment mature within five years from the date of purchase, unless matched to a specific obligation or debt of the School District, and that an investment must be purchased with the expectation that it will be held to maturity.

Credit Risk: STAR Ohio carries a rating of AAAM by Standard and Poor’s. Ohio law requires that STAR Ohio maintain the highest rating provided by at least one nationally recognized standard rating service. The School District has no investment policy that would further limit its investment choices.

Note 8 - 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 collections are received by the School District in the second half of the fiscal year. Second half tax distributions occur in the first half of the following fiscal year.

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

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

The School District receives property taxes from Noble and Washington Counties. The County Auditors periodically advance 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 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 reflected as revenue at fiscal year-end.

Caldwell Exempted Village School District, Ohio

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

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 \$1,546,895 in the General Fund. At June 30, 2020, \$1,503,059 was available as an advance in the General Fund.

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

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

	2020 Second Half Collections		2021 First Half Collections	
	Amount	Percent	Amount	Percent
Agricultural/Residential	\$92,580,630	58.89%	\$103,675,850	58.29%
Commerical/Industrial and Public Utility Real	20,774,040	13.21%	23,274,870	13.08%
Public Utility Personal	43,858,380	27.90%	50,935,330	28.63%
	<u>\$157,213,050</u>	<u>100.00%</u>	<u>\$177,886,050</u>	<u>100.00%</u>
Tax Rate per \$1,000 of assessed valuation		\$39.50		\$39.50

Note 9 - Receivables

Receivables at June 30, 2021, consisted of property taxes, accounts, interfund, and intergovernmental grants. 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. The delinquent property taxes amounted to \$227,434 as of June 30, 2021.

A summary of intergovernmental receivables is as follows:

Caldwell Exempted Village School District, Ohio

Notes to the Basic Financial Statements

For the Fiscal Year ended June 30, 2021

	<u>Amounts</u>
Governmental Activities:	
Noble County BDD Partnership Program	\$40,000
SERS Reimbursement	479
Summer Youth Reimbursement	1,080
Medicaid Reimbursement	5,444
Miscellaneous Reimbursement	12,345
Food Service Reimbursement	48,075
IDEA Part B	73,616
Title I	120,416
Title II	22,218
ESSER	139,384
Miscellaneous Federal	30,868
Miscellaneous State	1,760
Foundation Adjustment	<u>30,336</u>
 Total	 <u><u>\$526,021</u></u>

Note 10 - Capital Assets

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

	<u>Balance</u> <u>06/30/2020</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>06/30/2021</u>
Nondepreciable Capital Assets:				
Land	\$381,096	\$0	\$0	\$381,096
Construction In Progress	282,929	422,854	282,929	422,854
Total Non-Depreciable Capital Assets	<u>664,025</u>	<u>422,854</u>	<u>282,929</u>	<u>803,950</u>
Depreciable Capital Assets:				
Buildings and Improvements	8,684,665	507,698	0	9,192,363
Vehicles	1,348,412	91,686	(163,973)	1,276,125
Machinery, Equipment, Furniture, and Fixtures	1,594,739	43,835	(252,199)	1,386,375
Total Capital Assets Being Depreciated	<u>11,627,816</u>	<u>643,219</u>	<u>(416,172)</u>	<u>11,854,863</u>
Less Accumulated Depreciation:				
Buildings and Improvements	(6,116,164)	(179,867)	0	(6,296,031)
Vehicles	(933,079)	(89,220)	163,973	(858,326)
Machinery, Equipment, Furniture, and Fixtures	(1,214,179)	(68,559)	197,948	(1,084,790)
Total Accumulated Depreciation	<u>(8,263,422)</u>	<u>(337,646) *</u>	<u>361,921</u>	<u>(8,239,147)</u>
Total Depreciable Capital Assets, Net	<u>3,364,394</u>	<u>305,573</u>	<u>(54,251)</u>	<u>3,615,716</u>
Governmental Activities Capital Assets, Net	<u><u>\$4,028,419</u></u>	<u><u>\$728,427</u></u>	<u><u>(\$337,180)</u></u>	<u><u>\$4,419,666</u></u>

* Depreciation expense was charged to governmental functions as follows:

Caldwell Exempted Village School District, Ohio

Notes to the Basic Financial Statements

For the Fiscal Year ended June 30, 2021

Instruction:	
Regular	\$178,226
Special	2,815
Vocational	7,816
Support Services:	
Pupils	289
Instructional Staff	3,147
Administration	4,928
Fiscal	1,045
Operation and Maintenance of Plant	43,474
Pupil Transportation	86,112
Food Service Operations	2,453
Extracurricular Activities	7,341
Total Governmental Depreciation	<u>\$337,646</u>

Note 11 - Interfund Transactions

Transfers

The General Fund transferred \$75,000 to the Food Service Special Revenue Fund, \$20,000 to the Student Activity Special Revenue Fund, and \$80 to the Title VI-B Special Revenue Fund during fiscal year 2021. These transfers were made to move unrestricted balances to cover revenue shortfalls for the fiscal year of the funds' program operations.

