



OHIO AUDITOR OF STATE
KEITH FABER



**CROOKSVILLE EXEMPTED VILLAGE SCHOOL DISTRICT
PERRY COUNTY
JUNE 30, 2021**

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**CROOKSVILLE EXEMPTED VILLAGE SCHOOL DISTRICT
PERRY COUNTY
JUNE 30, 2021**

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OHIO AUDITOR OF STATE KEITH FABER



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INDEPENDENT AUDITOR'S REPORT

Crooksville Exempted Village School District
Perry County
4065 School Drive
Crooksville, Ohio 43731

To the Board of Education:

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Crooksville Exempted Village School District, Perry County, Ohio (the District), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the Table of Contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the District, as of June 30, 2021, and the respective changes in financial position thereof and the 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 20 to the financial statements, during fiscal year 2021, the District adopted new accounting guidance in Governmental Accounting Standards Board (GASB) Statement No. 84, Fiduciary Activities. Also, as discussed in Note 19 to the financial statements, the financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the District. We did not modify our opinion regarding these matters.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require this presentation to include *Management's Discussion and Analysis*, and Schedules of Net Pension and Other Post-employment Benefit Liabilities and Pension and Other Post-employment Benefit Contributions listed in the Table of Contents, to supplement the basic financial statements. Although this information is not part of the basic financial statements, the Governmental Accounting Standards Board considers it essential for placing the basic financial statements in an appropriate operational, economic, or historical context. We applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, consisting of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, to the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not opine or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to opine or provide any other assurance.

Supplementary and Other Information

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

The Schedule of Receipts and 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 are 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 23, 2022, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.



Keith Faber
Auditor of State
Columbus, Ohio

May 23, 2022

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CROOKSVILLE EXEMPTED VILLAGE SCHOOL DISTRICT, OHIO

***Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2021***

Unaudited

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

FINANCIAL HIGHLIGHTS

Key financial highlights for 2021 are as follows:

- ❑ Net position increased \$2,584,171 from 2020.
- ❑ General revenues accounted for \$13,870,704 in revenue or 72.6% of all revenues. Program specific revenues in the form of charges for services and grants and contributions accounted for \$5,241,577 or 27.4% of total revenues of \$19,112,281.
- ❑ The District had \$16,528,110 in expenses related to governmental activities; only \$5,241,577 of these expenses were offset by program specific charges for services, grants or contributions. General revenues of \$13,870,704 were adequate to provide for these programs.
- ❑ The District's General Fund had \$15,283,007 in revenues and \$12,646,159 in expenditures and other financing uses. The General Fund's fund balance increased \$2,636,848 to a balance of \$3,861,217.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of two parts – management's discussion and analysis and the basic financial statements. The basic financial statements include two kinds of statements that present different views of the District:

These statements are as follows:

1. *The Government-Wide Financial Statements* – These statements provide both long-term and short-term information about the District's overall financial status.
2. *The Fund Financial Statements* – These statements focus on individual parts of the District, reporting the District's operations in more detail than the government-wide statements.

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data.

CROOKSVILLE EXEMPTED VILLAGE SCHOOL DISTRICT, OHIO

***Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2021***

Unaudited

Government-wide Statements

The government-wide statements report information about the District as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes all of the District's assets and deferred outflows of resources, liabilities and deferred inflows of resources. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two government-wide statements report the District's net position and how they have changed. Net-position (the difference between the District's assets and deferred outflows of resources and liabilities and deferred inflows of resources) are one way to measure the District's financial health or position.

Over time, increases or decreases in the District's net position are an indicator of whether its financial health is improving or deteriorating, respectively.

To assess the overall health of the District you need to consider additional nonfinancial factors such as the property tax base, current property tax laws, student enrollment growth and facility conditions.

The government-wide financial statements of the District reflect the following category of its activities:

Governmental Activities – The District's programs and services are reported here including instruction, support services, operation and maintenance of plant, pupil transportation and extracurricular activities.

Fund Financial Statements

The fund financial statements provide more detailed information about the District's most significant funds, not the District as a whole. Funds are accounting devices that the District uses to keep track of specific sources of funding and spending for particular purposes.

Governmental Funds – The District's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in future periods. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the 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.

CROOKSVILLE EXEMPTED VILLAGE SCHOOL DISTRICT, OHIO

***Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2021***

Unaudited

FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT AS A WHOLE

The following table provides a summary of the District's net position for fiscal year 2021 compared to fiscal year 2020.

	Governmental Activities	
	2021	Restated 2020
Current and other assets	\$15,009,018	\$12,186,046
Net OPEB asset	778,766	745,072
Capital assets, Net	7,519,677	7,758,872
Total assets	<u>23,307,461</u>	<u>20,689,990</u>
Deferred Outflows of Resources	<u>2,951,100</u>	<u>2,776,320</u>
Net pension liability	13,704,341	12,557,024
Net OPEB liability	1,011,234	1,126,744
Other long-term liabilities	2,489,174	2,795,647
Other liabilities	1,347,083	1,256,112
Total liabilities	<u>18,551,832</u>	<u>17,735,527</u>
Deferred Inflows of Resources	<u>4,438,543</u>	<u>5,046,768</u>
Net position:		
Net investment in capital assets	5,985,191	5,925,939
Restricted	6,620,567	6,127,182
Unrestricted	(9,337,572)	(11,369,106)
Total net position	<u>\$3,268,186</u>	<u>\$684,015</u>

The net pension liability is reported by the District pursuant to GASB Statement 68, "Accounting and Financial Reporting for Pensions—an Amendment of GASB Statement 27." The net OPEB liability/asset is reported by the District pursuant to GASB Statement 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions." For reasons discussed below, many end users of this financial statement will gain a clearer understanding of the 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.

CROOKSVILLE EXEMPTED VILLAGE SCHOOL DISTRICT, OHIO

***Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2021***

Unaudited

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*. 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/asset to equal the 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 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.

CROOKSVILLE EXEMPTED VILLAGE SCHOOL DISTRICT, OHIO

***Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2021***

Unaudited

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

In accordance with GASB 68 and GASB 75, the 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 liability/asset, respectively, not accounted for as deferred inflows/outflows.

Changes in Net Position – The following table shows the changes in net position for the fiscal year 2021 compared to fiscal year 2020.

	Governmental Activities		Increase (Decrease)
	2021	2020	
Revenues			
Program revenues:			
Charges for Services and Sales	\$2,052,776	\$1,997,743	\$55,033
Operating Grants and Contributions	3,188,801	2,385,883	802,918
General revenues:			
Property Taxes	3,645,044	2,378,979	1,266,065
Grants and Entitlements	9,928,230	9,901,180	27,050
Other	297,430	327,597	(30,167)
Total revenues	<u>19,112,281</u>	<u>16,991,382</u>	<u>2,120,899</u>
Program Expenses			
Instruction	9,576,781	9,293,875	282,906
Support Services:			
Pupils	645,807	471,941	173,866
Instructional Staff	830,054	884,862	(54,808)
Board of Education	58,461	52,599	5,862
Administration	1,499,420	1,481,526	17,894
Fiscal Services	383,111	364,172	18,939
Operation and Maintenance of Plant	1,346,720	1,668,446	(321,726)
Pupil Transportation	870,321	884,427	(14,106)
Central	49,830	4,924	44,906
Operation of Non-Instructional Services	831,455	721,035	110,420
Extracurricular Activities	374,914	371,117	3,797
Interest and Fiscal Charges	61,236	66,584	(5,348)
Total expenses	<u>16,528,110</u>	<u>16,265,508</u>	<u>262,602</u>
Total Change in Net Position	2,584,171	725,874	1,858,297
Beginning Net Position, Restated	<u>684,015</u>	<u>(41,859)</u>	<u>725,874</u>
Ending Net Position	<u><u>\$3,268,186</u></u>	<u><u>\$684,015</u></u>	<u><u>\$2,584,171</u></u>

CROOKSVILLE EXEMPTED VILLAGE SCHOOL DISTRICT, OHIO

***Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2021***

Unaudited

Governmental Activities

Net position of the District's governmental activities increased \$2,584,171. Revenues were up across all categories except other revenues, as were the majority of functional expenses. Most of the increases in expenses can be attributed to changes in the net pension and net OPEB liabilities.

The unique nature of property taxes in Ohio creates the need to routinely seek voter approval for operating funds. In general, the overall revenue generated by the levy will not increase solely as a result of inflation. As an example, a homeowner with a home valued at \$100,000 and taxed at 1.0 mill would pay \$35.00 annually in taxes. If three years later the home were reappraised and increased to \$200,000 (and this inflationary increase in value is comparable to other property owners) the effective tax rate would become .5 mills and the owner would still pay \$35.00.

Property taxes made up 19.07% of revenues for governmental activities for Crooksville Exempted Village Schools in fiscal year 2021. The District's reliance upon grant revenues is demonstrated by the following graph:

Revenue Sources	2021	Percent of Total
General Grants	\$9,928,230	51.95%
Program Revenues	5,241,577	27.43%
General Tax Revenues	3,645,044	19.07%
General Other	297,430	1.55%
Total Revenue	\$19,112,281	100.00%

51.95%
1.55%
19.07%
27.43%

FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT'S FUNDS

The District's governmental funds reported a combined fund balance of \$10,490,483 which is more than last year's balance of \$7,402,957. The schedule below indicates the fund balance and the total change in fund balance by fund type as of June 30, 2021 and 2020.

	Fund Balance June 30, 2021	Restated Fund Balance June 30, 2020	Increase (Decrease)
General	\$3,861,217	\$1,224,369	\$2,636,848
Capital Projects Fund	5,000,000	5,000,000	0
Other Governmental	1,629,266	1,178,588	450,678
Total	\$10,490,483	\$7,402,957	\$3,087,526

CROOKSVILLE EXEMPTED VILLAGE SCHOOL DISTRICT, OHIO

***Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2021***

Unaudited

General Fund –The tables that follow assist in illustrating the financial activities and balance of the General Fund:

	2021 Revenues	2020 Revenues	Increase (Decrease)
Taxes	\$3,265,120	\$2,046,577	\$1,218,543
Tuition	1,932,447	1,841,180	91,267
Investment Earnings	(43,467)	182,099	(225,566)
Extracurricular Activities	8,652	34,202	(25,550)
Intergovernmental - State	9,796,912	9,740,640	56,272
Intergovernmental - Federal	59,549	61,230	(1,681)
All Other Revenue	263,794	21,398	242,396
Total	\$15,283,007	\$13,927,326	\$1,355,681

The General Fund revenues increased 9% in 2021. A \$1,218,543 increase in tax revenue, primarily from the increase value in pipelines, accounted for most of the increase. Tuition paid by other districts for Open Enrollment also increased \$91,267. Overall, total revenues increased by \$1,355,681. Investment earnings decreased due to lower investment values throughout fiscal year 2021.

	2021 Expenditures	2020 Expenditures	Increase (Decrease)
Instruction	\$7,397,328	\$7,725,752	(\$328,424)
Supporting Services:			
Pupils	310,968	342,781	(31,813)
Instructional Staff	642,108	586,125	55,983
Board of Education	59,097	52,599	6,498
Administration	1,398,021	1,360,845	37,176
Fiscal Services	364,365	335,872	28,493
Operation & Maintenance of Plant	1,196,794	1,331,137	(134,343)
Pupil Transportation	735,356	1,051,517	(316,161)
Central	5,691	4,924	767
Extracurricular Activities	212,800	233,035	(20,235)
Capital Outlay	23,250	23,250	0
Debt Service			
Principal Retirement	163,447	170,202	(6,755)
Interest and Fiscal Charges	31,934	39,852	(7,918)
Total	\$12,541,159	\$13,257,891	(\$716,732)

The expenditures decreased by \$716,732 or 5.4% compared to the prior year mostly due to reallocated expenditures resulting from various COVID-19 relief funds received in the current year.

The 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 District amended its General Fund budget several times, none significant.

CROOKSVILLE EXEMPTED VILLAGE SCHOOL DISTRICT, OHIO

***Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2021***

Unaudited

For the General Fund, budget basis revenue was increased \$1,561,870 from original budget estimates of \$13.1 million to account for higher tax, tuition and intergovernmental receipts. The General Fund had an adequate fund balance to cover expenditures.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At the end of fiscal year 2021 the District had \$7,519,677 net of accumulated depreciation invested in land, construction in progress, land improvements, buildings, machinery, equipment and vehicles. The following table shows fiscal year 2021 and 2020 balances:

	Governmental Activities		Increase (Decrease)
	2021	2020	
Land	\$159,269	\$98,680	\$60,589
Construction in Progress	1,323,889	1,323,889	0
Land Improvements	1,131,731	1,131,731	0
Buildings and Improvements	17,651,589	17,542,883	108,706
Machinery/Equipment and Furniture/Fixtures	2,405,091	2,359,697	45,394
Vehicles	1,172,379	1,076,770	95,609
Less: Accumulated Depreciation	(16,324,271)	(15,774,778)	(549,493)
Totals	\$7,519,677	\$7,758,872	(\$239,195)

Additional information on the District's capital assets can be found in Note 9.

Debt

At June 30, 2021, the District had \$300,000 in bonds outstanding, \$110,000 due within one year. The following table summarizes the District's debt outstanding as of June 30, 2021:

	2021	2020
General Obligation Bonds:		
Refunding Bond	\$180,000	\$265,000
Energy Conservation Bond	120,000	140,000
Total General Obligation Bond	300,000	405,000
Capital Lease Liability	1,320,858	1,514,305
Compensated Absences	868,316	876,342
Totals	\$2,489,174	\$2,795,647

Under current state statutes, the District's general obligation bonded debt issues are subject to a legal limitation based on 9% of the total assessed value of real and personal property. At June 30, 2021, the District's outstanding debt was below the legal limit. Additional information on the District's long-term debt can be found in Note 12.

CROOKSVILLE EXEMPTED VILLAGE SCHOOL DISTRICT, OHIO

***Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2021***

Unaudited

ECONOMIC FACTORS

At Crooksville Exempted Village Schools, we have been working hard to make positive changes in our programs. We have been making changes and receiving positive feedback. Crooksville Exempted Village School District staff members continue to actively pursue grant opportunities, professional development and the gathering of assessment data on each and every student. All of these efforts focus on improving student performance and reducing district expenses.

