



OHIO AUDITOR OF STATE  
**KEITH FABER**





**COLONEL CRAWFORD LOCAL SCHOOL DISTRICT  
CRAWFORD COUNTY**

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# OHIO AUDITOR OF STATE KEITH FABER



88 East Broad Street, 5<sup>th</sup> Floor  
Columbus, Ohio 43215-3506  
(614) 466-3402 or (800) 443-9275  
CentralRegion@ohioauditor.gov

## INDEPENDENT AUDITOR'S REPORT

Colonel Crawford Local School District  
Crawford County  
2303 State Route 602  
North Robinson, Ohio 44856

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 Colonel Crawford Local School District, Crawford County, Ohio (the District), as of and for the year ended June 30, 2020, 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 Colonel Crawford Local School District, Crawford County, Ohio, as of June 30, 2020, 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 3 to the financial statements, during 2020, the District adopted new accounting guidance in Governmental Accounting Standards Board (GASB) Statement No. 84, *Fiduciary Activities*. We did not modify our opinion regarding this matter.

Additionally, as discussed in Note 18 to the financial statements, the financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the District. We did not modify our opinion regarding this matter.

**Other Matters**

*Required Supplementary Information*

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

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated April 1, 2021, 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

April 1, 2021

**COLONEL CRAWFORD LOCAL SCHOOL DISTRICT  
CRAWFORD COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020  
(Unaudited)**

The discussion and analysis of the Colonel Crawford Local School District's (the "District") financial performance provides an overall review of the District's financial activities for the fiscal year ended June 30, 2020. The intent of this discussion and analysis is to look at the District's financial performance as a whole; readers should also review the basic financial statements and the notes to the basic financial statements to enhance their understanding of the District's financial performance.

**Financial Highlights**

Key financial highlights for fiscal year 2020 are as follows:

- In total, net position of governmental activities increased \$340,722 which represents a 5.32% increase from June 30, 2019's restated net position.
- General revenues accounted for \$10,385,940 in revenue or 75.55% of all revenues. Program specific revenues in the form of charges for services and sales, grants and contributions accounted for \$3,360,750 or 24.45% of total revenues of \$13,746,690.
- The District had \$13,405,968 in expenses related to governmental activities; \$3,360,750 of these expenses were offset by program specific charges for services, grants or contributions. General revenues supporting governmental activities (primarily taxes and unrestricted grants and entitlements) of \$10,385,940 were adequate to provide for these programs.
- The District's major governmental funds are the general fund and the bond retirement fund. The general fund had \$11,459,392 in revenues and \$11,098,020 in expenditures and other financing uses. The general fund's fund balance increased \$361,372 to \$6,897,693 from June 30, 2019's restated fund balance of \$6,536,321.
- The bond retirement fund had \$1,229,956 in revenues and \$1,047,537 in expenditures. During fiscal year 2020, the bond retirement fund balance increased \$182,419 from \$1,698,294 to \$1,880,713.

**Using these Basic Financial Statements**

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand the District as a financial whole, an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities.

The *statement of net position* and *statement of activities* provide information about the activities of the whole District, presenting both an aggregate view of the District's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. The fund financial statements also look at the District's most significant funds with all other nonmajor funds presented in total in one column. In the case of the District, the general fund and bond retirement fund are by far the most significant funds, and the only governmental funds reported as major funds.

**Reporting the District as a Whole**

***Statement of Net Position and the Statement of Activities***

While this document contains the large number of funds used by the District to provide programs and activities, the view of the District as a whole looks at all financial transactions and asks the question, "How did we do financially during 2020?" The statement of net position and the statement of activities answer this question. These statements include *all assets, deferred outflows of resources, liabilities, deferred inflows of resources, revenues and expenses* using the *accrual basis of accounting* similar to the accounting used by most private-sector companies. This basis of accounting will take into account all of the current year's revenues and expenses regardless of when cash is received or paid.