Interfund Balance

Interfund balances due to cash deficits at June 30, 2021, consist of the following individual interfund receivables and payables:

	<u>Receivables</u>	<u>Payables</u>
General Fund	<u>\$66,816</u>	<u>\$0</u>
Nonmajor Special Revenue Fund:		
Food Service	0	766
Title I Grant	0	17,135
Title II-A Grant	0	9,376
Title VI-B Grant	0	16,335
ESSER Grant	0	16,004
Miscellaneous State Grants	0	7,200
Total Nonmajor Special Revenue Funds	<u>0</u>	<u>66,816</u>
Total All Funds	<u>\$66,816</u>	<u>\$66,816</u>

Caldwell Exempted Village School District, Ohio

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

Note 12 - Significant Commitments

Encumbrances

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

Governmental Funds:	
General Fund	\$659,957
Nonmajor Funds	<u>86,611</u>
Total Governmental Funds	<u>746,568</u>
Proprietary Fund:	
Internal Service Fund	<u>185,727</u>
Total	<u><u>\$932,295</u></u>

Contractual Commitments

As of June 30, 2021, the School District's contractual purchase commitments paid from various funds are as follows:

<u>Project</u>	<u>Contract Amount</u>	<u>Amount Expended</u>	<u>Balance at 06/30/2021</u>
Energy Conservation Improvements	\$433,603	\$350,809	\$82,794
Plumbing Improvements	217,681	72,045	145,636
	<u>\$651,284</u>	<u>\$422,854</u>	<u>\$228,430</u>

Note 13 - 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 Ohio School Plan, through Hylant Administrative Services, LLC, for property, crime insurance, general liability insurance, and fleet insurance. During fiscal year 2021, the School District purchased the following coverage:

Ohio Casualty Insurance

Building and Contents-replacement cost (\$2,500 deductible)	\$41,043,296
Crime Insurance	
Forgery or Alterations Coverage (\$1,000 deductible)	25,000
Employee Theft (\$1,000 deductible)	75,000
General Liability	
Per occurrence	2,000,000
Aggregate Per Year	4,000,000
Medical Expense	10,000

Caldwell Exempted Village School District, Ohio

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

Violent Event Response	
Aggregate Limit	\$1,000,000
Each Event	1,000,000
Education Umbrella Liability Policy	
For General Liability	
Per occurrence	1,000,000
Aggregate Per Year	1,000,000
Automobile Insurance (\$2,500 Comprehensive/ \$2,500 Collision)	2,000,000
Uninsured Motorists	1,000,000
Medical Payments	5,000
<u>Travelers Casualty and Surety Company of America</u>	
Treasurer Bond	75,000
Superintendent and Board President Bond (Each)	25,000

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

Workers' Compensation

For fiscal year 2021, the School District participated in the Ohio School Boards Association Workers' Compensation Group Rating Plan (GRP), an insurance purchasing pool (Note 19). The intent of the GRP is to achieve the benefit of a reduced premium for the School District by virtue of its grouping and representation with other participants in the GRP. The workers' compensation experience of the participating school districts is calculated as one experience and a common premium rate is applied to all school districts in the GRP. Each participant pays its workers' compensation premium to the State based on the rate for the GRP rather than its individual rate. Participation in the GRP is limited to school districts that can meet the GRP's selection criteria. The firm of CompManagement Inc. provides administrative, cost control, and actuarial services to the GRP.

Medical/Surgical, Dental, Vision, and Prescription Drug Insurances

Medical/surgical, dental, and vision insurance is offered to employees through a self-insurance internal service fund. The School District pays all but \$15 per month for single and \$30 for family for classified employees and all but \$25 per month for single and \$50 for family for certified employees in premiums for basic medical insurance. In addition, the School District pays the entire premium for dental, life, and prescription drug coverage and also covers one-half of the cost of vision insurance for all employees. The School District is a member of a claims servicing pool in which monthly premiums are paid to the fiscal agent who in turn pays the claims on the School District's behalf. The School District's stop loss amount per person is \$100,000 for fiscal year 2021. The claims liability of \$169,600 reported in the internal service fund at June 30, 2021, is based on an estimate provided by the third party administrator and the requirements of Governmental Accounting Standards Board Statement No. 30 which requires that a liability for unpaid claims cost, including estimates of costs related to incurred but not reported claims, be reported. The estimate was not affected by the incremental claims adjustment expenses and does not include other allocated or unallocated claim adjustment expenses.

Caldwell Exempted Village School District, Ohio

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

Changes in claims activity for 2020 and 2021 were:

	<u>Balance Beginning of Fiscal Year</u>	<u>Current Fiscal Year Claims</u>	<u>Claim Payments</u>	<u>Balance End of Fiscal Year</u>
2020	\$240,500	\$1,472,332	\$1,631,732	\$81,100
2021	81,100	1,785,370	1,696,870	169,600

Note 14 - Other Employee Benefits

Compensated Absences

The criteria for determining vacation and sick leave benefits are derived from negotiated agreements and State laws. Classified employees and administrators who are contracted to work on an eleven or twelve month basis earn ten to twenty days of vacation per year, depending upon length of service. Accumulated, unused vacation time is paid to classified employees and administrators upon termination of employment. Teachers and administrators who work less an eleven or twelve month basis do not earn vacation time. Certified and classified employees earn sick leave at the rate of one and one-fourth days per month. Sick leave may be accumulated up to 240 days for certified employees and up to 230 days for classified employees. Upon retirement, certified employees receive payment for one-fourth of the total sick leave accumulation up to a maximum of 50 days plus one additional day for every three years spent in the School District. Classified employees, upon retirement, receive a severance payment for one-fourth of the total sick leave accumulation up to 36 total paid days plus one and one-half days for every three years of continuous employment leading up to retirement.

Life Insurance

The School District provides life insurance and accidental death and dismemberment insurance to employees through MetLife Insurance Company in the amount of \$200,000 for the Treasurer, \$250,000 for the superintendent, and \$15,000 for all other employees.

Note 15 - Defined Benefit Pension Plans

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

Net Pension Liability/Net OPEB Liability (Asset)

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

Caldwell Exempted Village School District, Ohio

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

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 16 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 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.

Caldwell Exempted Village School District, Ohio

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

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 \$222,133 for fiscal year 2021. Of this amount, \$45,299 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.

Caldwell Exempted Village School District, Ohio

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

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.

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.