At a time when state and federal mandates are increasing, the state and federal governments had continued to make financial cuts to school districts and local entities. However, beginning with fiscal year 2020, the State of Ohio biennial budget included significant increased funding for education, and the funding formula benefitted Crooksville Schools. This trend has continued in the 2020-2021 state biennial budgets. This increase in aid has helped the district's financial position in the last two years. However, enrollment is expected to decline in the coming years as a result of census and live birth data calculations, and as property values increase due to reevaluations, the district will become relatively wealthier within the state and the increases in funding formula recognized in fiscal years 2020 and 2021 may start to decline. A new Governor was elected in 2021 and the next biennial budget has changed with the new administration. Current State Funding has been frozen for the next two years, but the Governor has provided new funding for Student Wellness and Support that will amount to an estimated \$350,000 in fiscal year 2021 and \$500,000 in fiscal year 2021 for Crooksville Schools.

Thanks to fiscal responsibility of the district, increased open enrollment dollars, and grants in aid, the district has managed to stay in the black on a cash basis; and is positive in fiscal year 2021 on a GAAP basis. Each November, the district is responsible for filing with the Ohio Department of Education a five year forecast of funding. This forecast is based on predictions and assumptions relating to the school district's expenditures and funding sources for the General Fund. The current state fiscal year 2021 funding formula provided Crooksville Exempted Village School District with be approximately \$9,694,417 in State Grants-in-Aid in fiscal years 2020 and 2021, unchanged from fiscal year 2019. The 2022-2021 State of Ohio Public Utility evaluation from a Columbia Gas pipeline increased by \$46 million for Crooksville Schools from 2019 and resulted an additional \$1,021,500 in tax revenue per year. The district received approximately \$55,000 in fiscal year 2021 from Ohio's Casino Tax and will receive an estimated \$43,000 in 2021. Temporary reduction is due to COVID-19 restrictions in 2021.

The Crooksville Exempted Village School District, Board of Education and administration will continue to closely monitor spending and revenues to make the necessary decisions ensuring that the district remains fiscally sound.

REQUESTS FOR INFORMATION

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Robert Ogg, Jr., CPA, Treasurer of Crooksville Exempted Village School District.

CROOKSVILLE EXEMPTED VILLAGE SCHOOL DISTRICT, OHIO

Statement of Net Position **June 30, 2021**

	<u>Governmental Activities</u>
Assets:	
Equity in Pooled Cash, Cash Equivalents and Investments	\$ 10,476,755
Receivables:	
Taxes	3,707,166
Accounts	2,053
Intergovernmental	581,737
Inventory of Supplies at Cost	2,057
Prepaid Items	217,791
Restricted Assets:	
Cash and Cash Equivalents	21,459
Net OPEB Asset	778,766
Capital Assets Not Being Depreciated	1,483,158
Capital Assets Being Depreciated, Net	6,036,519
Total Assets	<u>23,307,461</u>
Deferred Outflows of Resources:	
Pension	2,574,394
OPEB	376,706
Total Deferred Outflows of Resources	<u>2,951,100</u>
Liabilities:	
Accounts Payable	90,075
Accrued Wages and Benefits	1,083,358
Intergovernmental Payable	146,752
Matured Bonds & Interest Payable	21,459
Accrued Interest Payable	5,439
Long Term Liabilities:	
Due Within One Year	330,767
Due in More Than One Year:	
Net Pension Liability	13,704,341
Net OPEB Liability	1,011,234
Other Amounts Due in More Than One Year	2,158,407
Total Liabilities	<u>18,551,832</u>

CROOKSVILLE EXEMPTED VILLAGE SCHOOL DISTRICT, OHIO

	Governmental Activities
Deferred Inflows of Resources:	
Property Taxes	2,561,747
Pension	384,271
OPEB	1,492,525
Total Deferred Inflows of Resources	<u>4,438,543</u>
Net Position:	
Net Investment in Capital Assets	5,985,191
Restricted For:	
Capital Projects	5,656,019
Debt Service	256,937
Other Purposes	707,611
Unrestricted (Deficit)	(9,337,572)
Total Net Position	<u>\$ 3,268,186</u>

See accompanying notes to the basic financial statements

CROOKSVILLE 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 and Contributions	Governmental Activities
Governmental Activities:				
Instruction	\$ 9,576,781	\$ 1,932,447	\$ 1,610,240	\$ (6,034,094)
Support Services:				
Pupils	645,807	0	552,175	(93,632)
Instructional Staff	830,054	0	174,604	(655,450)
Board of Education	58,461	0	0	(58,461)
Administration	1,499,420	0	16,553	(1,482,867)
Fiscal Services	383,111	0	0	(383,111)
Operation and Maintenance of Plant	1,346,720	0	30,622	(1,316,098)
Pupil Transportation	870,321	0	87,587	(782,734)
Central	49,830	0	0	(49,830)
Operation of Non-Instructional Services	831,455	9,008	717,020	(105,427)
Extracurricular Activities	374,914	111,321	0	(263,593)
Interest and Fiscal Charges	61,236	0	0	(61,236)
Totals	\$ 16,528,110	\$ 2,052,776	\$ 3,188,801	(11,286,533)
 General Revenues				
Property Taxes Levied for:				
General Purposes				3,246,017
Other Purposes				399,027
Programs				9,928,230
Investment Earnings				15,711
Miscellaneous				281,719
Total General Revenues				13,870,704
Change in Net Position				2,584,171
Net Position Beginning of Year				684,015
Net Position End of Year				\$ 3,268,186

See accompanying notes to the basic financial statements

CROOKSVILLE EXEMPTED VILLAGE SCHOOL DISTRICT, OHIO

Balance Sheet Governmental Funds June 30, 2021

	General	Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
Assets:				
Equity in Pooled Cash, Cash Equivalents and Investments	\$ 3,952,588	\$ 5,000,000	\$ 1,524,167	\$ 10,476,755
Receivables:				
Taxes	3,295,623	0	411,543	3,707,166
Accounts	0	0	2,053	2,053
Intergovernmental	0	0	581,737	581,737
Interfund Loan Receivable	160,381	0	0	160,381
Inventory Held for Resale	0	0	2,057	2,057
Prepaid Items	206,321	0	11,470	217,791
Restricted Assets:				
Cash and Cash Equivalents	0	0	21,459	21,459
Total Assets	\$ 7,614,913	\$ 5,000,000	\$ 2,554,486	\$ 15,169,399
Liabilities:				
Accounts Payable	\$ 72,390	\$ 0	\$ 17,685	\$ 90,075
Accrued Wages and Benefits	918,680	0	164,678	1,083,358
Intergovernmental Payable	94,318	0	52,434	146,752
Matured Bonds and Interest Payable	0	0	21,459	21,459
Interfund Loans Payable	0	0	160,381	160,381
Compensated Absences Payable	5,240	0	0	5,240
Total Liabilities	1,090,628	0	416,637	1,507,265
Deferred Inflows of Resources:				
Unavailable Amounts	386,190	0	223,714	609,904
Property Tax Levy for Next Fiscal Year	2,276,878	0	284,869	2,561,747
Total Deferred Inflows of Resources	2,663,068	0	508,583	3,171,651
Fund Balances:				
Nonspendable	206,321	0	13,527	219,848
Restricted	0	5,000,000	1,753,360	6,753,360
Assigned	963,452	0	0	963,452
Unassigned	2,691,444	0	(137,621)	2,553,823
Total Fund Balances	3,861,217	5,000,000	1,629,266	10,490,483
Total Liabilities, Deferred Inflows of Resources and Funds Balances	\$ 7,614,913	\$ 5,000,000	\$ 2,554,486	\$ 15,169,399

See accompanying notes to the basic financial statements

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CROOKSVILLE EXEMPTED VILLAGE SCHOOL DISTRICT, OHIO

Reconciliation of Total Governmental Fund Balances to Net Position of Governmental Activities June 30, 2021

Total Governmental Fund Balances	\$ 10,490,483
<i>Amounts reported for governmental activities in the statement of net position are different because</i>	
Capital Assets used in governmental activities are not resources and therefore are not reported in the funds.	7,519,677
Other long-term assets are not available to pay for current- period expenditures and therefore are deferred in the funds.	609,904
The net pension and net OPEB liabilities are not due and payable in the current period; therefore, the liability and related deferred inflows/outflows are not reported in governmental funds:	
Deferred Outflows - Pension	2,574,394
Deferred Inflows - Pension	(384,271)
Net Pension Liability	(13,704,341)
Net OPEB Asset	778,766
Deferred Outflows - OPEB	376,706
Deferred Inflows - OPEB	(1,492,525)
Net OPEB Liability	(1,011,234)
Total	(12,862,505)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.	
General Obligation Bonds Payable	(300,000)
Capital Lease Payable	(1,320,858)
Compensated Absences Payable	(863,076)
Accrued Interest Payable	(5,439)
Total	(2,489,373)
<i>Net Position of Governmental Activities</i>	\$ 3,268,186

See accompanying notes to the basic financial statements

CROOKSVILLE 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	Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
Revenues:				
Taxes	\$ 3,265,120	\$ 0	\$ 401,815	\$ 3,666,935
Tuition	1,932,447	0	0	1,932,447
Investment Earnings	(43,467)	0	59,178	15,711
Food Services	0	0	9,008	9,008
Extracurricular Activities	8,652	0	82,633	91,285
Intergovernmental - State	9,796,912	0	795,169	10,592,081
Intergovernmental - Federal	59,549	0	2,382,578	2,442,127
All Other Revenue	263,794	0	54,092	317,886
Total Revenue	15,283,007	0	3,784,473	19,067,480
Expenditures:				
Current:				
Instruction	7,397,328	0	1,432,981	8,830,309
Supporting Services:				
Pupils	310,968	0	325,252	636,220
Instructional Staff	642,108	0	174,810	816,918
Board of Education	59,097	0	0	59,097
Administration	1,398,021	0	18,116	1,416,137
Fiscal Services	364,365	0	8,434	372,799
Operation & Maintenance of Plant	1,196,794	0	124,908	1,321,702
Pupil Transportation	735,356	0	103,088	838,444
Central	5,691	0	44,139	49,830
Operation of Non-Instructional Services	0	0	812,308	812,308
Extracurricular Activities	212,800	0	163,401	376,201
Capital Outlay	23,250	0	60,589	83,839
Debt Service:				
Principal Retirement	163,447	0	135,000	298,447
Interest & Fiscal Charges	31,934	0	30,830	62,764
Total Expenditures	12,541,159	0	3,433,856	15,975,015
Excess (Deficiency) of Revenues				
Over Expenditures	2,741,848	0	350,617	3,092,465

CROOKSVILLE EXEMPTED VILLAGE SCHOOL DISTRICT, OHIO

	General	Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
Other Financing Sources (Uses):				
Transfers In	0	0	105,000	105,000
Transfers Out	(105,000)	0	0	(105,000)
Total Other Financing Sources (Uses)	<u>(105,000)</u>	<u>0</u>	<u>105,000</u>	<u>0</u>
Net Change in Fund Balance	2,636,848	0	455,617	3,092,465
Fund Balances at Beginning of Year	1,224,369	5,000,000	1,178,588	7,402,957
(Decrease) in Inventory Reserve	0	0	(4,939)	(4,939)
Fund Balances End of Year	<u>\$ 3,861,217</u>	<u>\$ 5,000,000</u>	<u>\$ 1,629,266</u>	<u>\$ 10,490,483</u>

See accompanying notes to the basic financial statements

CROOKSVILLE 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 \$ 3,092,465

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 depreciation exceeded capital outlays in the current period.

	Capital Outlay	326,418	
	Depreciation Expense	<u>(562,557)</u>	(236,139)

Governmental funds only report the disposal of assets to the extent proceeds are received from the sale. In the statement of activities, a gain or loss is reported for each disposal. This is the amount of the loss on the disposal of capital assets net of proceeds received. (3,056)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. 44,801

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

Pension	1,004,704		
OPEB	<u>38,282</u>		1,042,986

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

Pension	(1,692,430)		
OPEB	<u>57,117</u>		(1,635,313)

CROOKSVILLE EXEMPTED VILLAGE SCHOOL DISTRICT, OHIO

The repayment of principal of long-term debt consumes current financial resources of governmental funds, however, it does not effect net position.

Payment on General Obligation Bonds	105,000	
Payment on Capital Leases	193,447	298,447

In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due. 1,528

Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.