**COLONEL CRAWFORD LOCAL SCHOOL DISTRICT  
CRAWFORD COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020  
(Unaudited)**

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

In the statement of net position and the statement of activities, the governmental activities include the District's programs and services, including instruction, support services, operation and maintenance of plant, pupil transportation, extracurricular activities, and food service operations.

The District's statement of net position and statement of activities can be found on pages 14-15 of this report.

**Reporting the District's Most Significant Funds**

***Fund Financial Statements***

The analysis of the District's major governmental funds begins on page 10. Fund financial reports provide detailed information about the District's major funds. The District uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the District's most significant funds. The District's major governmental funds are the general fund and the bond retirement fund.

***Governmental Funds***

Most of 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* than can readily be converted to cash. The governmental fund financial 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 basic financial statements. The basic governmental fund financial statements can be found on pages 16-20 of this report.

***Notes to the Basic Financial Statements***

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. These notes to the basic financial statements can be found on pages 21-62 of this report.

***Required Supplementary Information***

The required supplementary information provides detailed information regarding the District's proportionate share of the net pension liability and net OPEB liability/asset of the retirement systems and a ten year schedule of District's contributions to the retirement systems to fund pension and OPEB obligations. The required supplementary information can be found on pages 64 through 79 of this report.



**COLONEL CRAWFORD LOCAL SCHOOL DISTRICT  
CRAWFORD COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020  
(Unaudited)

**The District as a Whole**

Recall that the statement of net position provides the perspective of the District as a whole.

The table below provides a summary of the District's net position at June 30, 2020 and June 30, 2019. Net position has been restated as described in Note 3.

	<b>Net Position</b>	
	Governmental Activities	Restated Governmental Activities
	<u>2020</u>	<u>2019</u>
<b><u>Assets</u></b>		
Current and other assets	\$ 14,961,730	\$ 14,353,905
Capital assets, net	<u>17,366,311</u>	<u>17,864,903</u>
Total assets	<u>32,328,041</u>	<u>32,218,808</u>
<b><u>Deferred Outflows of Resources</u></b>		
Unamortized deferred charges on debt refunding	97,874	108,131
Pension	2,321,342	2,995,655
OPEB	<u>308,220</u>	<u>200,326</u>
Total deferred outflows of resources	<u>2,727,436</u>	<u>3,304,112</u>
<b><u>Liabilities</u></b>		
Current liabilities	1,689,166	1,580,621
Long-term liabilities:		
Due within one year	1,394,428	884,371
Due in more than one year:		
Net pension liability	10,802,149	10,417,812
Net OPEB liability	1,083,887	1,141,942
Other amounts	<u>9,380,337</u>	<u>10,644,089</u>
Total liabilities	<u>24,349,967</u>	<u>24,668,835</u>
<b><u>Deferred Inflows of Resources</u></b>		
Property taxes levied for next year	2,425,994	2,721,360
Unamortized deferred gain on debt refunding	-	10,380
Pension	479,319	693,626
OPEB	<u>1,052,352</u>	<u>1,022,663</u>
Total deferred inflows of resources	<u>3,957,665</u>	<u>4,448,029</u>
<b><u>Net Position</u></b>		
Net investment in capital assets	7,691,472	7,327,537
Restricted	2,472,014	2,231,795
Unrestricted (deficit)	<u>(3,415,641)</u>	<u>(3,152,209)</u>
Total net position	<u>\$ 6,747,845</u>	<u>\$ 6,407,123</u>

**COLONEL CRAWFORD LOCAL SCHOOL DISTRICT  
CRAWFORD COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020  
(Unaudited)

The net pension liability is reported pursuant to Governmental Accounting Standards Board (GASB) Statement 68, "Accounting and Financial Reporting for Pensions—an Amendment of GASB Statement 27." The net other postemployment benefits (OPEB) liability/asset is reported 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.

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 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.

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, respectively, not accounted for as deferred inflows/outflows.