Caldwell Exempted Village School District, Ohio

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

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

The School District’s contractually required contribution to STRS was \$539,984 for fiscal year 2021. Of this amount, \$72,103 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>	
Proportion of the Net Pension Liability:			
Prior Measurement Date	0.03537460%	0.03030219%	
Current Measurement Date	<u>0.03610550%</u>	<u>0.03013978%</u>	
 Change in Proportionate Share	 <u>0.00073090%</u>	 <u>-0.00016241%</u>	
 Proportionate Share of the Net			<u>Total</u>
Pension Liability	\$2,388,094	\$7,292,753	\$9,680,847
Pension Expense	\$304,771	\$949,119	\$1,253,890

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

Caldwell Exempted Village School District, Ohio

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

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Deferred Outflows of Resources			
Differences between expected and actual experience	\$4,638	\$16,363	\$21,001
Changes of assumptions	0	391,480	391,480
Net difference between projected and actual earnings on pension plan investments	151,596	354,647	506,243
Changes in proportionate Share and difference between School District contributions and proportionate share of contributions	25,306	222,288	247,594
School District contributions subsequent to the measurement date	<u>222,133</u>	<u>539,984</u>	<u>762,117</u>
Total Deferred Outflows of Resources	<u>\$403,673</u>	<u>\$1,524,762</u>	<u>\$1,928,435</u>
Deferred Inflows of Resources			
Differences between expected and actual experience	\$0	\$46,632	\$46,632
Changes in proportionate share and difference between School District contributions and proportionate share of contributions	<u>11,616</u>	<u>38,419</u>	<u>50,035</u>
Total Deferred Inflows of Resources	<u>\$11,616</u>	<u>\$85,051</u>	<u>\$96,667</u>

\$762,117 reported as deferred outflows of resources related to pension resulting from School District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the fiscal year ending June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Fiscal Year Ending June 30:	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
2022	\$4,138	\$387,325	\$391,463
2023	55,137	142,560	197,697
2024	63,188	218,395	281,583
2025	<u>47,461</u>	<u>151,447</u>	<u>198,908</u>
Total	<u>\$169,924</u>	<u>\$899,727</u>	<u>\$1,069,651</u>

Actuarial Assumptions - SERS

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

Caldwell Exempted Village School District, Ohio

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

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.

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.

Caldwell Exempted Village School District, Ohio

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
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	<u>100.00 %</u>	

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

	<u>1% Decrease (6.50%)</u>	<u>Current Discount Rate (7.50%)</u>	<u>1% Increase (8.50%)</u>
School District's proportionate share of the net pension liability	\$3,271,397	\$2,388,094	\$1,646,986

Changes between the Measurement Date and the Reporting Date At the April 2021 board meeting, the SERS Board lowered the investment rate of return from 7.50 percent to 7.00 percent, lowered inflation from 3.00 percent to 2.40 percent, reduced wage inflation from 3.50 percent to 3.25 percent, reduced COLA from 2.50 percent to 2.00 percent, along with certain other changes for the actuarial valuation as of June 30, 2021. The effects of these changes are unknown.

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:

Caldwell Exempted Village School District, Ohio

Notes to the Basic Financial Statements

For the Fiscal Year ended June 30, 2021

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:

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

** 10 year annualized geometric nominal returns, which include the real rate of return and inflation of 2.25 percent and 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.

Caldwell Exempted Village School District, Ohio

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

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	\$10,383,613	\$7,292,753	\$4,673,509

Changes between the Measurement Date and the Reporting Date At the June 2021 board meeting, the STRS Board approved a change in the discount rate from 7.45 percent to 7.00 percent for the June 30, 2021 valuation. The effect on the net pension liability is unknown.

Social Security System

Effective July 1, 1991, all employees not otherwise covered by the School Employees Retirement System or the State Teachers Retirement System of Ohio have an option to choose Social Security or the School Employees Retirement System. As of June 30, 2021, no Board Members have elected Social Security. The contribution rate would be 6.2 percent of wages.

Note 16 - Defined Benefit OPEB Plans

See Note 15 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.

Caldwell Exempted Village School District, Ohio

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

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.

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 \$26,364.

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.

Caldwell Exempted Village School District, Ohio

Notes to the Basic Financial Statements

For the Fiscal Year ended June 30, 2021

The School District's proportion of the net OPEB liability (asset) was based on the School District's share of contributions to the respective retirement systems relative to the contributions of all participating entities. Following is information related to the proportionate share and OPEB expense:

	<u>SERS</u>	<u>STRS</u>	
Proportion of the Net OPEB Liability:			
Prior Measurement Date	0.03628777%	0.03030219%	
Current Measurement Date	<u>0.03759420%</u>	<u>0.03013978%</u>	
 Change in Proportionate Share	 <u>0.00130643%</u>	 <u>-0.00016241%</u>	
 Proportionate Share of the:			<u>Total</u>
Net OPEB Liability	\$817,045	\$0	\$817,045
Net OPEB (Asset)	\$0	(\$529,706)	(\$529,706)
OPEB Expense	\$8,748	(\$12,755)	(\$4,007)

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	\$10,731	\$33,941	\$44,672
Changes of assumptions	139,278	8,744	148,022
Net difference between projected and actual earnings on OPEB plan investments	9,206	18,564	27,770
Changes in proportionate Share and difference between School District contributions and proportionate share of contributions	51,686	59,555	111,241
School District contributions subsequent to the measurement date	<u>26,364</u>	<u>0</u>	<u>26,364</u>
Total Deferred Outflows of Resources	<u>\$237,265</u>	<u>\$120,804</u>	<u>\$358,069</u>
 Deferred Inflows of Resources			
Differences between expected and actual experience	\$415,524	\$105,510	\$521,034
Changes of assumptions	20,579	503,132	523,711
Changes in proportionate share and difference between School District contributions and proportionate share of contributions	<u>14,522</u>	<u>226</u>	<u>14,748</u>
Total Deferred Inflows of Resources	<u>\$450,625</u>	<u>\$608,868</u>	<u>\$1,059,493</u>

\$26,364 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 in the year ending June 30, 2022.