Compensated Absences	(16,609)	
Change in Inventory	(4,939)	(21,548)

Change in Net Position of Governmental Activities \$ 2,584,171

See accompanying notes to the basic financial statements

CROOKSVILLE EXEMPTED VILLAGE SCHOOL DISTRICT, OHIO

***Statement of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
General Fund
For the Fiscal Year Ended June 30, 2021***

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Local Sources:				
Taxes	\$ 2,540,749	\$ 2,700,749	\$ 2,715,405	\$ 14,656
Tuition	1,766,000	1,906,000	1,932,447	26,447
Investment Earnings	3,500	3,500	2,972	(528)
Intergovernmental - State	8,655,751	9,755,751	9,796,912	41,161
Intergovernmental - Federal	40,000	40,000	59,549	19,549
All Other Revenues	13,100	174,970	259,507	84,537
Total Revenues	<u>13,019,100</u>	<u>14,580,970</u>	<u>14,766,792</u>	<u>185,822</u>
Expenditures:				
Current:				
Instruction	7,857,802	7,731,105	7,496,302	234,803
Support Services:				
Pupils	372,771	334,771	332,822	1,949
Instructional Staff	698,848	650,697	650,465	232
Board of Education	58,307	66,826	65,691	1,135
Administration	1,401,346	1,408,146	1,406,096	2,050
Fiscal Services	348,809	365,784	365,489	295
Operation and Maintenance of Plant	1,285,242	1,439,813	1,321,632	118,181
Pupil Transportation	939,360	1,023,241	994,665	28,576
Central	5,023	6,573	6,567	6
Extracurricular Activities	193,162	195,584	194,270	1,314
Capital Outlay	109,678	109,678	95,180	14,498
Debt Service:				
Principal Retirement	20,000	20,000	20,000	0
Interest and Fiscal Charges	5,400	5,400	5,120	280
Total Expenditures	<u>13,295,748</u>	<u>13,357,618</u>	<u>12,954,299</u>	<u>403,319</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(276,648)	1,223,352	1,812,493	589,141

CROOKSVILLE EXEMPTED VILLAGE SCHOOL DISTRICT, OHIO

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Other Financing Sources (Uses):				
Sale of Capital Assets	0	0	2,011	2,011
Transfers Out	(90,000)	(105,000)	(105,000)	0
Advances In	110,000	110,000	0	(110,000)
Advances Out	<u>(110,000)</u>	<u>(95,000)</u>	<u>(90,000)</u>	<u>5,000</u>
Total Other Financing Sources (Uses):	<u>(90,000)</u>	<u>(90,000)</u>	<u>(192,989)</u>	<u>(102,989)</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under)				
Expenditures and Other Financing Uses	(366,648)	1,133,352	1,619,504	486,152
Fund Balance at Beginning of Year	1,548,972	1,548,972	1,548,972	0
Prior Year Encumbrances	<u>264,721</u>	<u>264,721</u>	<u>264,721</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 1,447,045</u>	<u>\$ 2,947,045</u>	<u>\$ 3,433,197</u>	<u>\$ 486,152</u>

See accompanying notes to the basic financial statements

CROOKSVILLE EXEMPTED VILLAGE SCHOOL DISTRICT, OHIO

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

Crooksville Exempted Village Local School District, Ohio (the 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 District is governed by a locally elected five member Board of Education (the Board) which provides educational services. The Board controls the District's instructional support facilities staffed by 41 noncertified, 72 certified teaching personnel and 12 administrative employees providing education to 1,039 students.

The accompanying basic financial statements comply with the provisions of Governmental Accounting Standards Board (GASB) Statement No. 14, *"The Financial Reporting Entity,"* as amended by GASB Statement No. 39 *"Determining Whether Certain Organizations Are Component Units"* and GASB Statement No. 61, *"The Financial Reporting Entity: Omnibus – An Amendment to GASB Statement No.'s 14 and 34"*, in that the financial statements include all organizations, activities, functions and component units for which the District (the reporting entity) is financially accountable. Financial accountability is defined as the appointment of a voting majority of a legally separate organization's governing body and either the District's ability to impose its will over the organization or the possibility that the organization will provide a financial benefit to, or impose a financial burden on, the District. Based on the foregoing, the District does not have any component units.

The District is a participant in three jointly governed organizations, the Licking Area Computer Association (LACA), the Mid-East Career and Technology Center and the Coalition of Rural and Appalachian Schools. See Note 14, "Jointly Governed Organizations." The District is also a participant in the Ohio SchoolComp Workers' Compensation Group Retrospective Rating Program which is sponsored by the Ohio School Boards Association (OSBA), see Note 16.

The accounting policies and financial reporting practices of the District conform to generally accepted accounting principles as applicable to governmental units. The following is a summary of its significant accounting policies.

B. Basis of Presentation - Fund Accounting

The accounting system is organized and operated on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, deferred inflows of resources, fund equity, revenues and expenditures/expenses. The various funds are summarized by type in the basic financial statements. The following fund types are used by the District:

CROOKSVILLE EXEMPTED VILLAGE SCHOOL DISTRICT, OHIO

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Basis of Presentation - Fund Accounting (Continued)

Governmental Funds - These are funds through which most governmental functions typically are financed. The acquisition, use and balances of the District's expendable financial resources and the related current liabilities are accounted for through governmental funds. The measurement focus is upon determination of "financial flow" (sources, uses and balances of financial resources). The following are the District's major governmental funds:

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

Capital Projects Fund - The capital projects fund accounts for financial resources to be used for the acquisition or construction of major capital assets.

C. Basis of Presentation - Financial Statements

Government-wide Financial Statements - The statement of net position and the statement of activities display information about the District as a whole. These statements include the financial activities of the primary government, except for fiduciary funds.

The government-wide statements are prepared using the economic resources measurement focus, which differs from the manner in which governmental fund 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.

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

CROOKSVILLE EXEMPTED VILLAGE SCHOOL DISTRICT, OHIO

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Presentation – Financial Statements (Continued)

Fund Financial Statements – Fund financial statements report detailed information about the District. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. The General Fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column.

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental fund types are accounted for using a flow of current financial resources measurement focus. The financial statements for governmental funds are a balance sheet, which generally includes only current assets, current liabilities and deferred inflows of resources, and a statement of revenues, expenditures and changes in fund balances, which reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources.

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CROOKSVILLE EXEMPTED VILLAGE SCHOOL DISTRICT, OHIO

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Basis of Accounting

Basis of accounting represents the methodology utilized in the recognition of revenues and expenditures or expenses reported in the financial statements. The accounting and reporting treatment applied to a fund is determined by its measurement focus.

The modified accrual basis of accounting is followed by the governmental funds. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual, i.e., both measurable and available. The term “available” means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period, which for the District is considered to be 60 days after fiscal year end. Expenditures are recognized in the accounting period in which the fund liability is incurred, if measurable, except for unmatured interest on general long-term debt which is recognized when due.

Under the modified accrual basis, the following revenue sources are considered susceptible to accrual at year end: property taxes, tuition, grants and entitlements, student fees and interest on investments.

Current property taxes measurable at June 30, 2021, and which are not intended to finance fiscal 2021 operations, have been recorded as deferred inflows of resources. Delinquent property taxes measurable and available (received within 30 days) and amounts available as an advance on future tax settlements are recognized as revenue at year end.

The accrual basis of accounting is utilized for reporting purposes by the government-wide financial statements, agency funds and the private-purpose trust funds. Revenues are recognized when they are earned and expenses are recognized when incurred.

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.

Non-exchange transactions, in which the District receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Grants and entitlements received before eligibility requirements are met are recorded as deferred inflows of resources.

CROOKSVILLE EXEMPTED VILLAGE SCHOOL DISTRICT, OHIO

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Basis of Accounting (Continued)

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

E. Budgetary Process

The budgetary process is prescribed by provisions of the Ohio Revised Code and entails the preparation of budgetary documents within an established timetable. The major documents prepared are the tax budget, the certificate of estimated resources and the appropriation resolution, all of which are prepared on the budgetary basis of accounting. The certificate of estimated resources and the appropriation resolution are subject to amendment throughout the year.

All funds other than custodial funds are legally required to be budgeted and appropriated; however, only the General Fund and major special revenue funds are required to be reported. The primary level of budgetary control is at the fund level for all funds except for the General Fund which is at the object level. Budgetary modifications may only be made by resolution of the Board of Education.

1. Tax Budget

By January 15, the Superintendent and Treasurer submit an annual operating budget for the following fiscal year to the Board of Education for consideration and passage. The adopted budget is submitted to the County Auditor, as Secretary of the County Budget Commission, by January 20 of each year for the period July 1 to June 30 of the following fiscal year.

2. Estimated Resources

Prior to March 15, the Board accepts by formal resolution, the tax rates as determined by the County Budget Commission and receives the Commission's Certificate of Estimated Resources which states the projected revenue of each fund. Prior to June 30, the District must revise its budget so that the total contemplated expenditures from any fund during the ensuing fiscal year will not exceed the amount available as stated in the certificate of estimated resources. The revised budget then serves as the basis for the annual appropriations measure. On or about July 1, the certificate of estimated resources is amended to include any unencumbered fund balances from the preceding year. The certificate may be further amended during the year if a new source of revenue is identified or actual receipts exceed current estimates. The amounts reported on the budgetary statement reflect the amounts in the first and final amended official certificate of estimated resources issued during fiscal year 2021.

CROOKSVILLE EXEMPTED VILLAGE SCHOOL DISTRICT, OHIO

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Budgetary Process (Continued)

3. Appropriations

A temporary appropriation measure to control expenditures may be passed on or about July 1 of each year for the period July 1 through September 30. An annual appropriation resolution must be passed by October 1 of each year for the period July 1 through June 30. The appropriation resolution establishes spending controls at the object level for the general fund and at the fund level for all other funds. The appropriation resolution may be amended during the year as additional information becomes available, provided that appropriations do not exceed the current estimated resources as certified. The allocation of appropriations among departments and objects within a fund may be modified during the year with approval of the Board. During the year, several supplemental appropriations were necessary to budget the use of contingency funds. Administrative control is maintained through the establishment of more detailed line-item budgets. The budgetary figures which appear in the "Statement of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual" are provided on the budgetary basis to provide a comparison of actual results to the final budget, including all amendments and modifications.

4. Lapsing of Appropriations

At the close of each fiscal year, the unencumbered balance of each appropriation reverts to the respective fund from which it was appropriated and becomes subject to future appropriations. The encumbered appropriation balance is carried forward to the subsequent fiscal year and need not be reappropriated.

5. Budgetary Basis of Accounting

The District's budgetary process accounts for certain transactions on a basis other than generally accepted accounting principles (GAAP). The major differences between the budgetary basis and the GAAP basis lie in the manner in which revenues and expenditures are recorded. Under the budgetary basis, revenues and expenditures are recognized on a cash basis. Utilizing the cash basis, revenues are recorded when received in cash and expenditures when paid. Under the GAAP basis, revenues and expenditures are recorded on the modified accrual basis of accounting. Encumbrances are recorded as the equivalent of expenditures on a budgetary basis.

CROOKSVILLE EXEMPTED VILLAGE SCHOOL DISTRICT, OHIO

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Budgetary Process (Continued)

5. Budgetary Basis of Accounting (Continued)

The following table summarizes the adjustments necessary to reconcile the GAAP basis statements to the budgetary basis statements for the General Fund:

	Net Change in Fund Balance
	General Fund
GAAP Basis (as reported)	\$2,636,848
Increase (Decrease):	
Accrued Revenues at June 30, 2021, received during FY 2022	(881,102)
Accrued Revenues at June 30, 2020, received during FY 2021	291,598
Accrued Expenditures at June 30, 2021, paid during FY 2022	1,090,628
Accrued Expenditures at June 30, 2020, paid during FY 2021	(1,098,687)
FY 2020 Prepays for FY 2021	188,971
FY 2021 Prepays for FY 2022	(206,321)
Encumbrances Outstanding	(411,899)
Perspective Difference:	
Activity of Funds Reclassified for GAAP Reporting Purposes	9,468
Budget Basis	<u>\$1,619,504</u>

F. Cash and Cash Equivalents

Cash and cash equivalents include amounts in demand deposits.

The District pools its cash for investment and resource management purposes. Each fund's equity in pooled cash and investments represents the balance on hand as if each fund maintained its own cash and investment account. See Note 4, "Equity in Pooled Cash, Cash Equivalents and Investments."

CROOKSVILLE EXEMPTED VILLAGE SCHOOL DISTRICT, OHIO

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

G. Investments

Investment procedures and interest allocations are restricted by provisions of the Ohio Constitution and the Ohio Revised Code. The District allocates interest among certain funds based upon the fund's cash balance at the date of investment. In accordance with GASB Statement No. 31, "Accounting and Financial Reporting for Certain Investments and for External Investment Pools" and GASB Statement No. 72, "Fair Value Measurement and Application," the District records all its investments at fair value except for nonparticipating investment contracts which are reported at cost, which approximates fair value. All investment income, including changes in the fair value of investments, is recognized as revenue in the operating statements.

H. 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 services are consumed.

I. Inventory

On government-wide financial statements and the governmental fund financial statements, purchased inventories are presented at the lower of cost or market and donated commodities are presented at their entitlement value. Inventories are recorded on a first-in, first-out basis and are expensed when used. Inventories are accounted for using the purchase method on the governmental fund financial statements and using the consumption method on the government-wide financial statements.

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

Inventory consists of general supplies, purchased food and donated food, which is presented at their entitlement value.

CROOKSVILLE EXEMPTED VILLAGE SCHOOL DISTRICT, OHIO

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

J. Capital Assets and Depreciation

Capital assets are defined by the District as assets with an initial, individual cost of more than \$1,500 for capital assets acquired prior to June 30, 2018 and more than \$5,000 for capital assets acquired subsequent to July 1, 2018.

1. Property, Plant and Equipment - Governmental Activities

Governmental activities capital assets are those not directly related to the business-type funds. These generally are acquired or constructed for governmental activities and are recorded as expenditures in the governmental funds and are capitalized at cost (or estimated historical cost for assets not purchased in recent years). These assets are reported in the Governmental Activities column of the Government-wide Statement of Net Position, but they are not reported in the Governmental Fund Financial Statements.

Donated capital assets are recorded at their acquisition value as of the date received. The District does not possess any infrastructure. Estimated historical costs for governmental activities capital asset values were initially determined by identifying historical costs where such information was available. In cases where information supporting original cost was not obtainable, estimated historical costs were developed. For certain capital assets, the estimates were arrived at by indexing estimated current costs back to the estimated year of acquisition.

2. Depreciation

All capital assets are depreciated, excluding land and construction in progress. Depreciation has been provided using the straight-line method over the following estimated useful lives:

<u>Description</u>	<u>Estimated Lives (in years)</u>
Land Improvements	15-20
Buildings and Improvements	40
Machinery/Equipment and Furniture/Fixtures	5-20
Vehicles	8

CROOKSVILLE EXEMPTED VILLAGE SCHOOL DISTRICT, OHIO

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

K. Long-Term Obligations

Long-term liabilities are being repaid from the following funds:

<u>Obligation</u>	<u>Fund</u>
General Obligation Bonds	General Fund Bond Retirement Fund
Capital Lease Payable	Bond Retirement Fund
Compensated Absences - Net Pension Liability - Net OPEB Liability	General Fund Food Services Fund Preschool Grant Fund Title VI-B Fund Title I Fund

L. Compensated Absences

In accordance with GASB Statement No. 16, “*Accounting for Compensated Absences*,” vacation benefits are accrued as a liability when an employee’s right to receive compensation is attributable to services already rendered, and it is probable that the employee will be compensated through paid time off or some other means, such as cash payments at termination or retirement. Administrators and classified staff who work twelve month contracts are granted vacation leave based on length of service and position. Sick leave benefits are accrued as a liability using the vesting method. Employees earn 1.25 days of sick leave per month of service up to a maximum of 285 days for STRS employees and 290 days for SERS employees. Upon retirement, employees that pay into STRS will receive up to 25% of the accumulated sick leave up to a maximum of 71.25 days and employees that pay into SERS will receive up to 25% of the accumulated sick leave up to a maximum of 72.5 days. Administrators earn sick leave up to 290 days and will be paid up to 25% of accumulated sick leave up to a maximum of 72.5 days.