**COLONEL CRAWFORD LOCAL SCHOOL DISTRICT  
CRAWFORD COUNTY, OHIO**

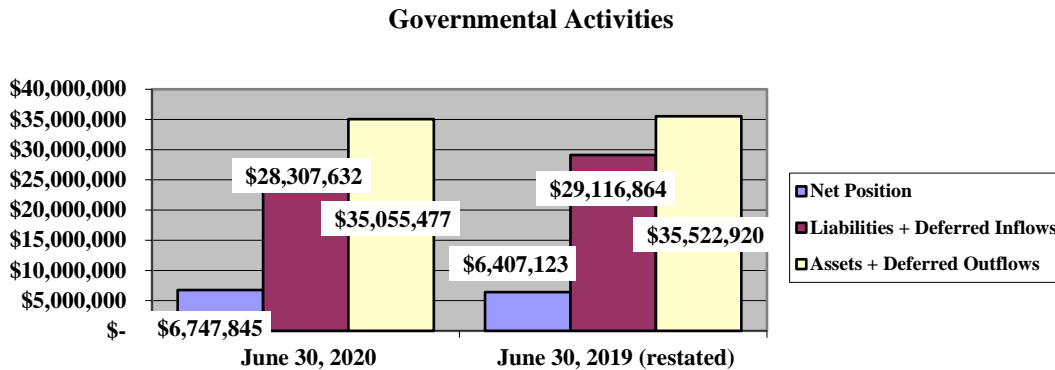
**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020  
(Unaudited)**

Over time, net position can serve as a useful indicator of a government's financial position. At June 30, 2020, the District's assets plus deferred outflows of resources exceeded liabilities plus deferred inflows of resources by \$6,747,845. Of this total, \$2,472,014 is restricted in use.

At year-end, capital assets represented 53.72% of total assets. Capital assets include land, land improvements, buildings and improvements, furniture and equipment, and vehicles. Net investment in capital assets at June 30, 2020, was \$7,691,472. These capital assets are used to provide services to the students and are not available for future spending. Although the District's investment in capital assets is reported net of related debt, it should be noted that the resources to repay the debt must be provided from other sources, since capital assets may not be used to liquidate these liabilities.

A portion of the District's net position, \$2,472,014, represents resources that are subject to external restriction on how they may be used. The remaining balance of unrestricted net position is a deficit of \$3,415,641.

The graph below shows the District's assets, deferred outflows of resources, liabilities, deferred inflows of resources and net position at June 30, 2020 and June 30, 2019. The amounts of June 30, 2019 have been restated as described in Note 3.



The table below shows the change in net position for fiscal years 2020 and 2019. Due to practicality, 2019 revenues and expenses in the table below have not been adjusted to reflect the implementation of GASB No. 84 (see Note 3). Rather, the cumulative impact of applying GASB No. 84 is reflected in the beginning net position for 2019.

	Change in Net Position	
	Governmental Activities 2020	Restated Governmental Activities 2019
<b>Revenues</b>		
Program revenues:		
Charges for services and sales	\$ 2,376,941	\$ 2,378,954
Operating grants and contributions	983,809	884,426
General revenues:		
Property taxes	4,098,350	3,331,120
Income taxes	1,578,833	1,745,702
Unrestricted grants and entitlements	4,537,319	4,754,471
Investment earnings	147,922	185,005
Other	23,516	25,090
Total revenues	<u>\$ 13,746,690</u>	<u>\$ 13,304,768</u>

- Continued

**COLONEL CRAWFORD LOCAL SCHOOL DISTRICT  
CRAWFORD COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020  
(Unaudited)