Caldwell Exempted Village School District, Ohio

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

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	(\$46,982)	(\$118,045)	(\$165,027)
2023	(46,316)	(105,479)	(151,795)
2024	(46,424)	(101,068)	(147,492)
2025	(49,588)	(114,403)	(163,991)
2026	(38,177)	(23,436)	(61,613)
Thereafter	<u>(12,237)</u>	<u>(25,633)</u>	<u>(37,870)</u>
Total	<u>(\$239,724)</u>	<u>(\$488,064)</u>	<u>(\$727,788)</u>

Actuarial Assumptions - SERS

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

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

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

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

Caldwell Exempted Village School District, Ohio

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

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

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

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

The long-term expected rate of return on plan assets is reviewed as part of the actuarial five-year experience study. The most recent study covers fiscal years 2010 through 2015, and was adopted by the Board on April 21, 2016. Several factors are considered in evaluating the long-term rate of return assumption including long-term historical data, estimates inherent in current market data, and a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return were developed by the investment consultant for each major asset class. These ranges were combined to produce the long-term expected rate of return, 7.50 percent, by weighting the expected future real rates of return by the target asset allocation percentage and then adding expected inflation. The capital market assumptions developed by the investment consultant are intended for use over a 10-year horizon and may not be useful in setting the long-term rate of return for funding pension plans which covers a longer timeframe. The assumption is intended to be a long-term assumption and is not expected to change absent a significant change in the asset allocation, a change in the inflation assumption, or a fundamental change in the market that alters expected returns in future years.

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
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	<u>5.00</u>	6.65
Total	<u>100.00 %</u>	

Caldwell Exempted Village School District, Ohio

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

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 15.

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	\$1,000,043	\$817,045	\$671,562

	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	\$643,361	\$817,045	\$1,049,305

Changes between the Measurement Date and the Reporting Date At the April 2021 board meeting, the SERS Board reduced the wage growth assumption from 3.50 percent to 3.25 percent and changed the health care rate of return to 7.00 percent for the actuarial valuation as of June 30, 2021. The effects of these changes are unknown.

Caldwell Exempted Village School District, Ohio

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

Actuarial Assumptions – STRS

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

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:

Caldwell Exempted Village School District, Ohio

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

<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	100.00 %	

* 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 actual rate of return, without net value added by management.

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 15.

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.

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.

	<u>1% Decrease (6.45%)</u>	<u>Current Discount Rate (7.45%)</u>	<u>1% Increase (8.45%)</u>
School District's proportionate share of the net OPEB asset	(\$460,879)	(\$529,706)	(\$588,104)

	<u>1% Decrease</u>	<u>Current Trend Rate</u>	<u>1% Increase</u>
School District's proportionate share of the net OPEB asset	(\$584,479)	(\$529,706)	(\$462,985)

Caldwell Exempted Village School District, Ohio

Notes to the Basic Financial Statements

For the Fiscal Year ended June 30, 2021

Note 17 - Long-Term Obligations

The changes in the School District's long-term obligations during the fiscal year consist of the following:

	Principal Outstanding 06/30/2020	Additions	Deductions	Principal Outstanding 06/30/2021	Due within One Year
2020 Energy Conservation Bonds	\$605,565	\$0	\$0	\$605,565	\$61,167
2020 Energy Conservation Loan	239,753	0	21,451	218,302	22,114
Net Pension Liability:					
SERS	2,116,524	271,570	0	2,388,094	0
STRS	6,701,147	591,606	0	7,292,753	0
Total Net Pension Liability	8,817,671	863,176	0	9,680,847	0
Net OPEB Liability - SERS	912,560	0	95,515	817,045	0
Capital Lease	0	24,633	5,046	19,587	4,521
Compensated Absences	385,789	39,347	7,383	417,753	50,013
Total Long-Term Obligations	<u>\$10,961,338</u>	<u>\$927,156</u>	<u>\$129,395</u>	<u>\$11,759,099</u>	<u>\$137,815</u>

During fiscal year 2020, the School District issued Energy Conservation Bonds up to the amount of \$605,565. The bonds will be repaid using energy savings. Disbursements will be made to the School District upon receipt of draw requests made by the School District. As of June 30, 2021, the School District received the majority of the proceeds from these bonds, with \$25,821 of the unspent proceeds are held by the Ohio Development Services Agency as fiscal agent.

Principal and interest requirements to retire the debt outstanding at June 30, 2021, are as follows:

Fiscal Year Ending	Energy Conservation Bonds	
	Principal	Interest
2022	\$61,167	\$3,707
2023	40,676	2,672
2024	40,880	2,467
2025	41,085	2,262
2026	41,290	2,057
2027 - 2031	209,571	7,164
2032 - 2035	170,896	1,923
	<u>\$605,565</u>	<u>\$22,252</u>

During fiscal year 2020, the School District issued a fifteen year \$245,000 note at a fixed interest rate of 3.010%. The note was backed by the full faith and credit of the School District. The repayments are to be made from utility savings in the General Fund.

Principal and interest requirements to retire the debt outstanding at June 30, 2021, are as follows:

Caldwell Exempted Village School District, Ohio

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

Fiscal Year Ending	Energy Conservation Loan	
	Principal	Interest
2022	\$22,114	\$6,411
2023	22,796	5,728
2024	23,486	5,039
2025	24,224	4,300
2026	24,973	3,552
2027 - 2029	100,709	6,262
	<u>\$218,302</u>	<u>\$31,292</u>

The overall debt margin of the School District as of June 30, 2021, was \$15,071,568, with an unvoted debt margin of \$167,462.