For governmental funds, that portion of unpaid compensated absences that is expected to be paid using expendable, available resources is reported as an expenditure in the fund from which the individual earning the leave is paid, and a corresponding liability is reflected in the account “Compensated Absences Payable.” In the government-wide statement of net assets, “Compensated Absences Payable” is recorded within the “Due within one year” account and the long-term portion of the liability is recorded within the “Due in more than one year” account.

CROOKSVILLE EXEMPTED VILLAGE SCHOOL DISTRICT, OHIO

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

M. Net Position

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

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

N. Fund Balance

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

Nonspendable - The nonspendable fund balance category includes amounts that cannot be spent because they are not in spendable form, or legally or contractually required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash. It also includes the long-term amount of loans receivable, as well as property acquired for resale, unless the use of the proceeds from the collection of those receivables or from the sale of those properties is restricted, committed, or assigned.

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

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

Assigned - Amounts in the assigned fund balance classification are intended to be used by the District for specific purposes but do not meet the criteria to be classified as restricted 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 District Board of Education.

CROOKSVILLE EXEMPTED VILLAGE SCHOOL DISTRICT, OHIO

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

N. Fund Balance (Continued)

Unassigned - Unassigned fund balance is the residual classification for the general fund and includes all spendable amounts not contained in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned. The District applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

O. Pension/OPEB

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

P. Interfund Transactions

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

Q. Estimates

The preparation of the 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 could differ from those estimates.

CROOKSVILLE EXEMPTED VILLAGE SCHOOL DISTRICT, OHIO

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

R. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expenditure) until then. For the District, deferred outflows of resources are reported on the government-wide statement of net position for pension and OPEB. The deferred outflows of resources related to pension and OPEB are explained in Notes 10 and 11.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. For the District, deferred inflows of resources include property taxes, pension, OPEB, and unavailable revenue. On the government-wide statement of net position and governmental funds balance sheet, property taxes that are intended to finance future fiscal periods are reported as deferred inflows. In addition, the governmental funds balance sheet reports deferred inflows which arise only under a modified accrual basis of accounting. Accordingly, the item, unavailable amounts, is reported only in the governmental funds balance sheet. The governmental funds report unavailable amounts for property taxes and grants. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. Deferred inflows of resources related to pension and OPEB are reported on the government-wide statement of net position and are explained in Notes 10 and 11.

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CROOKSVILLE EXEMPTED VILLAGE SCHOOL DISTRICT, OHIO

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

NOTE 2 – FUND BALANCES

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

Fund Balances	General Fund	Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
Nonspendable:				
Supplies Inventory	\$0	\$0	\$2,057	\$2,057
Prepaid Items	206,321	0	11,470	217,791
Total Nonspendable	<u>206,321</u>	<u>0</u>	<u>13,527</u>	<u>219,848</u>
Restricted:				
Facilities Maintenance	0	0	128,603	128,603
Scholarships	0	0	29,051	29,051
Extracurricular Activities	0	0	78,637	78,637
Targeted Academic Assistance	0	0	560,548	560,548
Debt Service Payments	0	0	257,937	257,937
Capital Acquisition and Improvement	0	5,000,000	698,584	5,698,584
Total Restricted	<u>0</u>	<u>5,000,000</u>	<u>1,753,360</u>	<u>6,753,360</u>
Assigned to Other Purposes	963,452	0	0	963,452
Unassigned	2,691,444	0	(137,621)	2,553,823
Total Fund Balances	<u><u>\$3,861,217</u></u>	<u><u>\$5,000,000</u></u>	<u><u>\$1,629,266</u></u>	<u><u>\$10,490,483</u></u>

NOTE 3 – DEFICIT FUND EQUITIES

The following is a summary of deficit fund equities at June 30, 2021:

Fund	Deficit Fund Equity
Special Revenue Funds:	
Food Services Fund	\$120,843
Preschool Grant Fund	3,263
Title VI-B Fund	5,405
Title I Fund	8,110

The deficits arise from the recognition of expenditures on the modified accrual basis which are greater than expenditures recognized on the budgetary basis. Other deficits also existed under the budgetary/cash basis of accounting. The General Fund often provides operating transfers when cash is required, not when accruals occur.

CROOKSVILLE EXEMPTED VILLAGE SCHOOL DISTRICT, OHIO

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

NOTE 4 – EQUITY IN POOLED CASH, CASH EQUIVALENTS AND INVESTMENTS

Cash resources of several individual funds are combined to form a pool of cash, cash equivalents and investments. The District has adopted an Investment Policy that follows Ohio Revised Code Chapter 135 and applies the prudent person standard. The prudent person standard requires the Treasurer/CFO to exercise the care, skill and experience that a prudent person would use to manage his/her personal financial affairs and to seek investments that will preserve principal while maximizing income.

Statutes require the classification of funds held by the District into three categories. Category 1 consists of “active” funds - those funds required to be kept in a “cash” or “near cash” status for immediate use by the District. Such funds must be maintained either as cash in the District Treasury or in depository accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts.

Category 2 consists of “inactive” funds - those funds not required for use within the current five year period of designation of depositories. Inactive funds may be deposited or invested only as certificates of deposit maturing not later than the end of the current period of designation of depositories.

Category 3 consists of “interim” funds - those funds which are not needed for immediate use but, which will be needed before the end of the current period of designation of depositories. Interim funds may be invested or deposited in the following securities:

- United States treasury notes, bills, bonds, or any other obligation or security issued by the United States treasury or any other obligation guaranteed as to principal or interest by the United States;
- Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including but not limited to, the federal national mortgage association, federal home loan bank, federal farm credit bank, federal home loan mortgage corporation, government national mortgage association, and student loan marketing association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
- Written repurchase agreements in the securities listed above provided that 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 that the term of the agreement must not exceed thirty days;
- Interim deposits in eligible institutions applying for interim funds;
- Bonds and other obligations of the State of Ohio;
- No-load money market mutual funds consisting exclusively of obligations described in the first two bullets of this section and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
- The State Treasury Asset Reserve of Ohio (STAR Ohio);

CROOKSVILLE EXEMPTED VILLAGE SCHOOL DISTRICT, OHIO

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

NOTE 4 - EQUITY IN POOLED CASH, CASH EQUIVALENTS AND INVESTMENTS (Continued)

- Under limited circumstances, corporate debt interests rated in either of the two highest classifications by at least two nationally recognized rating agencies; and
- Certain banker's acceptance and commercial paper notes for a period not to exceed one-hundred-eighty days and two-hundred-seventy days, respectively, from the purchase date in an amount not to exceed forty percent of the interim monies available for investment at any one time.

A. Deposits

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

B. Investments

The District's investments at June 30, 2021 were as follows:

	Fair Value	Credit Rating	Investment Maturities (in Years)		
			less than 1	1-3	3-5
Money Market	\$13,827	AAAm ¹	\$13,827	\$0	\$0
Commercial Paper	1,199,056	AA+ ¹	529,794	669,262	0
FHLB	1,097,082	AA+ ¹	0	497,659	599,423
FNMA	460,424	AA+ ¹	0	262,085	198,339
FFCB	1,633,663	AA+ ¹	0	835,861	797,802
Marketable CD's	2,754,495	NA	249,659	2,373,594	131,242
Total Investments	<u>\$7,158,547</u>		<u>\$793,280</u>	<u>\$4,638,461</u>	<u>\$1,726,806</u>

¹ Standard & Poor's

The District's investments in money market accounts, federal agency securities (FHLB, FNMA, FFCB), commercial paper and marketable certificates of deposit are valued using quoted prices in markets that are not considered to be active dealer quotations or alternative pricing sources for similar assets or liabilities for which all significant inputs are observable, either directly or indirectly (Level 2 inputs).

CROOKSVILLE EXEMPTED VILLAGE SCHOOL DISTRICT, OHIO

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

NOTE 4 - EQUITY IN POOLED CASH, CASH EQUIVALENTS AND INVESTMENTS (Continued)

B. Investments (Continued)

Interest Rate Risk – The Ohio Revised Code generally limits security purchases to those that mature within five years of settlement date. The District has no investment policy that limits investment purchases beyond the requirements of Ohio Revised Code.

Investment Credit Risk – The District has no investment policy that limits its investment choices other than the limitation of State statute for “interim” funds described previously.

Concentration of Credit Risk – The District places no limit on the amount the District may invest in one issuer. Of the District’s total investments, .2% is in money market accounts, 44.57% are in US Government Agencies (FHLB, FNMA, FFCB) securities, 16.75% are in Commercial Paper and 38.48% are in marketable certificates of deposit.

Custodial Credit Risk – For an investment, custodial credit risk is the risk that in the event of the failure of the counterparty, the District will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. The District has no policy on custodial credit risk and is governed by Ohio Revised Code as described under Deposits.

NOTE 5 - TAXES

A. Property Tax

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

Property taxes include amounts levied against all real and public utility property located in the 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 law at 35 percent of appraised market value. Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semi-annually, the first payment is due December 31 with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established.

CROOKSVILLE EXEMPTED VILLAGE SCHOOL DISTRICT, OHIO

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

NOTE 5 – TAXES (Continued)

A. Property Tax (Continued)

Public utility property tax revenue received in calendar 2021 represents collections of calendar year 2020 taxes. Public utility real and tangible personal property taxes received in calendar year 2021 became a lien December 31, 2017, were levied after April 1, 2020 and are collected with real property taxes. Public utility real property is assessed at 35 percent of true value; public utility tangible personal property currently is assessed at varying percentages of true value.

The District receives property taxes from Perry County. The County Auditor periodically advances to the District its portion of the taxes collected. Second-half real property tax payments collected by the County by June 30, 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. The assessed values upon which the fiscal year 2021 receipts were based are:

	<u>2020 Second Half Collections</u>	<u>2021 First Half Collections</u>
Agricultural/Residential and Other Real Estate	\$64,792,150	\$69,362,410
Public Utility Personal	62,092,370	68,063,630
Total Assessed Value	<u>\$126,884,520</u>	<u>\$137,426,040</u>
Tax rate per \$1,000 of assessed valuation	\$26.20	\$26.20

NOTE 6 - RECEIVABLES

Receivables at June 30, 2021 consisted of taxes, accounts, intergovernmental, and interfund loan receivables. All receivables are considered collectable 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.

CROOKSVILLE EXEMPTED VILLAGE SCHOOL DISTRICT, OHIO

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

NOTE 7 - INTERFUND BALANCES

Following is a summary of interfund receivables/payables for all funds at June 30, 2021:

Fund	Interfund Loans Receivable	Interfund Loans Payable
General Fund	\$160,381	\$0
Other Governmental Funds	0	160,381
Totals	<u>\$160,381</u>	<u>\$160,381</u>

The Interfund Loans are short-term loans to cover temporary cash deficits.

NOTE 8 - TRANSFERS

Following is a summary of transfers in and out for all funds for the fiscal year ended June 30, 2021:

Fund	Transfer In	Transfer Out
General Fund	\$0	\$105,000
Nonmajor Governmental Funds	105,000	0
Total All Funds	<u>\$105,000</u>	<u>\$105,000</u>

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

The General Fund transferred \$50,000 to the Cafeteria Fund and \$55,000 to the District Managed Student Activities Fund to assist with cash flow issues.

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CROOKSVILLE EXEMPTED VILLAGE SCHOOL DISTRICT, OHIO

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

NOTE 9 - CAPITAL ASSETS

Summary by category of changes in governmental activities capital assets at June 30, 2021:

Historical Cost:

Class	June 30, 2020	Additions	Deletions	June 30, 2021
<i>Capital assets not being depreciated:</i>				
Land	\$98,680	\$60,589	\$0	\$159,269
Construction in Progress	1,323,889	0	0	1,323,889
<i>Capital assets being depreciated:</i>				
Land Improvements	1,131,731	0	0	1,131,731
Buildings and Improvements	17,542,883	108,706	0	17,651,589
Machinery/Equipment and Furniture/Fixtures	2,359,697	61,514	(16,120)	2,405,091
Vehicles	1,076,770	95,609	0	1,172,379
Total Cost	<u>\$23,533,650</u>	<u>\$326,418</u>	<u>(\$16,120)</u>	<u>\$23,843,948</u>
<i>Accumulated Depreciation:</i>				
Class	June 30, 2020	Additions	Deletions	June 30, 2021
Land Improvements	(\$620,360)	(\$46,652)	\$0	(\$667,012)
Buildings and Improvements	(12,589,607)	(412,635)	0	(13,002,242)
Machinery/Equipment and Furniture/Fixtures	(1,970,426)	(47,960)	13,064	(2,005,322)
Vehicles	(594,385)	(55,310)	0	(649,695)
Total Depreciation	<u>(\$15,774,778)</u>	<u>(\$562,557) *</u>	<u>\$13,064</u>	<u>(\$16,324,271)</u>
<i>Net Value:</i>	<u>\$7,758,872</u>			<u>\$7,519,677</u>

* Depreciation expenses were charged to governmental functions as follows:

Instruction	\$543,015
Support Services:	
Pupils	106
Administration	416
Fiscal Services	270
Operations & Maintenance of Plant	1,017
Operation of Non-Instructional Services	11,877
Extracurricular Activities	5,856
Total Depreciation Expense	<u>\$562,557</u>

CROOKSVILLE EXEMPTED VILLAGE SCHOOL DISTRICT, OHIO

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

NOTE 10 - DEFINED BENEFIT PENSION PLANS

All of the District's full-time employees participate in one of two separate retirement systems which are cost-sharing, multiple-employer defined benefit pension plans.