	<b>Change in Net Position (Continued)</b>	
	Governmental	Restated
	Activities	Governmental
	<u>2020</u>	<u>2019</u>
<b><u>Expenses</u></b>		
Program expenses:		
Instruction:		
Regular	\$ 5,526,225	\$ 4,553,714
Special	1,817,103	1,494,332
Vocational	53,640	53,574
Other	-	1,463
Support services:		
Pupil	974,494	766,470
Instructional staff	508,838	351,268
Board of education	34,372	29,391
Administration	937,349	741,937
Fiscal	415,788	349,416
Business	1,951	406
Operations and maintenance	1,091,348	973,616
Pupil transportation	708,951	687,268
Central	70,721	72,547
Operations of non-instructional services:		
Other non-instructional services	39,645	36,667
Food service operations	365,522	341,082
Extracurricular activities	560,454	465,347
Interest and fiscal charges	<u>299,567</u>	<u>308,420</u>
Total expenses	<u>13,405,968</u>	<u>11,226,918</u>
Change in net position	340,722	2,077,850
Net position at beginning of year (restated)	<u>6,407,123</u>	N/A
Net position at end of year	<u>\$ 6,747,845</u>	<u>\$ 6,407,123</u>

Net position of the District's governmental activities increased \$340,722. Total governmental expenses of \$13,405,968 were offset by program revenues of \$3,360,750 and general revenues of \$10,385,940. Program revenues supported 25.07% of the total governmental expenses.

The primary sources of revenue for governmental activities are derived from property taxes, income taxes, and grants and entitlements. These revenue sources represent 74.31% of total governmental revenue.

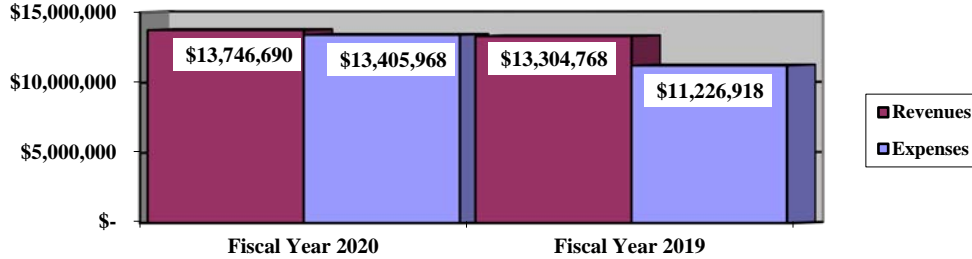
The largest expense of the District is for instructional programs. Instruction expenses totaled \$7,396,968 or 55.18% of total governmental expenses for fiscal year 2020.

**COLONEL CRAWFORD LOCAL SCHOOL DISTRICT  
CRAWFORD COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020  
(Unaudited)

The graph below presents the District's governmental activities revenues and expenses for fiscal year 2020 and 2019.

**Governmental Activities - Revenues and Expenses**



The statement of activities shows the cost of program services and the charges for services and grants offsetting those services. The following table shows, for governmental activities, the total cost of services and the net cost of services. The total cost of services represents the total cost the District incurred to provide the service and the net cost of services represents the cost of the service after applying specific program revenues attributable to that service.

**Governmental Activities**

	Total Cost of Services <u>2020</u>	Net Cost of Services <u>2020</u>	Total Cost of Services <u>2019</u>	Net Cost of Services <u>2019</u>
<b>Program expenses</b>				
Instruction:				
Regular	\$ 5,526,225	\$ 3,814,965	\$ 4,553,714	\$ 2,900,257
Special	1,817,103	867,593	1,494,332	514,523
Vocational	53,640	49,735	53,574	49,669
Other	-	-	1,463	1,463
Support services:				
Pupil	974,494	973,714	766,470	766,470
Instructional staff	508,838	483,708	351,268	322,052
Board of education	34,372	34,372	29,391	29,391
Administration	937,349	924,631	741,937	687,468
Fiscal	415,788	410,628	349,416	343,781
Business	1,951	1,951	406	406
Operations and maintenance	1,091,348	915,990	973,616	972,736
Pupil transportation	708,951	688,464	687,268	671,242
Central	70,721	70,721	72,547	72,547
Operations of non-instructional services:				
Other non-instructional services	39,645	6,617	36,667	(7,193)
Food service operations	365,522	108,691	341,082	14,386
Extracurricular activities	560,454	393,871	465,347	315,920
Interest and fiscal charges	299,567	299,567	308,420	308,420
<b>Total expenses</b>	<b>\$ 13,405,968</b>	<b>\$ 10,045,218</b>	<b>\$ 11,226,918</b>	<b>\$ 7,963,538</b>