The capital lease and compensated absences will be paid from the General Fund. The School District pays obligations related to employee compensation from the fund benefitting from their service. There are no repayment schedules for the net pension or OPEB liabilities. However, employer pension contributions are made from the following funds: General Fund and the Food Service, Idea B, Title I, and Title II-A Special Revenue Funds. For additional information related to the net pension or net OPEB liabilities, see Note 15 or Note 16 respectively.

Note 18 - Capital Leases

In prior fiscal years, the School District entered into an agreement to lease copiers. Such agreements are, in substance, lease purchases and are reflected as capital lease obligations in the financial statements.

The remaining agreement provides for minimum annual lease payments as follows:

Year	Principal	Interest
2022	\$4,521	\$1,779
2023	5,001	1,299
2024	5,532	768
2025	4,533	193
Total	<u>\$19,587</u>	<u>\$4,039</u>

Principal payments in fiscal year 2021 totaled \$5,046 in the governmental funds. The capitalized leased assets were originally capitalized in the amount of \$24,633. This amount represents the present value of the minimum lease payments at the time of acquisition.

Property under Capital Leases	\$24,633
Less: Accumulated Depreciation	<u>(9,854)</u>
Total June 30, 2021	<u>\$14,779</u>

Caldwell Exempted Village School District, Ohio

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

Note 19 - Jointly Governed Organizations and Public Entity Risk Pools

Jointly Governed Organizations

The **Ohio Mid-Eastern Regional Educational Service Agency Information Technology Center Regional Council of Governments (OME-RESA)** was created as a separate regional council of governments pursuant to State statutes. OME-RESA operates under the direction of a Board comprising a representative from each participating school district. The Board exercises total control over the operations of OME-RESA including budgeting, appropriating, contracting, and designating management. Each participants control is limited to its representation on the Board. OME-RESA provides information technology and internet access to member districts, as well as cooperative purchasing programs. During fiscal year 2021, the total amount paid to OME-RESA from the School District was \$32,306 for technology services and financial accounting services and educational management information. The Jefferson County Educational Service Center serves as the fiscal agent. To obtain financial information write to Ohio Mid-Eastern Regional Educational Service Agency at 2023 Sunset Blvd., Steubenville, Ohio 43952.

The **Mid-East Career and Technology Centers** is a distinct political subdivision of the State of Ohio operated under the direction of a Board consisting of one representative from each of the 13 participating school districts' elected boards. The Board possesses its own budgeting and taxing authority. The Board controls the financial activity of the Joint Vocational School District. To obtain financial information write to the Mid-East Career and Technology Centers at 1965 Chandlersville Road, Zanesville, Ohio 45701.

Public Entity Risk Pools

The School District is a member of the **South Central Ohio Insurance Consortium (SCOIC)**, an insurance purchasing pool. The SCOIC's primary purpose and objective is establishing and carrying out a cost effective cooperative health program for its member organizations. The governing board consists of the superintendent or other designee appointed by each of the members of SCOIC. Members include 19 public entities with approximately 4,000 employee lives covered for medical and prescription benefits with 24 different plan designs in place as well as dental, vision, life, and accidental death and dismemberment insurances. The Bloom Carroll Local School District serves as the fiscal agent for the SCOIC.

The SCOIC members are considered self-insured and pay a month premium to SCOIC that is actuarially calculated based on the participants' actual claims experience which are utilized for the payment of claims within the claims servicing pool up to the self-insurance deductible limit; and for this portion of the plan, all plan participants retain their own risk. An additional fee is paid for the participation in the internal pool that is based on the claims of the internal pool in aggregate and is not based on individual claims experience. In the event of a deficiency in the internal pool, participants would be charged a higher rate or participation, and in the event of a surplus, the internal pool pays dividends to participants. SCOIC members participate in the shared risk pool through the Jefferson Health Plan for individual claims from \$100,000 to \$200,000. SCOIC members are then covered under stop loss coverage for claims over \$200,000 from IOA-Re. In the event that the School District would withdraw from SCOIC, the School District would be required to give a 180 day notice prior to the end of their three year contract, be responsible for all run-out claims, and would have no tights to share in any surplus funds of SCOIC. To obtain financial information for the SCOIC, write to the fiscal agent, Bloom Carroll Local School District, 5240 Plum Road NW, Carroll, Ohio 43112.

Caldwell Exempted Village School District, Ohio

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

The School District participates in the **Ohio School Plan** (OSP), an insurance purchasing pool. The Ohio School Plan (OSP) is created and organized pursuant to and as authorized by Section 2744.081 of the Ohio Revised Code. The OSP is an unincorporated, non-profit association of its members and an instrumentality for each member for the purpose of enabling members of the Plan to provide for a formalized, joint insurance purchasing program to maintain adequate insurance protection, risk management programs and other administrative services. The OSP's business and affairs are conducted by a fifteen member Board of directors consisting of school district superintendents and treasurers, as well as the president of Harcum-Hyre Insurance Agency, Inc. and a partner of the Hylant Group, Inc. Hylant Group, Inc. is the Administrator of the OSP and is responsible for processing claims. Harcum-Hyre Insurance Agency, Inc. is the sales and marketing representative, which establishes agreements between OSP and member schools.

Note 20 - Related Organization

The **Caldwell Public Library** is a distinct political subdivision of the State of Ohio created under Chapter 3375 of the Ohio Revised Code. The Library is governed by a Board of Trustees appointed by the Caldwell Exempted Village School District as presented by the Library. The Board of Trustees possesses its own contracting and budgeting authority, hires and fires personnel, and does not depend on the School District for operational subsidies. Although the School District does serve as the taxing authority and may issue tax related debt on behalf of the Library, its role is limited to a ministerial function. The determination to request approval of a tax, the rate, and the purpose are discretionary decisions made solely by the Board of Trustees. Financial information can be obtained from the Caldwell Public Library at 517 Spruce Street, P.O. Box 230, Caldwell, Ohio 43724-0230.