A. Net Pension Liability

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

The net pension liability represents the District's proportionate share of each pension plan's collective actuarial present value of projected benefit payments attributable to past periods of service, net of each pension plan's fiduciary net position. The net pension liability 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 this estimate annually.

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

GASB 68 assumes the liability is solely the obligation of the employer, because (1) they benefit from employee services; and (2) State statute requires all funding to come from these employers. All contributions to date have come solely from these employers (which also includes costs paid in the form of withholdings from employees). State statute requires the pension plans to amortize unfunded liabilities within 30 years. If the amortization period exceeds 30 years, each pension plan's board must propose corrective action to the State legislature. Any resulting legislative change to benefits or funding could significantly affect the net pension liability. Resulting adjustments to the net pension liability would be effective when the changes are legally enforceable.

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

CROOKSVILLE EXEMPTED VILLAGE SCHOOL DISTRICT, OHIO

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

NOTE 10 - DEFINED BENEFIT PENSION PLANS (Continued)

B. Plan Description

School Employees Retirement System (SERS)

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

Age and service requirements for retirement are as follows:

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

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

Annual retirement benefits are calculated based on final average salary multiplied by a percentage that varies based on year 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 percent. No amount was allocated to the Health Care Fund.

CROOKSVILLE EXEMPTED VILLAGE SCHOOL DISTRICT, OHIO

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

NOTE 10 - DEFINED BENEFIT PENSION PLANS (Continued)

B. Plan Description (Continued)

The District's contractually required contribution to SERS was \$221,057 for fiscal year 2021.

State Teachers Retirement System (STRS)

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

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. Members are eligible to retire at age 60 with five years of qualifying service credit, or age 55 with 27 years of service, or 30 years of service regardless of age. Eligibility changes will be phased in until August 1, 2026, when retirement eligibility for unreduced benefits will be five years of service credit and age 65, or 35 years of service credit and at least age 60.

The DC Plan allows members to place all their member contributions and 9.53 percent of the 14 percent employer contributions into an investment account. Investment allocation decisions are determined by the member. The remaining 4.47 percent of the 14 percent employer rate is allocated to the defined benefit unfunded liability. A member is eligible to receive a retirement benefit at age 50 and termination of employment. The member may elect to receive a lifetime monthly annuity or a lump sum withdrawal.

The Combined Plan offers features of both the DB Plan and the DC Plan. In the Combined Plan, 12 percent of the 14 percent member rate goes to the DC Plan and the remaining 2 percent is applied to the DB Plan. Member contributions 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.

CROOKSVILLE EXEMPTED VILLAGE SCHOOL DISTRICT, OHIO

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

NOTE 10 - DEFINED BENEFIT PENSION PLANS (Continued)

B. Plan Description (Continued)

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

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

Funding Policy – Employer and member contribution rates are established by the State Teachers Retirement Board and limited by Chapter 3307 of the Ohio Revised Code. For the fiscal year ended June 30, 2021, the employer rate was 14% and the member rate was 14% of covered payroll. The fiscal year 2021 contribution rates were equal to the statutory maximum rates, and the full employer contribution was allocated to the pension fund.

The District's contractually required contribution to STRS was \$783,647 for fiscal year 2021. Of this amount \$65,960 is reported as an intergovernmental payable.

C. 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 District's proportion of the net pension liability was based on the District's share of contributions to the pension plan relative to the contributions of all participating entities.

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CROOKSVILLE EXEMPTED VILLAGE SCHOOL DISTRICT, OHIO

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

NOTE 10 - DEFINED BENEFIT PENSION PLANS (Continued)

C. Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

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

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Proportionate Share of the Net Pension Liability	\$2,982,641	\$10,721,700	\$13,704,341
Proportion of the Net Pension Liability -2021	0.0450945%	0.04431110%	
Proportion of the Net Pension Liability -2020	<u>0.0436005%</u>	<u>0.04498580%</u>	
Percentage Change	<u>0.0014940%</u>	<u>(0.00067470%)</u>	
Pension Expense	\$367,080	\$1,325,350	\$1,692,430

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

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Deferred Outflows of Resources			
Differences between expected and actual experience	\$5,793	\$24,058	\$29,851
Change of assumptions	0	575,543	575,543
Net difference between projected and actual earnings on pension plan investments	189,340	521,398	710,738
District contributions subsequent to the measurement date	221,057	783,647	1,004,704
Changes in proportionate share	<u>54,188</u>	<u>199,370</u>	<u>253,558</u>
Total Deferred Outflows of Resources	<u>\$470,378</u>	<u>\$2,104,016</u>	<u>\$2,574,394</u>
Deferred Inflows of Resources			
Differences between expected and actual experience	\$0	\$68,555	\$68,555
Changes in proportionate share	<u>6,483</u>	<u>309,233</u>	<u>315,716</u>
Total Deferred Inflows of Resources	<u>\$6,483</u>	<u>\$377,788</u>	<u>\$384,271</u>

\$1,004,704 reported as deferred outflows of resources related to pension resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the fiscal year ending June 30, 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:

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Fiscal Year Ending June 30:			
2022	\$27,397	\$310,858	\$338,255
2023	77,242	113,649	190,891
2024	78,920	319,086	398,006
2025	<u>59,279</u>	<u>198,988</u>	<u>258,267</u>
Total	<u>\$242,838</u>	<u>\$942,581</u>	<u>\$1,185,419</u>

CROOKSVILLE EXEMPTED VILLAGE SCHOOL DISTRICT, OHIO

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

NOTE 10 - DEFINED BENEFIT PENSION PLANS (Continued)

D. Actuarial Assumptions

School Employees Retirement System (SERS)

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

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

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

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

Wage 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

For 2020, the 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 disable 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 June 30, 2015.

CROOKSVILLE EXEMPTED VILLAGE SCHOOL DISTRICT, OHIO

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

NOTE 10 - DEFINED BENEFIT PENSION PLANS (Continued)

D. Actuarial Assumptions (Continued)

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long Term Expected Real Rate of Return</u>
Cash	2.00 %	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 earning 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 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.

CROOKSVILLE EXEMPTED VILLAGE SCHOOL DISTRICT, OHIO

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

NOTE 10 - DEFINED BENEFIT PENSION PLANS (Continued)

D. Actuarial Assumptions (Continued)

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
District's proportionate share of the net pension liability	\$4,085,860	\$2,982,641	\$2,057,027

State Teachers Retirement System (STRS)

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

Inflation	2.50 percent
Projected salary increases	12.50 percent at age 20 to 2.50 percent at age 65
Investment Rate of Return	7.45 percent, net of investment expenses, including inflation
Discount Rate	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. 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.

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.

The 10 year expected real rate of return on pension plan investments was determined by STRS' investment consultant by developing best estimates of expected future real rates of return for each major asset class. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized as follows:

CROOKSVILLE EXEMPTED VILLAGE SCHOOL DISTRICT, OHIO

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

NOTE 10 - DEFINED BENEFIT PENSION PLANS (Continued)

D. Actuarial Assumptions (Continued)

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

*Target weights will be phased in over a 24-month period concluding on July 1, 2019.

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

Discount Rate - The discount rate used to measure the total pension liability was 7.45 percent as of June 30, 2020. The projection of cash flows used to determine the discount rate assumes 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. Projected employer contributions that are intended to fund the service costs of future plan members and their beneficiaries, as well as projected contributions from future plan members, are not 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 payments to determine the total pension liability as of June 30, 2020.

Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate - The following table presents the 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 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:

	<u>1% Decrease (6.45%)</u>	<u>Current Discount Rate (7.45%)</u>	<u>1% Increase (8.45%)</u>
District's proportionate share of the net pension liability	\$15,265,834	\$10,721,700	\$6,870,925

CROOKSVILLE EXEMPTED VILLAGE SCHOOL DISTRICT, OHIO

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

NOTE 11 - DEFINED BENEFIT OPEB PLANS

A. Net OPEB Liability (Asset)

The net OPEB liability (asset) reported on the statement of net position represents a liability (asset) for OPEB. OPEB is a component of exchange transactions—between an employer and its employees—of salaries and benefits for employee services. 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 OPEB is a present obligation because it was created as a result of employment exchanges that already have occurred.

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

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

GASB 75 assumes the liability is solely the obligation of the employer, because they benefit from employee services. OPEB contributions come from these employers and health care plan enrollees which pay a portion of the health care costs in the form of a monthly premium. State statute requires the retirement systems to amortize unfunded OPEB liabilities within 30 years. If the OPEB 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 OPEB liability (asset). Resulting adjustments to the net 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 long-term *net OPEB liability* on the accrual basis of accounting. Any liability for the contractually-required OPEB contribution outstanding at the end of the year is included in *intergovernmental payable* on both the accrual and modified accrual bases of accounting.

B. Plan Description

School Employees Retirement System (SERS)

Health Care Plan Description - The District contributes to the SERS Health Care Fund, administered by SERS for non-certificated retirees and their beneficiaries. For GASB 75 purposes, this plan is considered a cost-sharing other postemployment benefit (OPEB) plan. SERS' Health Care Plan provides healthcare benefits to eligible individuals receiving retirement, disability, and survivor benefits, and to their eligible dependents. Members who retire after June 1, 1986, need 10 years of service credit, exclusive of most types of purchased credit, to qualify to participate in SERS' health care coverage.

CROOKSVILLE EXEMPTED VILLAGE SCHOOL DISTRICT, OHIO

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

NOTE 11 - DEFINED BENEFIT OPEB PLANS (Continued)

B. Plan Description (Continued)

In addition to age and service retirees, disability benefit recipients and beneficiaries who are receiving monthly benefits due to the death of a member or retiree, are eligible for SERS' health care coverage. Most retirees and dependents choosing SERS' health care coverage are over the age of 65 and therefore enrolled in a fully insured Medicare Advantage plan; however, SERS maintains a traditional, self-insured preferred provider organization for its non-Medicare retiree population. For both groups, SERS offers a self-insured prescription drug program. Health care is a benefit that is permitted, not mandated, by statute. The financial report of the Plan is included in the SERS Comprehensive Annual 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, 0.0 percent of covered payroll was contributed 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 District's surcharge obligation was \$38,282.

The surcharge, added to the allocated portion of the 14 percent employer contribution rate is the total amount assigned to the Health Care Fund. The District's contractually required contribution to SERS was \$38,282 for fiscal year 2021, which is reported as an intergovernmental payable.

CROOKSVILLE EXEMPTED VILLAGE SCHOOL DISTRICT, OHIO

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

NOTE 11 - DEFINED BENEFIT OPEB PLANS (Continued)

B. Plan Description (Continued)

State Teachers Retirement System (STRS)

Plan Description – The District contributes to the cost sharing multiple employer defined benefit Health Plan administered by the State Teachers Retirement System of Ohio (STRS Ohio) for eligible retirees who participated in the defined benefit or combined pension plans offered by STRS Ohio. Benefits include hospitalization, physicians’ fees, prescription drugs and reimbursement of monthly Medicare Part B premiums. The Plan is included in the report of STRS Ohio which may be obtained by visiting www.strsoh.org or by calling (888) 227-7877.

Funding Policy – Ohio Revised Code Chapter 3307 authorizes STRS Ohio to offer the Plan and gives the Retirement Board authority over how much, if any, of the health care costs will be absorbed by STRS Ohio. Active employee members do not contribute to the Plan. All benefit recipients pay a monthly premium. Under Ohio law, funding for post-employment health care may be deducted from employer contributions. For 2021, STRS Ohio allocated employer contributions equal to zero percent of covered payroll to the Health Care Stabilization Fund.

C. OPEB Liability (Asset), OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

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

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Proportionate Share of the Net OPEB Liability (Asset)	\$1,011,234	(\$778,766)	\$232,468
Proportion of the Net OPEB Liability (Asset) -2021	0.0465293%	0.04431110%	
Proportion of the Net OPEB Liability (Asset) -2020	<u>0.0448047%</u>	<u>0.04498580%</u>	
Percentage Change	<u>0.0017246%</u>	<u>(0.00067470%)</u>	
OPEB Expense	\$1,234	(\$58,351)	(\$57,117)

CROOKSVILLE EXEMPTED VILLAGE SCHOOL DISTRICT, OHIO

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

NOTE 11 - DEFINED BENEFIT OPEB PLANS (Continued)

C. OPEB Liability (Asset), OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

At June 30, 2021, the 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	\$13,281	\$49,902	\$63,183
Changes of assumptions	172,379	12,855	185,234
Net difference between projected and actual earnings on OPEB plan investments	11,395	27,293	38,688
Changes in proportionate share	43,509	7,810	51,319
District contributions subsequent to the measurement date	38,282	0	38,282
Total Deferred Outflows of Resources	<u>\$278,846</u>	<u>\$97,860</u>	<u>\$376,706</u>
Deferred Inflows of Resources			
Differences between expected and actual experience	\$514,283	\$155,121	\$669,404
Changes of assumptions	25,472	739,697	765,169
Changes in proportionate share	7,522	50,430	57,952
Total Deferred Inflows of Resources	<u>\$547,277</u>	<u>\$945,248</u>	<u>\$1,492,525</u>

\$38,282 reported as deferred outflows of resources related to OPEB resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ending June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Fiscal Year Ending June 30:			
2022	(\$63,030)	(\$212,045)	(\$275,075)
2023	(62,203)	(218,784)	(280,987)
2024	(62,339)	(174,480)	(236,819)
2025	(60,588)	(170,483)	(231,071)
2026	(44,179)	(33,960)	(78,139)
Thereafter	(14,374)	(37,636)	(52,010)
Total	<u>(\$306,713)</u>	<u>(\$847,388)</u>	<u>(\$1,154,101)</u>

CROOKSVILLE EXEMPTED VILLAGE SCHOOL DISTRICT, OHIO

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

NOTE 11 - DEFINED BENEFIT OPEB PLANS (Continued)

D. Actuarial Assumptions

School Employees Retirement System (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, prepared as of June 30, 2020, are presented below:

Wage Inflation	3.00 percent
Future Salary Increases, including inflation	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 - Measurement Date	5.25 to 4.75 percent
Pre-Medicare - Measurement Date	7.00 to 4.75 percent
Medicare - Prior Measurement Date	5.25 to 4.75 percent
Pre-Medicare - Prior Measurement Date	7.00 to 4.75 percent

CROOKSVILLE EXEMPTED VILLAGE SCHOOL DISTRICT, OHIO

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

NOTE 11 - DEFINED BENEFIT OPEB PLANS (Continued)

D. Actuarial Assumptions (Continued)

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.