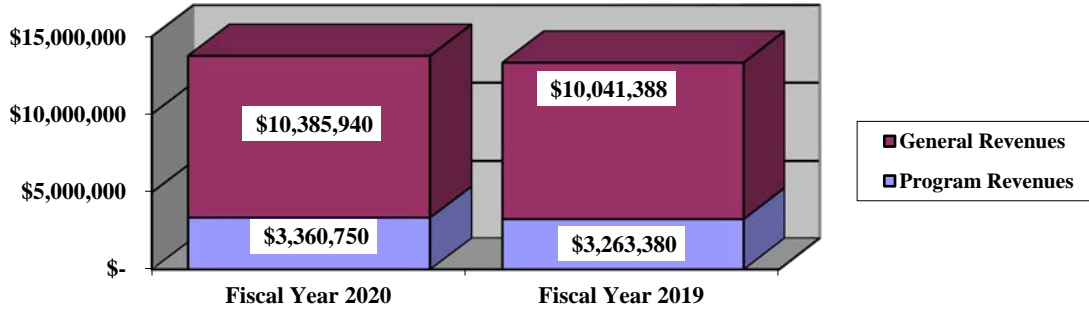
The dependence upon tax and other general revenues for governmental activities is apparent, as 63.98% of instruction activities are supported through taxes and other general revenues. For all governmental activities, general revenue support is 74.93%. The District's taxpayers and unrestricted grants and entitlements are by far the primary support for District's students.

**COLONEL CRAWFORD LOCAL SCHOOL DISTRICT  
CRAWFORD COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020  
(Unaudited)

The graph below presents the District's governmental activities revenues for fiscal year 2020 and 2019.

**Governmental Activities - General and Program Revenues**



**The District's Funds**

The District's governmental funds reported a combined fund balance of \$9,984,512, which is more than last year's restated total of \$9,291,614. The schedule below indicates the fund balance and the total change in fund balance as of June 30, 2020 and June 30, 2019.

	Fund Balance June 30, 2020	Restated Fund Balance June 30, 2019	Change	Percentage Change
General	\$ 6,897,693	\$ 6,536,321	\$ 361,372	5.53 %
Bond Retirement	1,880,713	1,698,294	182,419	10.74 %
Other Governmental	<u>1,206,106</u>	<u>1,056,999</u>	<u>149,107</u>	14.11 %
Total	<u>\$ 9,984,512</u>	<u>\$ 9,291,614</u>	<u>\$ 692,898</u>	7.46 %

**General Fund**

The District's general fund balance increased \$361,372.

Revenues of the general fund increased \$101,697 or 0.90%. The most significant increase was in the area of property taxes which increased \$509,066 primarily due to a greater amount of advances available from Crawford County. Earnings on investments decreased 18.56% primarily due to the decrease of interest rates earned by the District's investment in STAR Ohio.

Expenditures of the general fund increased \$316,537 or 2.96%. The most significant increase was in the area of regular instructional expenditures which increased \$193,225. This increase was primarily the result of an increase in elementary school regular instruction expenditures. Instructional staff support services expenditures increased \$99,301 because of increased expenditures for educational media services, such as devices, content materials, methods, or experiences used for teaching and learning purposes.

**COLONEL CRAWFORD LOCAL SCHOOL DISTRICT  
CRAWFORD COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020  
(Unaudited)

The table that follows assists in illustrating the financial activities of the general fund.