Note 21 - 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 are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, the effect of any such disallowed claims on the overall financial position of the School District at June 30, 2021, if applicable, cannot be determined at this time.

Litigation

As of June 30, 2021, the School District is currently not a party to any material legal proceedings.

School Foundation

In fiscal year 2021, School District foundation funding was based on the annualized full-time equivalent (FTE) enrollment of each student. The Ohio Department of Education (ODE) is legislatively required to adjust/reconcile funding as enrollment information is updated by schools throughout the State, which can extend past the fiscal year end. As of the date of this report, additional ODE adjustments for fiscal year 20CY are not finalized. As a result, the impact of future FTE adjustments on the fiscal year 20CY financial statements is not determinable, at this time. Management believes this may result in either an additional receivable to, or a liability of, the School District.

Caldwell Exempted Village School District, Ohio

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

Note 22 - Set-Asides

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

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

	<u>Capital Improvements</u>
Set-aside Balance as of June 30, 2020	\$0
Current Year Set-aside Requirement	149,548
Qualifying Disbursements	<u>(340,099)</u>
Total	<u><u>(\$190,551)</u></u>
Set-aside Balance Carried Forward to Future Fiscal Years	<u><u>\$0</u></u>

The School District had qualifying disbursements during the fiscal year that reduced the set-aside amount below zero. The excess in the capital maintenance set-aside may not be carried forward to reduce the set-aside requirement in future years.

Note 23 - COVID-19

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

Note 24 - Subsequent Event

For fiscal year 2022, School District foundation funding received from the state of Ohio will be funded using a direct funding model. Under this new model, community school, STEM school and scholarship funding will be directly funded by the State of Ohio to the respective 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 respective school. For fiscal year 2021, the School District reported \$179,494 on a cash basis, in revenue and expenditures/expense related to these programs. This new funding system calculates a unique base cost and a unique “per-pupil local capacity amount” for each School District. The School District’s state core foundation funding is then calculated. Any change in funding will be subject to a phase in percentage of 16.67 percent for fiscal year 2022 and 33.33 percent for fiscal year 2023.

This page intentionally left blank.

Caldwell Exempted Village School District, Ohio
Required Supplementary Information
Schedule of the School District's Proportionate Share of the Net Pension Liability
School Employees Retirement System of Ohio
*Last Eight Fiscal Years (1)**

	2021	2020	2019	2018	2017
School District's Proportion of the Net Pension Liability	0.0361055%	0.0353746%	0.0364561%	0.0346866%	0.0333409%
School District's Proportionate Share of the Net Pension Liability	\$2,388,094	\$2,116,524	\$2,087,909	\$2,072,448	\$2,440,247
School District's Covered Payroll	\$1,253,693	\$1,216,370	\$1,202,674	\$1,075,729	\$1,037,500
School District's Proportionate Share of the Pension Liability as a Percentage of its Covered Payrol	190.48%	174.00%	173.61%	192.66%	235.20%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	68.55%	71.36%	71.36%	69.50%	62.98%

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

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

See accompanying notes to the required supplementary information

<u>2016</u>	<u>2015</u>	<u>2014</u>
0.0328628%	0.0336330%	0.0336330%
\$1,875,185	\$1,702,147	\$2,000,047
\$995,683	\$966,479	\$924,336
188.33%	176.12%	216.38%
69.16%	71.70%	65.52%

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

	2021	2020	2019	2018
School District's Proportion of the Net Pension Liability	0.03013978%	0.03030219%	0.02950457%	0.02918682%
School District's Proportionate Share of the Net Pension Liability	\$7,292,753	\$6,701,147	\$6,487,393	\$6,933,392
School District's Covered Payroll	\$3,654,336	\$3,578,350	\$3,383,179	\$3,103,429
School District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	199.56%	187.27%	191.75%	223.41%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	75.50%	77.30%	77.30%	75.30%

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

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

See accompanying notes to the required supplementary information

2017	2016	2015	2014
0.02708494%	0.02919808%	0.02721966%	0.02721966%
\$9,066,146	\$8,069,496	\$6,620,763	\$7,886,610
\$3,253,214	\$2,996,643	\$2,776,731	\$3,033,146
278.68%	269.28%	238.44%	260.01%
66.80%	72.10%	74.70%	69.30%

Caldwell Exempted Village School District, Ohio
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)**

	<u>2021</u>	<u>2020</u>	<u>2019</u>
School District's Proportion of the Net OPEB Liability	0.03759420%	0.03628777%	0.03694720%
School District's Proportionate Share of the Net OPEB Liability	\$817,045	\$912,560	\$1,025,016
School District's Covered Payroll	\$1,253,693	\$1,216,370	\$1,202,674
School District's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	65.17%	75.02%	85.23%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	18.17%	13.57%	13.57%

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

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

See accompanying notes to the required supplementary information

<u>2018</u>	<u>2017</u>
0.03507200%	0.03380390%
\$941,240	\$963,536
\$1,075,729	\$1,037,500
87.50%	92.87%
12.46%	11.49%

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

	<u>2021</u>	<u>2020</u>	<u>2019</u>
School District's Proportion of the Net OPEB Liability (Asset)	0.03013978%	0.03030219%	0.02950457%
School District's Proportionate Share of the Net OPEB Liability (Asset)	(\$529,706)	(\$501,877)	(\$474,108)
School District's Covered Payroll	\$3,654,336	\$3,578,350	\$3,383,179
School District's Proportionate Share of the Net OPEB Liability (Asset) as a Percentage of its Covered Payroll	-14.50%	-14.03%	-14.01%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability (Asset)	182.10%	174.70%	176.00%

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

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

See accompanying notes to the required supplementary information

<u>2018</u>	<u>2017</u>
0.02918682%	0.02708494%
\$1,138,762	\$1,448,510
\$3,103,429	\$3,253,214
36.69%	44.53%
47.10%	37.30%