The target asset allocation and best estimates of arithmetic real rates of return for each major asset class, as used in the June 30, 2015 five-year experience study, are summarized as follows:

<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>	

CROOKSVILLE EXEMPTED VILLAGE SCHOOL DISTRICT, OHIO

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

NOTE 11 - DEFINED BENEFIT OPEB PLANS (Continued)

D. Actuarial Assumptions (Continued)

Discount Rate - The discount rate used to measure the total OPEB liability at June 30, 2020 was 2.63%. The discount rate used to measure the total OPEB liability at June 30, 2019 was 3.22%. 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% of projected covered employee payroll each year, which includes a 1.50% payroll surcharge and 0.50% 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%, 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 District's Proportionate Share of the Net OPEB Liability to Changes in the Discount and 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	\$1,237,725	\$1,011,234	\$831,174
	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	\$796,270	\$1,011,234	\$1,298,696

CROOKSVILLE EXEMPTED VILLAGE SCHOOL DISTRICT, OHIO

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

NOTE 11 - DEFINED BENEFIT OPEB PLANS (Continued)

D. Actuarial Assumptions (Continued)

State Teachers Retirement System (STRS)

The total OPEB liability in the June 30, 2021 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50%
Projected salary increases	12.50% at age 20 to 2.50% at age 65
Investment Rate of Return	7.45%, net of investment expenses, including inflation
Payroll Increases	3.00%
Discount Rate of Return	7.45%
Health Care Cost Trends	
Medical	
Pre-Medicare	5.00% initial, 4% ultimate
Medicare	(6.69%) initial, 4% ultimate
Prescription Drug	
Pre-Medicare	6.50% initial, 4% ultimate
Medicare	11.87% initial, 4% 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.

Benefit Term Changes Since the Prior Measurement Date - There was no change to the claims costs process. Claim curves were updated to reflect the projected FYE 2021 premium based on June 30, 2020 enrollment distribution. The non-Medicare subsidy percentage was increased effective January 1, 2021 from 1.984% to 2.055% 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% for the AMA Medicare plan. The Medicare Part B monthly reimbursement elimination date was postponed indefinitely.

CROOKSVILLE EXEMPTED VILLAGE SCHOOL DISTRICT, OHIO

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

NOTE 11 - DEFINED BENEFIT OPEB PLANS (Continued)

D. Actuarial Assumptions (Continued)

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

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

*Target weights will be phased in over a 24-month period concluding on
** 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 actual rate of return, without net value added by management.

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 Ohio 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 of current plan members. Therefore, the long-term expected rate of return on OPEB plan assets of 7.45% was used to measure the total OPEB liability as of June 30, 2020.

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CROOKSVILLE EXEMPTED VILLAGE SCHOOL DISTRICT, OHIO

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

NOTE 11 - DEFINED BENEFIT OPEB PLANS (Continued)

D. Actuarial Assumptions (Continued)

Sensitivity of the District's Proportionate Share of the Net OPEB Liability (Asset) to Changes in the Discount and Health Care Cost Trend Rates – The net OPEB liability (asset) is sensitive to changes in the discount and health care cost trend rates. To illustrate the potential impact the following table presents the net OPEB liability (asset) calculated using the discount rate of 7.45 percent, as well as what the net OPEB liability (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 rate. Also shown is the net OPEB liability (asset) calculated using a health care cost trend rate this is one percentage point lower and one percentage point higher.

	<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 liability (asset)	(\$677,577)	(\$778,766)	(\$864,621)
	<u>1% Decrease in Trend Rate</u>	<u>Current Trend Rate</u>	<u>1% Increase in Trend Rate</u>
School District's proportionate share of the net OPEB liability (asset)	(\$859,292)	(\$778,766)	(\$680,674)

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CROOKSVILLE EXEMPTED VILLAGE SCHOOL DISTRICT, OHIO

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

NOTE 12 - LONG-TERM DEBT AND OTHER OBLIGATIONS

Detail of the changes in long-term debt and other long-term obligations of the District for the year ended June 30, 2021 are as follows:

			Balance			Balance	Amount Due
			June 30, 2020	Additions	Deductions	June 30, 2021	Within One Year
Governmental Activities:							
General Obligation Bonds:							
2011	Refunding Bond	1.9-4.0%	\$265,000	\$0	(\$85,000)	\$180,000	\$90,000
2012	Energy Conservation	1.75-4.0%	140,000	0	(20,000)	120,000	20,000
Total General Obligation Bonds			<u>405,000</u>	<u>0</u>	<u>(105,000)</u>	<u>300,000</u>	<u>110,000</u>
Capital Leases Payable			1,514,305	0	(193,447)	1,320,858	200,858
Compensated Absences			876,342	868,316	(876,342)	868,316	19,909
Total Long-Term Obligations			<u>\$2,795,647</u>	<u>\$868,316</u>	<u>(\$1,174,789)</u>	<u>\$2,489,174</u>	<u>\$330,767</u>

A. Principal and Interest Requirements

A summary of the District's future long-term debt funding requirements, including principal and interest payments as of June 30, 2021, follows:

Fiscal Year	General Obligation Bonds		Capital Leases		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2022	\$110,000	\$10,200	\$200,858	\$42,807	\$310,858	\$53,007
2023	115,000	5,800	110,000	36,636	225,000	42,436
2024	25,000	3,000	110,000	32,852	135,000	35,852
2025	25,000	2,000	115,000	28,982	140,000	30,982
2026	25,000	1,000	120,000	24,940	145,000	25,940
2027-2031	0	0	665,000	58,394	665,000	58,394
Totals	<u>\$300,000</u>	<u>\$22,000</u>	<u>\$1,320,858</u>	<u>\$224,611</u>	<u>\$1,620,858</u>	<u>\$246,611</u>

CROOKSVILLE EXEMPTED VILLAGE SCHOOL DISTRICT, OHIO

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

NOTE 13 - STATUTORY RESERVES

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

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

	Capital Acquisition Reserve
Set-aside Cash Balance as of June 30, 2020	\$0
Current Year Set-Aside Requirement	196,392
Current Year Offset Credits	(39,253)
Qualifying Disbursements	(157,139)
Total	<u>\$0</u>
Balance Carried Forward to FY 2022	<u><u>\$0</u></u>

Although the District had offsets and qualifying disbursements during the year that reduced the set-aside amounts below zero, the extra amount for capital acquisition may not be used to reduce the set-aside requirements of future years. Negative amounts for capital acquisition are therefore not presented as being carried forward to the next fiscal year.

CROOKSVILLE EXEMPTED VILLAGE SCHOOL DISTRICT, OHIO

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

NOTE 14 - JOINTLY GOVERNED ORGANIZATIONS

The District joined the Licking Area Computer Association (LACA), which is a computer consortium of public school districts, effective May 1, 2011. The organization was formed for the purpose of applying modern technology with the aid of computers and other electronic equipment to administrative and instructional functions among member school districts and is located at 150 South Quentin Road, Newark, OH 43055. The governing board of LACA consists of nineteen members made up of nineteen district superintendents. The continued existence of LACA is not dependent on the District's continued participation and no equity interest exists. The LACA constitution states that any school district withdrawing from the Association prior to dissolution forfeits their claim to the Association's capital assets. Financial information can be obtained from their fiscal agent, the Career and Technology Education Centers of Licking County, Treasurer, at 150 South Quentin Road, Newark, OH 43055.

Mid-East Career and Technology Center - The Mid-East Ohio Career and Technology Center is a distinct political subdivision of the State of Ohio operated under the direction of a Board consisting of thirteen appointed representatives from the fourteen participating school districts. The Board possesses its own budgeting and taxing authority. To obtain financial information, write to: Mid-East Career and Technology Center, Nan Nolder, Treasurer, at 400 Richards Road, Zanesville, Ohio 43701.

Coalition of Rural and Appalachian Schools – The Coalition of Rural and Appalachian Schools is a jointly governed organization including over 110 districts in southeastern Ohio. The Coalition is operated by a Board which is composed of seventeen members. The Board members are composed of one superintendent from each County elected by the school districts within that County. The Coalition provides various services for school district administrative personnel; gathers data regarding conditions of education in the region; cooperates with other professional groups to assess and develop programs designed to meet the needs of member districts; and provides staff development programs for school district personnel. The Coalition is not dependent upon the continued participation of the School District and the School District does not maintain an equity interest in or a financial responsibility for the Coalition. The School District made no significant payments for membership in fiscal year 2021.

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CROOKSVILLE EXEMPTED VILLAGE SCHOOL DISTRICT, OHIO

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

NOTE 15 - RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. During fiscal year 2021 the District contracted with two different insurance providers for various insurance coverages, as follows:

Insurance Provider	Coverage	Deductible
EMC Insurance Company	Building/Personal Property	\$2,500
EMC Insurance Company	Commercial Crime	\$250/\$2,500
EMC Insurance Company	Commercial Equipment	\$500
EMC Insurance Company	General/Excess Liability	\$0
EMC Insurance Company	Employee Benefits Liability	\$1,000
EMC Insurance Company	Educators Legal Liability	\$2,500
USI Insurance Company	Cyber Risk Liability	\$5,000

There has been no significant reduction in insurance coverages from coverages in the prior year. In addition, settled claims resulting from these risks have not exceeded commercial insurance coverages in any of the past three fiscal years.

Workers' compensation claims are covered through the District's participation in the State of Ohio's program. The District pays the State Workers' Compensation System a premium based upon a rate per \$100 of payroll. The rate is determined based on accident history and administrative costs.

NOTE 16 – INSURANCE PURCHASING POOL

The Ohio SchoolComp Workers' Compensation Group Retrospective Rating Program (Program) is a shared risk pool among school districts in Ohio. Section 4123.29, Ohio Revised Code, permits the establishment of employer group retrospective rating plans for workers' compensation rating purposes. The Program is governed by the Ohio School Board Association (OSBA) Executive Committee that consists of seven members as follows: the president of OSBA, Immediate Past President of OSBA, and five representatives elected from the participating school districts.

The Program, a Bureau of Workers' Compensation certified sponsor, established the program based upon guidelines set forth by the Bureau of Workers' Compensation (BWC). The Program created a group of school districts that will practice effective workplace safety and claims management to achieve lower premiums for workers compensation coverage than they would individually. The participating school districts continue to pay their own premiums and have the opportunity to receive retrospective premium adjustments based upon the combined performance of the group. Depending upon that performance, the participating school districts can receive either a premium refund of assessment. The Program's third party administrator (TPA), Comp Management, Inc., provides administrative, cost-control, and actuarial services to the Program. The cost of the TPA will be paid by each school district in proportion to its payroll to the total payroll of the group.

CROOKSVILLE EXEMPTED VILLAGE SCHOOL DISTRICT, OHIO

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

NOTE 17 - CONTINGENCIES

A. Grants

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

B. Litigation

The District is not a party to various legal proceedings which seek damages or injunctive relief generally incidental to its operations and pending projects as of June 30, 2021.

NOTE 18 – SIGNIFICANT COMMITMENTS

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	\$411,899
Nonmajor Governmental Funds	1,283,223
Total Governmental Funds	<u><u>\$1,695,122</u></u>

NOTE 19 – COVID-19

The United States and the State of Ohio declared a state of emergency in March of 2020 due to the COVID-19 pandemic. Ohio's state of emergency ended in June 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.

CROOKSVILLE EXEMPTED VILLAGE SCHOOL DISTRICT, OHIO

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

NOTE 20 – CHANGE IN ACCOUNTING PRINCIPLES/RESTATEMENT OF FUND BALANCE /NET POSITION

For 2021, the District implemented Governmental Accounting Standards Board (GASB) Statement No. 84, “Fiduciary Activities,” and Statement No. 90, “Majority Equity Interests—an amendment of GASB Statements No. 14 and No. 61.”

GASB Statement No. 84 establishes criteria for identifying fiduciary activities of all state and local governments.

The implementation of GASB 84 had the following effect on net position and fund balance as reported June 30, 2020:

	Governmental Activities	Other Governmental Funds	Total Governmental Funds
Net Position/Fund Balance June 30, 2020	\$585,458	\$1,080,031	\$7,304,400
Adjustments:			
GASB 84 Fund Reclassification	98,557	98,557	98,557
Restated Net Position/ Fund Balance June 30, 2020	\$684,015	\$1,178,588	\$7,402,957

GASB Statement No. 90 establishes criteria for reporting a government’s majority equity interest in a legally separate organization. The implementation of this statement did not result in a restatement of the District’s financial statements.

NOTE 21 – SUBSEQUENT EVENT

For fiscal year 2022, School District foundation funding received from the State of Ohio will be funded using a direct funding model. Under this new model, community school, STEM school, scholarship, and open enrollment funding will be directly funded by the State of Ohio to the respective educating schools. For fiscal year 2021 and prior, the amounts related to students who were residents of the School District were funded to the School District who, in turn, made the payment to the educating school. For fiscal year 2021, the School District reported \$926,399 on a cash basis, revenues and expenditures/expenses 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.