	2020 <u>Amount</u>	2019 <u>Amount</u>	<u>Change</u>	Percentage <u>Change</u>
<b><u>Revenues</u></b>				
Taxes	\$ 4,623,940	\$ 4,278,955	\$ 344,985	8.06 %
Earnings on investments	141,372	173,592	(32,220)	(18.56) %
Intergovernmental	4,544,159	4,754,377	(210,218)	(4.42) %
Tuition	1,997,151	1,977,717	19,434	0.98 %
Other revenues	<u>152,770</u>	<u>173,054</u>	<u>(20,284)</u>	(11.72) %
 Total	 <u>\$ 11,459,392</u>	 <u>\$ 11,357,695</u>	 <u>\$ 101,697</u>	 0.90 %
<b><u>Expenditures</u></b>				
Instruction	\$ 6,258,180	\$ 6,025,446	\$ 232,734	3.86 %
Support services	4,255,823	4,122,836	132,987	3.23 %
Non-instructional services	33,443	46,264	(12,821)	(27.71) %
Extracurricular activities	373,837	389,157	(15,320)	(3.94) %
Facilities acquisition and construction	62	2,882	(2,820)	(97.85) %
Debt service	<u>84,587</u>	<u>102,810</u>	<u>(18,223)</u>	(17.72) %
 Total	 <u>\$ 11,005,932</u>	 <u>\$ 10,689,395</u>	 <u>\$ 316,537</u>	 2.96 %

***Bond Retirement Fund***

The bond retirement fund had \$1,229,956 in revenues and \$1,047,537 in expenditures. During fiscal year 2020, the bond retirement fund balance increased \$182,419 from \$1,698,294 to \$1,880,713.

***General Fund Budgeting Highlights***

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 2020, the District amended its general fund budget several times. For the general fund, original budgeted revenues and other financing sources were \$11,589,669 and final budgeted revenues and other financing sources were \$11,571,160. Actual revenues and other financing sources for fiscal year 2020 were \$11,567,133. This represents a \$4,027 decrease from final budgeted revenues.

General fund original appropriations (appropriated expenditures including other financing uses) totaled \$11,454,507, which were decreased to \$11,271,924 in the final appropriations. The actual budget basis expenditures and other financing uses for fiscal year 2020 totaled \$11,011,591, which was \$260,333 less than the final budget appropriations.

**COLONEL CRAWFORD LOCAL SCHOOL DISTRICT  
CRAWFORD COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020  
(Unaudited)

**Capital Assets and Debt Administration**

*Capital Assets*

At the end of fiscal year 2020, the District had \$17,366,311 invested in land, land improvements, buildings and improvements, furniture and equipment, and vehicles. This entire amount is reported in governmental activities.

The following table shows June 30, 2020 balances compared to June 30, 2019:

**Capital Assets at June 30  
(Net of Depreciation)**

	Governmental Activities	
	2020	2019
Land	\$ 376,562	\$ 376,562
Land improvements	45,052	60,770
Building and improvements	16,029,486	16,539,027
Furniture and equipment	405,034	418,901
Vehicles	510,177	469,643
Total	\$ 17,366,311	\$ 17,864,903

The overall decrease in capital assets of \$498,592 is due to depreciation expense of \$633,209 exceeding additions of \$134,617.

See Note 8 to the basic financial statements for additional information on the District's capital assets.

*Debt Administration*

At June 30, 2020, the District had \$10,150,773 in general obligation bonds, energy conservation notes, and capital lease obligations. Of this total, \$1,325,448 is due within one year and \$8,825,325 is due in greater than one year.

The following table summarizes the debt outstanding.

**Outstanding Debt, at Year End**

	Governmental Activities	Governmental Activities
	2020	2019
General obligation bonds	\$ 9,527,696	\$ 10,225,640
Energy conservation notes	590,000	640,000
Capital lease obligations	33,077	47,774
Total	\$ 10,150,773	\$ 10,913,414

See Note 10 to the basic financial statements for additional information on the District's debt administration.



**COLONEL CRAWFORD LOCAL SCHOOL DISTRICT  
CRAWFORD COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020  
(Unaudited)**

**Current Financial Related Activities**

The District is proud that it has been able to maintain the advantages which come from living in a positive and caring rural environment. Those advantages include strong educational programming, reasonable class sizes and well qualified teachers. Our programs have traditionally placed at or near the top of county rankings on the district report cards. As a small district we are able to provide academic and extracurricular opportunities to our students on an individualized basis, and it is our absolute priority to see each child fulfill his or her potential.