Caldwell Exempted Village School District, Ohio
Required Supplementary Information
Schedule of the School District's Contributions
School Employees Retirement System of Ohio
Last Ten Fiscal Years

	2021	2020	2019	2018	2017
Net Pension Liability					
Contractually Required Contribution	\$195,767	\$175,517	\$164,210	\$162,361	\$150,602
Contributions in Relation to the Contractually Required Contribution	<u>(195,767)</u>	<u>(175,517)</u>	<u>(164,210)</u>	<u>(162,361)</u>	<u>(150,602)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
School District Covered Payroll (1)	\$1,398,336	\$1,253,693	\$1,216,370	\$1,202,674	\$1,075,729
Pension Contributions as a Percentage of Covered Payroll	<u>14.00%</u>	<u>14.00%</u>	<u>13.50%</u>	<u>13.50%</u>	<u>14.00%</u>
Net OPEB Liability					
Contractually Required Contribution (2)	\$26,364	\$14,983	\$28,398	\$25,807	\$18,528
Contributions in Relation to the Contractually Required Contribution	<u>(26,364)</u>	<u>(14,983)</u>	<u>(28,398)</u>	<u>(25,807)</u>	<u>(18,528)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
OPEB Contributions as a Percentage of Covered Payroll	<u>1.89%</u>	<u>1.20%</u>	<u>2.33%</u>	<u>2.15%</u>	<u>1.72%</u>
Total Contributions as a Percentage of Covered Payroll (2)	<u>15.89%</u>	<u>15.20%</u>	<u>15.83%</u>	<u>15.65%</u>	<u>15.72%</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

2016	2015	2014	2013	2012
\$145,250	\$131,231	\$133,954	\$127,928	\$127,513
<u>(145,250)</u>	<u>(131,231)</u>	<u>(133,954)</u>	<u>(127,928)</u>	<u>(127,513)</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$1,037,500	\$995,683	\$966,479	\$924,336	\$948,055
<u>14.00%</u>	<u>13.18%</u>	<u>13.86%</u>	<u>13.84%</u>	<u>13.45%</u>
\$17,176	\$25,497	\$18,380	\$18,949	\$21,843
<u>(17,176)</u>	<u>(25,497)</u>	<u>(18,380)</u>	<u>(18,949)</u>	<u>(21,843)</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<u>1.66%</u>	<u>2.56%</u>	<u>1.90%</u>	<u>2.05%</u>	<u>2.30%</u>
<u>15.66%</u>	<u>15.74%</u>	<u>15.76%</u>	<u>15.89%</u>	<u>15.75%</u>

Caldwell Exempted Village School District, Ohio
Required Supplementary Information
Schedule of the School District's Contributions
State Teachers Retirement System of Ohio
Last Ten Fiscal Years

	2021	2020	2019	2018	2017
Net Pension Liability					
Contractually Required Contribution	\$539,984	\$511,607	\$500,969	\$473,645	\$434,480
Contributions in Relation to the Contractually Required Contribution	<u>(539,984)</u>	<u>(511,607)</u>	<u>(500,969)</u>	<u>(473,645)</u>	<u>(434,480)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
School District Covered Payroll (1)	\$3,857,029	\$3,654,336	\$3,578,350	\$3,383,179	\$3,103,429
Pension Contributions as a Percentage of Covered Payroll	<u>14.00%</u>	<u>14.00%</u>	<u>14.00%</u>	<u>14.00%</u>	<u>14.00%</u>
Net OPEB Liability (Asset)					
Contractually Required Contribution	\$0	\$0	\$0	\$0	\$0
Contributions in Relation to the Contractually Required Contribution	<u>0</u>	<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>	<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>	<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>	<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

<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
\$455,450	\$419,530	\$360,975	\$394,309	\$395,039
<u>(455,450)</u>	<u>(419,530)</u>	<u>(360,975)</u>	<u>(394,309)</u>	<u>(395,039)</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$3,253,214	\$2,996,643	\$2,776,731	\$3,033,146	\$3,038,762
<u>14.00%</u>	<u>14.00%</u>	<u>13.00%</u>	<u>13.00%</u>	<u>13.00%</u>
\$0	\$0	\$27,767	\$30,331	\$30,388
<u>0</u>	<u>0</u>	<u>(27,767)</u>	<u>(30,331)</u>	<u>(30,388)</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<u>0.00%</u>	<u>0.00%</u>	<u>1.00%</u>	<u>1.00%</u>	<u>1.00%</u>
<u>14.00%</u>	<u>14.00%</u>	<u>14.00%</u>	<u>14.00%</u>	<u>14.00%</u>

This page intentionally left blank.

Caldwell Exempted Village 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.

Caldwell Exempted Village 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.

Caldwell Exempted Village 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.

This page intentionally left blank.