CROOKSVILLE EXEMPTED VILLAGE SCHOOL DISTRICT, OHIO

REQUIRED SUPPLEMENTARY INFORMATION

CROOKSVILLE EXEMPTED VILLAGE SCHOOL DISTRICT, OHIO

***Schedule of District's Proportionate Share of the Net Pension Liability
Last Seven Fiscal Years***

State Teachers Retirement System

Fiscal Year	<u>2015</u>	<u>2016</u>	<u>2017</u>
District's proportion of the net pension liability (asset)	0.0445865%	0.0450185%	0.0452547%
District's proportionate share of the net pension liability (asset)	\$10,844,991	\$12,441,805	\$15,148,102
District's covered-employee payroll	\$4,458,169	\$4,830,986	\$4,976,143
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	243.26%	257.54%	304.41%
Plan fiduciary net position as a percentage of the total pension liability	74.70%	72.10%	66.80%

Source: District Treasurer's Office and State Teachers Retirement System

School Employees Retirement System

Fiscal Year	<u>2015</u>	<u>2016</u>	<u>2017</u>
District's proportion of the net pension liability (asset)	0.0409220%	0.0432611%	0.0431003%
District's proportionate share of the net pension liability (asset)	\$2,071,040	\$2,468,520	\$3,154,544
District's covered-employee payroll	\$1,195,859	\$1,410,637	\$1,511,293
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	173.18%	174.99%	208.73%
Plan fiduciary net position as a percentage of the total pension liability	71.70%	69.16%	62.98%

Source: District Treasurer's Office and School Employees Retirement System

Notes: The District implemented GASB Statements 68 in 2015.

The schedule is intended to show ten years of information. Additional years will be displayed as they become available.

The schedule is reported as of the measurement date of the Net Pension Liability.

CROOKSVILLE EXEMPTED VILLAGE SCHOOL DISTRICT, OHIO

<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
0.0454817%	0.0433590%	0.0449858%	0.0443111%
\$10,804,280	\$9,533,661	\$9,948,331	\$10,721,700
\$4,903,914	\$5,252,086	\$5,198,879	\$5,166,050
220.32%	181.52%	191.36%	207.54%
75.30%	77.30%	77.40%	75.48%
<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
0.0445068%	0.0442054%	0.0436005%	0.0450945%
\$2,659,183	\$2,531,725	\$2,608,693	\$2,982,641
\$1,376,914	\$1,404,341	\$1,446,978	\$1,492,993
193.13%	180.28%	180.29%	199.78%
69.50%	71.36%	70.85%	68.55%

CROOKSVILLE EXEMPTED VILLAGE SCHOOL DISTRICT, OHIO

***Schedule of District Pension Contributions
Last Eight Fiscal Years***

State Teachers Retirement System

Fiscal Year	<u>2014</u>	<u>2015</u>	<u>2016</u>
Contractually required contribution	\$579,562	\$676,338	\$696,660
Contributions in relation to the contractually required contribution	<u>579,562</u>	<u>676,338</u>	<u>696,660</u>
Contribution deficiency (excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
District's covered-employee payroll	\$4,458,169	\$4,830,986	\$4,976,143
Contributions as a percentage of covered-employee payroll	13.00%	14.00%	14.00%

Source: District Treasurer's Office and State Teachers Retirement System

School Employees Retirement System

Fiscal Year	<u>2014</u>	<u>2015</u>	<u>2016</u>
Contractually required contribution	\$165,746	\$185,922	\$211,581
Contributions in relation to the contractually required contribution	<u>165,746</u>	<u>185,922</u>	<u>211,581</u>
Contribution deficiency (excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
District's covered-employee payroll	\$1,195,859	\$1,410,637	\$1,511,293
Contributions as a percentage of covered-employee payroll	13.86%	13.18%	14.00%

Source: District Treasurer's Office and School Employees Retirement System

Notes: The District implemented GASB Statement 68 in 2015.

The schedule is intended to show ten years of information. Additional years will be displayed as they become available. Information prior to 2014 is not available.

CROOKSVILLE EXEMPTED VILLAGE SCHOOL DISTRICT, OHIO

<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
\$686,548	\$735,292	\$727,843	\$723,247	\$783,647
<u>686,548</u>	<u>735,292</u>	<u>727,843</u>	<u>723,247</u>	<u>783,647</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$4,903,914	\$5,252,086	\$5,198,879	\$5,166,050	\$5,597,479
14.00%	14.00%	14.00%	14.00%	14.00%

<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
\$192,768	\$189,586	\$195,342	\$209,019	\$221,057
<u>192,768</u>	<u>189,586</u>	<u>195,342</u>	<u>209,019</u>	<u>221,057</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$1,376,914	\$1,404,341	\$1,446,978	\$1,492,993	\$1,578,979
14.00%	13.50%	13.50%	14.00%	14.00%

CROOKSVILLE EXEMPTED VILLAGE SCHOOL DISTRICT, OHIO

***Schedule of the District's Proportionate Share of the Net Other Postemployment Benefits (OPEB) Liability
Last Five Fiscal Years***

State Teachers Retirement System

Fiscal Year	<u>2017</u>	<u>2018</u>	<u>2019</u>
District's proportion of the net OPEB liability (asset)	0.0454817%	0.0454817%	0.0433590%
District's proportionate share of the net OPEB liability (asset)	\$2,432,374	\$1,774,529	(\$696,735)
District's covered payroll	\$4,976,143	\$4,903,914	\$5,252,086
District's proportionate share of the net OPEB liability (asset) as a percentage of its covered payroll	48.88%	36.19%	(13.27%)
Plan fiduciary net position as a percentage of the total OPEB liability	37.30%	47.10%	176.00%

Source: District Treasurer's Office and State Teachers Retirement System

School Employees Retirement System

Fiscal Year	<u>2017</u>	<u>2018</u>	<u>2019</u>
District's proportion of the net OPEB liability (asset)	0.0452278%	0.0452278%	0.0449847%
District's proportionate share of the net OPEB liability (asset)	\$1,289,160	\$1,213,795	\$1,247,996
District's covered payroll	\$1,511,293	\$1,376,914	\$1,404,341
District's proportionate share of the net OPEB liability (asset) as a percentage of its covered payroll	85.30%	88.15%	88.87%
Plan fiduciary net position as a percentage of the total OPEB liability	11.49%	12.46%	13.57%

Source: District Treasurer's Office and School Employees Retirement System

Notes: The District implemented GASB Statement 75 in 2018.

The schedule is intended to show ten years of information. Additional years will be displayed as they become available. Information prior to 2017 is not available.

The schedule is reported as of the measurement date of the Net OPEB Liability (Asset), which is the prior year end.

CROOKSVILLE EXEMPTED VILLAGE SCHOOL DISTRICT, OHIO

<u>2020</u>	<u>2021</u>
0.0449858%	0.0443111%
(\$745,072)	(\$778,766)
\$5,198,879	\$5,166,050
(14.33%)	(15.07%)
174.74%	182.13%

<u>2020</u>	<u>2021</u>
0.0448047%	0.0465293%
\$1,126,744	\$1,011,234
\$1,446,978	\$1,492,993
77.87%	67.73%
15.57%	18.17%

CROOKSVILLE EXEMPTED VILLAGE SCHOOL DISTRICT, OHIO

***Schedule of District Other Postemployment Benefit (OPEB) Contributions
Last Eight Fiscal Years***

State Teachers Retirement System

Fiscal Year	<u>2014</u>	<u>2015</u>	<u>2016</u>
Contractually required contribution	\$44,582	\$0	\$0
Contributions in relation to the contractually required contribution	<u>44,582</u>	<u>0</u>	<u>0</u>
Contribution deficiency (excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
District's covered payroll	\$4,458,169	\$4,830,986	\$4,976,143
Contributions as a percentage of covered payroll	1.00%	0.00%	0.00%

Source: District Treasurer's Office and State Teachers Retirement System

School Employees Retirement System

Fiscal Year	<u>2014</u>	<u>2015</u>	<u>2016</u>
Contractually required contribution	\$22,462	\$34,564	\$22,467
Contributions in relation to the contractually required contribution	<u>22,462</u>	<u>34,564</u>	<u>22,467</u>
Contribution deficiency (excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
District's covered payroll	\$1,195,859	\$1,410,637	\$1,511,293
Contributions as a percentage of covered payroll	1.88%	2.45%	1.49%

Source: District Treasurer's Office and School Employees Retirement System

Notes: The District implemented GASB Statement 75 in 2018.

Information prior to 2014 is not available.

CROOKSVILLE EXEMPTED VILLAGE SCHOOL DISTRICT, OHIO

<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
\$0	\$0	\$0	\$0	\$0
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$4,903,914	\$5,252,086	\$5,198,879	\$5,166,050	\$5,597,479
0.00%	0.00%	0.00%	0.00%	0.00%

<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
\$24,945	\$31,939	\$42,051	\$28,637	\$38,282
<u>24,945</u>	<u>31,939</u>	<u>42,051</u>	<u>28,637</u>	<u>38,282</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$1,376,914	\$1,404,341	\$1,446,978	\$1,492,993	\$1,578,979
1.81%	2.27%	2.91%	1.92%	2.42%

CROOKSVILLE EXEMPTED VILLAGE SCHOOL DISTRICT, OHIO

Notes to the Required Supplementary Information For the Fiscal Year Ended June 30, 2021

NET PENSION LIABILITY

SERS

Changes in benefit terms – For fiscal year 2021, 2020 and 2019, there were no changes to benefit terms. For fiscal year 2018, the following were the most significant changes in benefits that affected the total pension liability since the prior measurement date:

- The cost-of-living adjustment was changed from a fixed 3.00 percent to a cost-of-living adjustment that is indexed to CPI-W not greater than 2.5 percent with a floor of 0 percent beginning January 1, 2018. In addition, with the authority granted the Board under HB 49, the Board has enacted a three-year COLA suspension for benefit recipients in calendars 2018, 2019, and 2020.

There were no changes to benefit terms for fiscal years 2015 through 2017.

Changes in assumptions – For fiscal years 2021, 2020, and 2019 there were no changes in assumptions.

For fiscal year 2018, the following changes were made to the actuarial assumptions as identified. These new assumptions compared with those used in fiscal year 2017 and prior are presented below:

- Assumed rate of inflation was reduced from 3.25% to 3.00%
- Payroll Growth Assumption was reduced from 4.00% to 3.50%
- Assumed real wage growth was reduced from 0.75% to 0.50
- Rates of withdrawal, retirement and disability were updated to reflect recent experience.
- Mortality among active members was updated to the following:
 - RP-2014 Blue Collar Mortality Table with fully generational projection and a five year age set-back for both males and females. The above rates represent the base rates used.
- Mortality among service retired members, and beneficiaries was updated to the following:
 - RP-2014 Blue Collar Mortality Table with fully generational projection with Scale BB, 120% of male rates, and 110% of female rates.
- Mortality among disable member was updated to the following:
 - RP-2000 Disabled Mortality Table, 90% for male rates and 100% for female rates, set back five years is used for the period after disability retirement.

There were no changes in assumptions for fiscal years 2015 through 2017.

CROOKSVILLE EXEMPTED VILLAGE SCHOOL DISTRICT, OHIO

Notes to the Required Supplementary Information For the Fiscal Year Ended June 30, 2021

STRS

Changes in benefit terms – For fiscal year 2021, 2020 and 2019, there were no changes to benefit terms. For fiscal year 2018, the cost of living adjustment (COLA) was reduced to 0 percent effective July 1, 2017.

Changes in assumptions – For fiscal year 2021, 2020 and 2019, there were no changes in assumptions. For fiscal year 2018, the following were the most significant changes of assumptions that affected the total pension liability since the prior measurement date:

- Inflation assumptions were lowered from 2.75 percent to 2.50 percent.
- Investment return assumptions were lowered from 7.75 percent to 7.45 percent.
- Total salary increases rates were lowered by decreasing merit component of the individual salary increases, as well as by 0.25 percent due to lower inflation.
- Payroll growth assumptions were lowered to 3.00 percent.
- Updated the health and disability mortality assumption to the RP-2014 mortality tables with generational improvement scale MP-2016.
- Rates of retirement, termination and disability were modified to better reflect anticipated future experience.

There were no changes in assumptions for fiscal years 2015 through 2017.

NET OPEB LIABILITY (ASSET)

SERS

Changes in benefit terms – For fiscal year 2021 - 2018, there were no changes to benefit terms.

Changes in assumptions – For fiscal year 2021, the following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date:

- The municipal bond index rate decreased from 3.13 percent to 2.45 percent.
- The single equivalent interest rate, net of plan investment expense, including price inflation decreased from 3.22 percent to 2.63 percent.

For fiscal year 2020, the following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date:

- The municipal bond index rate decreased from 3.62 percent to 3.13 percent.
- The single equivalent interest rate, net of plan investment expense, including price inflation decreased from 3.70 percent to 3.22 percent.
- The medical trend assumption rate changed as follows:
 - Medicare – 2019 – 5.375 to 4.75 percent, 2020 – 5.25 to 4.75 percent
 - Pre-Medicare – 2019 – 7.25 to 4.75 percent, 2020 – 7.00 to 4.75

CROOKSVILLE EXEMPTED VILLAGE SCHOOL DISTRICT, OHIO

Notes to the Required Supplementary Information For the Fiscal Year Ended June 30, 2021

SERS (Continued)

For fiscal year 2019, the following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date:

- The municipal bond index rate increased from 3.56 percent to 3.62 percent.
- The single equivalent interest rate, net of plan investment expense, including price inflation increased from 3.63 percent to 3.70 percent.
- The medical trend assumption rate changed as follows:
 - Medicare – 2018 – 5.50 to 5.00 percent, 2019 – 5.375 to 4.75 percent
 - Pre-Medicare – 2018 – 7.50 to 5.00 percent, 2019 – 7.25 to 4.75

For fiscal year 2018, the following was the most significant change of assumptions that affected the total OPEB liability since the prior measurement date:

- The discount rate was increased from 2.98 percent to 3.63.

For fiscal year 2017, the following was the most significant change of assumptions that affected the total OPEB liability since the prior measurement date:

- Assumed rate of inflation was reduced from 3.25% to 3.00%
- Payroll Growth Assumption was reduced from 4.00% to 3.50%
- Assumed real wage growth was reduced from 0.75% to 0.50%
- Rates of withdrawal, retirement and disability were updated to reflect recent experience.
- Mortality among active members was updated to the following:
 - 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 was updated to the following:
 - RP-2014 Blue Collar Mortality Table with fully generational projection with Scale BB, 120% of male rates, and 110% of female rates.
- Mortality among disabled members was updated to the following:
 - RP-2000 Disabled Mortality Table, 90% for male rates and 100% for female rates, set back five years is used for the period after disability retirement.