The voters responded to the need for new facilities in fiscal year 2003, by approving the necessary millage to complete a new pre-kindergarten through eighth grade building to replace several school buildings that had been in use for more than eighty years. The new facility was completed entirely with local funds and opened in September 2006. Notes and bonds for the new building were issued during fiscal year 2004, refunded partially in fiscal year 2008, a portion refunded partially in 2014 with the remaining refunded in 2017, which account for most of the outstanding debt referred to in this report. The District participated in the Ohio School Facilities Commission (OSFC) program and has added a high school facilities wing to the pre-kindergarten through eighth grade building which opened in September 2016. The OSFC finalized the project with unused funds returned to the district and received to a Permanent Improvement fund for future maintenance needs of the district.

Like many other Ohio school districts, Colonel Crawford was heavily dependent on business and inventory taxes, a revenue stream that will be phased out with current state budget. Our Tangible Personal Property (TPP) fixed rate payments continues to be reduced by 5/8 mill equaling \$296,102.96 in fiscal year 2020. Our Continuing 1.25% Income tax levy growth helps to offset the loss of TPP and the states hold harmless payment phase out.

The final state foundation revenue is subject to many factors all of which are open to deliberations and approval of the Ohio General Assembly. Due to economic conditions within the State, the level at which the State will fund schools is uncertain. State Foundation revenues are presented with figures from Amended HB59 which caps any increases to 6.25% in fiscal year 2014, 10.5% in fiscal year 2015 and 7.5% in fiscal years 2016, 2017 and 3% in 2018. During fiscal year 2019 the district was a formula funded district rather than a "guarantee or "capped" district.

Open enrollment numbers have remained steady over the past years with an eight-year average of 232 students coming into the district and 68 resident students going out. We are nearly at full capacity classrooms in the elementary grades. The open enrollment net funded FTE is helping the District generate revenue to help offset the uncertain levels of state funding.

**Contacting the District's Financial Management**

This financial report is designed to provide our citizens, taxpayers, and 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: Ms. Vickey Stump, Treasurer, Colonel Crawford Local School District, 2303 St. Rt. 602, North Robinson, Ohio 44856.

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**COLONEL CRAWFORD LOCAL SCHOOL DISTRICT  
CRAWFORD COUNTY, OHIO**

STATEMENT OF NET POSITION  
JUNE 30, 2020

	<b>Governmental Activities</b>
<b>Assets:</b>	
Equity in pooled cash and cash equivalents. . . . .	\$ 9,793,062
Receivables:	
Property taxes . . . . .	3,860,500
Income taxes. . . . .	632,112
Accrued interest . . . . .	2,803
Intergovernmental . . . . .	14,950
Prepayments . . . . .	7,577
Materials and supplies inventory. . . . .	21,381
Inventory held for resale. . . . .	10,794
Internal balance . . . . .	-
Net OPEB asset . . . . .	618,551
Capital assets:	
Nondepreciable capital assets . . . . .	376,562
Depreciable capital assets, net. . . . .	16,989,749
Capital assets, net . . . . .	17,366,311
Total assets. . . . .	32,328,041
 <b>Deferred outflows of resources:</b>	
Unamortized deferred charges on debt refunding	97,874
Pension . . . . .	2,321,342
OPEB . . . . .	308,220
Total deferred outflows of resources . . . . .	2,727,436
 <b>Liabilities:</b>	
Accounts payable. . . . .	17,896
Retainage payable . . . . .	50,508
Accrued wages and benefits payable . . . . .	1,252,253
Compensated absences payable. . . . .	31,963
Intergovernmental payable . . . . .	41,344
Pension and postemployment benefits payable .	181,758
Accrued interest payable . . . . .	113,444
Long-term liabilities:	
Due within one year. . . . .	1,394,428
Due in more than one year:	
Net pension liability . . . . .	10,802,149
Net OPEB liability . . . . .	1,083,887
Other amounts due in more than one year .	9,380,337
Total liabilities . . . . .	24,349,967
 <b>Deferred inflows of resources:</b>	
Property taxes levied for the next fiscal year. .	2,425,994
Pension . . . . .	479,319
OPEB . . . . .	1,052,352
Total deferred inflows of resources . . . . .	3,957,665
 <b>Net position:</b>	
Net investment in capital assets . . . . .	7,691,472
Restricted for:	
Capital projects . . . . .	367,713
Classroom facilities maintenance . . . . .	219,719
Debt service. . . . .	1,281,500
Locally funded programs . . . . .	11,240
State funded programs. . . . .	105,211
Federally funded programs . . . . .	418,066
Public school support . . . . .	-
Student activities . . . . .	67,511
Other purposes . . . . .	1,054
Unrestricted (deficit). . . . .	(3,415,641)
Total net position . . . . .	\$ 6,747,845