**CALDWELL EXEMPTED VILLAGE SCHOOL DISTRICT
NOBLE COUNTY**

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

FEDERAL GRANTOR Pass Through Grantor Program / Cluster Title	Federal CFDA Number	Pass Through Entity Identifying Number	Total Federal Expenditures
U.S. DEPARTMENT OF AGRICULTURE			
Passed Through Ohio Department of Education			
Child Nutrition Cluster			
Non-Cash Assistance (Food Distribution):			
National School Lunch Program	10.555	2021	\$19,495
Cash Assistance:			
School Breakfast Program	10.553	2021	125,841
Covid-19 School Breakfast Program	10.553	2021	21,142
National School Lunch Program	10.555	2021	223,341
Covid-19 National School Lunch Program	10.555	2021	31,195
Cash Assistance Subtotal			<u>401,519</u>
Total Child Nutrition Cluster			<u>421,014</u>
Total U.S. Department of Agriculture			421,014
U.S. DEPARTMENT OF EDUCATION			
Passed Through Ohio Department of Education			
Title I Grants to Local Educational Agencies	84.010	2020 2021	24,731 <u>198,033</u>
Total Title I Grants to Local Educational Agencies			222,764
Special Education Cluster			
Special Education - Grants to States	84.027	2020 2021	5,431 <u>168,135</u>
Total Special Education - Grants to States			<u>173,566</u>
Total Special Education Cluster			173,566
Rural Education	84.358	2020 2021	4,961 <u>15,716</u>
Total Rural Education			20,677
Improving Teacher Quality State Grants	84.367	2020 2021	4,828 <u>31,757</u>
Total Improving Teacher Quality State Grants			36,585
Education Stabilization Fund	84.425D	2021	<u>210,255</u>
Total U.S. Department of Education			663,847
U.S. DEPARTMENT OF THE TREASURY			
Passed Through Ohio Office of Budget and Management			
Coronavirus Relief Fund	21.019	2021	<u>68,594</u>
Total U.S. Department of the Treasury			<u>68,594</u>
Total Expenditures of Federal Awards			<u><u>\$1,153,455</u></u>

The accompanying notes are an integral part of this Schedule.

**CALDWELL EXEMPTED VILLAGE SCHOOL DISTRICT
NOBLE COUNTY**

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

NOTE A – BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of Caldwell Exempted Village School District (the School 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 School District, it is not intended to and does not present the financial position, changes in net position, or cash flows of the School District.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

NOTE C – INDIRECT COST RATE

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

NOTE E – FOOD DONATION PROGRAM

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

NOTE F - TRANSFERS BETWEEN PROGRAM YEARS

Federal regulations require schools to obligate certain federal awards by June 30. However, with ODE's consent, schools can transfer unobligated amounts to the subsequent fiscal year's program. The School District transferred the following amounts from 2021 to 2022 programs:

<u>Program Title</u>	<u>CFDA Number</u>	<u>Amt. Transferred</u>
Title I Grants to Local Educational Agencies	84.010	\$24,511
Special Education - Grants to States	84.027	25,115
Rural Education	84.358	6,304
Improving Teacher Quality State Grants	84.367	12,146
Student Support and Academic Enrichment Program	84.424	15,938
Education Stabilization Fund	84.425D	13,590

OHIO AUDITOR OF STATE KEITH FABER



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

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

Caldwell Exempted Village School District
Noble County
516 Fairground Street
Caldwell, Ohio 43724

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, the major fund, and the aggregate remaining fund information of the Caldwell Exempted Village School District, Noble County, Ohio (the School District), as of and for the year ended June 30, 2021 and the related notes to the financial statements, which collectively comprise the School District's basic financial statements and have issued our report thereon dated May 31, 2022, wherein we noted the financial impact of COVID-19 and the continuing emergency measures which may impact subsequent periods of the School District.

Internal Control Over Financial Reporting

As part of our financial statement audit, we considered the School 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 opinion on the financial statements, but not to the extent necessary to opine on the effectiveness of the School 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 School 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 School 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 School District's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the School District's internal control and compliance. Accordingly, this report is not suitable for any other purpose.



Keith Faber
Auditor of State
Columbus, Ohio

May 31, 2022

OHIO AUDITOR OF STATE KEITH FABER



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

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

Caldwell Exempted Village School District
Noble County
516 Fairground Street
Caldwell, Ohio 43724

To the Board of Education:

Report on Compliance for Each Major Federal Program

We have audited Caldwell Exempted Village School District's (the School 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 Caldwell Exempted Village School District's major federal programs for the year ended June 30, 2021. The *Summary of Auditor's Results* in the accompanying Schedule of Findings identifies the School District's major federal programs.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to opine on the School District's compliance for the School District's major federal programs 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 each major federal program occurred. An audit includes examining, on a test basis, evidence about the School 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 School District's major programs. However, our audit does not provide a legal determination of the School District's compliance.

Opinion on Each Major Federal Program

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

Report on Internal Control Over Compliance

The School 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 School District's internal control over compliance with the applicable requirements that could directly and materially affect a major federal program, to determine our auditing procedures appropriate for opining on each major federal program's compliance and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not to the extent needed to opine on the effectiveness of internal control over compliance. Accordingly, we have not opined on the effectiveness of the School 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

May 31, 2022

**CALDWELL EXEMPTED VILLAGE SCHOOL DISTRICT
NOBLE COUNTY**

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

1. SUMMARY OF AUDITOR'S RESULTS

(d)(1)(i)	Type of Financial Statement Opinion	Unmodified
(d)(1)(ii)	Were there any material weaknesses in internal control reported at the financial statement level (GAGAS)?	No
(d)(1)(ii)	Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?	No
(d)(1)(iii)	Was there any reported material noncompliance at the financial statement level (GAGAS)?	No
(d)(1)(iv)	Were there any material weaknesses in internal control reported for major federal programs?	No
(d)(1)(iv)	Were there any significant deficiencies in internal control reported for major federal programs?	No
(d)(1)(v)	Type of Major Programs' Compliance Opinion	Unmodified
(d)(1)(vi)	Are there any reportable findings under 2 CFR § 200.516(a)?	No
(d)(1)(vii)	Major Programs (list): <ul style="list-style-type: none"> • Child Nutrition Cluster, AL #10.553, 10.555 • Special Education Cluster, AL #84.027 	
(d)(1)(viii)	Dollar Threshold: Type A/B Programs	Type A: > \$ 750,000 Type B: all others
(d)(1)(ix)	Low Risk Auditee under 2 CFR § 200.520?	No

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

None.

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None.

OHIO AUDITOR OF STATE KEITH FABER



CALDWELL EXEMPTED VILLAGE SCHOOL DISTRICT

NOBLE 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 6/23/2022

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