STRS

Changes in benefit terms – For fiscal year 2021, the following was the most significant change in benefit terms that affected the total OPEB liability since the prior measurement date:

- The non-Medicare subsidy percentage was increased effective January 1, 2021 from 1.984% to 2.055% 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% for the AMA Medicare plan. The Medicare Part B monthly reimbursement elimination date was postponed indefinitely.

CROOKSVILLE EXEMPTED VILLAGE SCHOOL DISTRICT, OHIO

Notes to the Required Supplementary Information For the Fiscal Year Ended June 30, 2021

STRS (Continued)

For fiscal year 2020, the following was the most significant change in benefit terms that affected the total OPEB liability since the prior measurement date:

- The non-Medicare subsidy percentage was increased effective January 1, 2020 from 1.944% to 1.984% 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% for the Medicare plan. The Medicare Part B monthly reimbursement elimination date was postponed to January 1, 2021.

For fiscal year 2019, the following was the most significant change in benefit terms that affected the total OPEB liability since the prior measurement date:

- The subsidy multiplier for non-Medicare benefit recipients increased from 1.9 percent to 1.944 percent per year of service effective January 1, 2019. The non-Medicare frozen subsidy base premium increased effective January 1, 2019 and all remaining Medicare Part B premium reimbursements were scheduled to be discontinued beginning January 1, 2020, though the STRS Board voted in June 2019 to extend the current Medicare Part B partial reimbursement for one year.

For fiscal year 2018, STRS has the following changes in benefit terms since the previous measurement date:

- The HealthSpan HMO plans were eliminated.
- The subsidy multiplier for non-Medicare benefit recipients was reduced to 1.9 percent per year of service from 2.1 percent.
- Medicare Part B premium reimbursements were discontinued for survivors and beneficiaries who were age 65 by 2008 and either receiving a benefit or named as a beneficiary as of January 1, 2008.
- The remaining Medicare Part B premium reimbursements will be phased out over a three-year period.

There were no changes to benefit terms for fiscal year 2017.

Changes in assumptions – For fiscal year 2021 the following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date:

- The health care trend assumption rate changed as follows:
 - Medical Medicare – from 4.93 percent to (6.69) percent initial, 4 percent ultimate
 - Medical Pre-Medicare – from 5.87 percent to 5.00 percent initial, 4 percent ultimate
 - Prescription Drug Medicare – from 7.73 percent to 11.87 percent initial, 4 percent ultimate
 - Prescription Drug Pre-Medicare – from 9.62 percent to 6.50 initial, 4 percent ultimate

CROOKSVILLE EXEMPTED VILLAGE SCHOOL DISTRICT, OHIO

Notes to the Required Supplementary Information For the Fiscal Year Ended June 30, 2021

STRS (Continued)

For fiscal year 2020, the following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date:

- The health care trend assumption rate changed as follows:
 - Medical Medicare – from 6 percent to 5.87 percent initial, 4 percent ultimate
 - Medical Pre-Medicare – from 5 percent to 4.93 percent initial, 4 percent ultimate
 - Prescription Drug Medicare – from 8 percent to 7.73 percent initial, 4 percent ultimate
 - Prescription Drug Pre-Medicare – from -5.23 percent to 9.62 initial, 4 percent ultimate

For fiscal year 2019, the following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date:

- The discount rate increased from a 4.13 percent blended discount rate to 7.45 percent.
- The health care trend assumption rate changed from 6 to 11 percent initial, 4.5 percent ultimate to:
 - Medical Medicare – 5 percent initial, 4 percent ultimate
 - Medical Pre-Medicare – 6 percent initial, 4 percent ultimate
 - Prescription Drug Medicare – -5.23 percent initial, 4 percent ultimate
 - Prescription Drug Pre-Medicare – 8 percent initial, 4 percent ultimate

For fiscal year 2018, the following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date:

- The discount rate was increased from 3.26 percent to 4.13 percent based on the methodology defined under GASB 74.
- The long-term rate of return was reduced to 7.45 percent.
- Valuation-year per capita health costs were updated.
- The percentage of future retirees electing each option was updated based on current data.
- The assumed future trend rates were modified.
- Decrement rates including mortality, disability, retirement, and withdrawal were modified.
- The assumed percentage of future disabled retirees assumed to elect health coverage was decreased from 84 percent to 65 percent, and the assumed percentage of terminated vested participants assumed to elect health coverage at retirement was decreased from 47 percent to 30 percent.
- The assumed salary scale was modified.

**CROOKSVILLE EXEMPTED VILLAGE SCHOOL DISTRICT
PERRY COUNTY**

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

FEDERAL GRANTOR/ Pass- Through Grantor Program / Cluster Title	Assistance Listing Number	Pass-Through Entity Identifying Number	Total Federal Receipts	Total Federal Expenditures
U.S. DEPARTMENT OF AGRICULTURE				
<i>Passed Through Ohio Department of Education:</i>				
Child Nutrition Cluster:				
Non-Cash Assistance (Food Distribution):				
School Breakfast Program	10.553	2021	\$17,872	\$17,872
National School Lunch Program	10.555	2021	24,912	24,912
Non-Cash Assistance Subtotal			<u>42,784</u>	<u>42,784</u>
Cash Assistance:				
School Breakfast Program	10.553	2021	207,882	207,882
COVID-19 School Breakfast Program	10.553	2021	50,755	50,755
National School Lunch Program	10.555	2021	292,774	292,774
COVID-19 National School Lunch Program	10.555	2021	67,741	67,741
Cash Assistance Subtotal			<u>619,152</u>	<u>619,152</u>
Total Child Nutrition Cluster			<u>661,936</u>	<u>661,936</u>
Total U.S. Department of Agriculture			661,936	661,936
U.S. DEPARTMENT OF TREASURY				
<i>Passed Through Ohio Department of Education:</i>				
COVID-19 Coronavirus Relief Fund - Rural and Small Town SD	21.019	2021	71,531	71,531
COVID-19 Coronavirus Relief Fund - Broadband Ohio Connectivity		2021	141,014	141,014
Total Coronavirus Relief Fund			<u>212,545</u>	<u>212,545</u>
Total U.S. Department of Treasury			212,545	212,545
U.S. DEPARTMENT OF EDUCATION				
<i>Passed Through Ohio Department of Education:</i>				
Title I Grants to Local Educational Agencies	84.010	2021 2020	246,840 85,340	250,551 64,010
Total Title I Grants to Local Educational Agencies			<u>332,180</u>	<u>314,561</u>
Special Education Cluster:				
Special Education Grants to States	84.027	2021 2020	204,673 45,860	216,453 29,326
Total Special Education Grants to States			<u>250,533</u>	<u>245,779</u>
Special Education Preschool Grants	84.173	2021	5,613	6,215
Total Special Education Cluster			<u>256,146</u>	<u>251,994</u>
Twenty-First Century Community Learning Centers	84.287	2021 2020	343,658 147,378	355,639 38,971
Total Twenty-First Century Community Learning Centers			<u>491,036</u>	<u>394,610</u>
Title V- Rural Education	84.358	2021 2020	5,665 766	5,666 0
Total Title V- Rural Education			<u>6,431</u>	<u>5,666</u>
Supporting Effective Instruction State Grants	84.367	2021	45,778	45,778
Total Supporting Effective Instruction State Grants			<u>45,778</u>	<u>45,778</u>
Title IV-Student Support Academic Enrichment	84.424	2021 2020	14,030 0	14,030 2,248
Total Title IV-Student Support Academic Enrichment			<u>14,030</u>	<u>16,278</u>
COVID-19 Elementary and Secondary School Relief Fund - ESSER	84.425D	2021	191,952	192,719
COVID-19 Elementary and Secondary School Relief Fund - ESSER 2		2021	29,575	65,575
Total - Elementary and Secondary School Relief Fund			<u>221,527</u>	<u>258,294</u>
Total U.S. Department of Education			1,367,128	1,287,181
Total Receipts and Expenditures of Federal Awards			<u>\$2,241,609</u>	<u>\$2,161,662</u>

The accompanying notes are an integral part of the Schedule.

**CROOKSVILLE EXEMPTED VILLAGE SCHOOL DISTRICT
PERRY COUNTY**

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

NOTE A – BASIS OF PRESENTATION

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

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

NOTE C – INDIRECT COST RATE

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

NOTE D – SUBRECIPIENTS

The District does not provide any Federal awards to subrecipients at this time.

NOTE E - CHILD NUTRITION CLUSTER

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

NOTE F – FOOD DONATION PROGRAM

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



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

Crooksville Exempted Village School District
Perry County
4065 School Drive
Crooksville, Ohio 43731

To the Board of Education:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Crooksville Exempted Village School District, Perry County, Ohio (the District), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated May 23, 2022, wherein we noted the District adopted new accounting guidance in Governmental Accounting Standards Board Statement (GASB) No. 84, *Fiduciary Activities*. We also noted the financial impact of COVID-19 and the continuing emergency measures which may impact subsequent periods of the District.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all internal control deficiencies that might be material weaknesses or significant deficiencies. Therefore, unidentified material weaknesses or significant deficiencies may exist. Given these limitations, we did not identify any deficiencies in internal control that we consider material weaknesses. We did identify a certain deficiency in internal control, described in the accompanying Schedule of Findings that we consider a significant deficiency. We consider finding 2021-001 to be a significant deficiency.

Compliance and Other Matters

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

District's Response to Findings

The District's response to the finding identified in our audit is described in the accompanying Corrective Action Plan. We did not subject the District's response to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

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



Keith Faber
Auditor of State
Columbus, Ohio

May 23, 2022



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

Crooksville Exempted Village School District
Perry County
4065 School Drive
Crooksville, Ohio 43731

To the Board of Education:

Report on Compliance for the Major Federal Program

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

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion on the Major Federal Program

In our opinion, Crooksville 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 program for the year ended June 30, 2021.

Report on Internal Control Over Compliance

The District's management is responsible for establishing and maintaining effective internal control over compliance with the applicable compliance requirements referred to above. In planning and performing our compliance audit, we considered the District's internal control over compliance with the applicable requirements that could directly and materially affect a major federal program, to determine our auditing procedures appropriate for opining on 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 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 23, 2022

**CROOKSVILLE EXEMPTED VILLAGE SCHOOL DISTRICT
PERRY 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)?	Yes
(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):	Child Nutrition Cluster – #10.553 and #10.555
(d)(1)(viii)	Dollar Threshold: Type A/B Programs	Type A: > \$ 750,000 Type B: all others
(d)(1)(ix)	Low Risk Auditee under 2 CFR § 200.520?	Yes

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

FINDING NUMBER 2021-001

Significant Deficiency

In our audit engagement letter, as required by AU-C Section 210, Terms of Engagement, paragraph .06, management acknowledged its responsibility for the preparation and fair presentation of their financial statements; this responsibility includes designing, implementing and maintaining internal control relevant to preparing and fairly presenting financial statements free from material misstatement, whether due to fraud or error as discussed in AU-C Section 210 paragraphs .A14 & .A16.

**CROOKSVILLE EXEMPTED VILLAGE SCHOOL DISTRICT
PERRY COUNTY**

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

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

FINDING NUMBER 2021-001 (Continued)

Significant Deficiency (Continued)

Governmental Accounting Standards Board (GASB) Cod. 1100 paragraph .101 states a governmental accounting system must make it possible both: (a) to present fairly and with full disclosure the funds and activities of the governmental unit in conformity with generally accepted accounting principles, and (b) to determine and demonstrate compliance with finance-related legal and contractual provisions.

Furthermore, Governmental Accounting Standards Board (GASB) Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions, defines how fund balances were to be classified. GASB Cod. 1800.173-176 requires funds without external or internal constraints to report Assigned fund balances for amounts encumbered or set aside to cover the excess of subsequent year appropriations exceeding estimated revenue.

At June 30, 2021, a portion of the General Fund balance representing a budgetary resource for subsequent year appropriations, totaling \$575,635, was classified as Unassigned rather than Assigned fund balance.

It was also determined that the estimation used to record Deferred Inflows of Resources for Property Taxes was not a reasonable method. Deferred Inflows was found to be overstated by an amount of \$524,736 in the General Fund and by \$64,238 in Other Governmental Funds upon further investigation with the County Auditor.

These adjustments, with which management has agreed, are reflected in the accompanying financial statements and notes of the District to correct these errors. We also noted another immaterial unadjusted misstatement of \$2,678 related to not recording accounts payable that were brought to the attention of the District's management.

Incorrect financial statement account classifications and balances could result in inaccurate reporting of the District's financial information. Failure to properly report financial activity in accordance with generally accepted accounting principles could result in material misstatements occurring and remaining undetected and fail to provide management with an accurate picture of the District's financial position and operations.

The District should utilize available authoritative resources to appropriately classify fund balance classifications and take necessary steps to ensure that all liabilities and deferred inflows of resources of the District are properly presented and disclosed in the District's basic financial statements.

Officials' Response: See Corrective Action Plan.

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS
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None

CROOKSVILLE EXEMPTED VILLAGE SCHOOL DISTRICT

4065 School Drive - Crooksville, OH 43731
Phone: 740-982-7040 ★ FAX: 740-982-3551

Kevin Smith, Superintendent

Robert Ogg, Jr., CPA, Treasurer

CORRECTIVE ACTION PLAN 2 CFR § 200.515 June 30, 2021

Finding Number:	2021-001
Planned Corrective Action:	Ensure that all amounts are properly reported on the financial statement in the future.
Anticipated Completion Date:	06/30/2022
Responsible Contact Person:	Robert D. Ogg, Jr., CPA, Treasurer/CFO

OHIO AUDITOR OF STATE KEITH FABER



**CROOKSVILLE EXEMPTED VILLAGE SCHOOL DISTRICT
PERRY 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 6/9/2022

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