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**COLONEL CRAWFORD LOCAL SCHOOL DISTRICT  
CRAWFORD COUNTY, OHIO**

STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position Governmental Activities
		Charges for Services and Sales	Operating Grants and Contributions	
<b>Governmental activities:</b>				
Instruction:				
Regular . . . . .	\$ 5,526,225	\$ 1,687,895	\$ 23,365	\$ (3,814,965)
Special . . . . .	1,817,103	356,781	592,729	(867,593)
Vocational . . . . .	53,640	-	3,905	(49,735)
Support services:				
Pupil . . . . .	974,494	780	-	(973,714)
Instructional staff . . . . .	508,838	-	25,130	(483,708)
Board of education . . . . .	34,372	-	-	(34,372)
Administration . . . . .	937,349	-	12,718	(924,631)
Fiscal . . . . .	415,788	-	5,160	(410,628)
Business . . . . .	1,951	-	-	(1,951)
Operations and maintenance . . . . .	1,091,348	635	174,723	(915,990)
Pupil transportation . . . . .	708,951	10,806	9,681	(688,464)
Central . . . . .	70,721	-	-	(70,721)
Operation of non-instructional services:				
Other non-instructional services . . . . .	39,645	32,850	178	(6,617)
Food service operations . . . . .	365,522	136,264	120,567	(108,691)
Extracurricular activities . . . . .	560,454	150,930	15,653	(393,871)
Interest and fiscal charges . . . . .	299,567	-	-	(299,567)
Total governmental activities . . . . .	<u>\$ 13,405,968</u>	<u>\$ 2,376,941</u>	<u>\$ 983,809</u>	<u>(10,045,218)</u>
<b>General revenues:</b>				
Property taxes levied for:				
General purposes . . . . .				3,097,412
Debt service . . . . .				936,775
Classroom facilities maintenance . . . . .				64,163
Income taxes levied for:				
General purposes . . . . .				1,578,833
Grants and entitlements not restricted				
to specific programs . . . . .				4,537,319
Investment earnings . . . . .				147,922
Miscellaneous . . . . .				23,516
Total general revenues . . . . .				<u>10,385,940</u>
Change in net position . . . . .				340,722
<b>Net position at beginning of year (restated) . . . . .</b>				<u>6,407,123</u>
<b>Net position at end of year . . . . .</b>				<u>\$ 6,747,845</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**COLONEL CRAWFORD LOCAL SCHOOL DISTRICT  
CRAWFORD COUNTY, OHIO**

BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2020

	<u>General</u>	<u>Bond Retirement</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>Assets:</b>				
Equity in pooled cash and cash equivalents. . . . .	\$ 6,918,700	\$ 1,608,758	\$ 1,265,604	\$ 9,793,062
Receivables:				
Property taxes. . . . .	2,830,510	959,801	70,189	3,860,500
Income taxes . . . . .	632,112	-	-	632,112
Accrued interest . . . . .	2,803	-	-	2,803
Intergovernmental. . . . .	3,988	-	10,962	14,950
Prepayments. . . . .	7,577	-	-	7,577
Materials and supplies inventory. . . . .	18,494	-	2,887	21,381
Inventory held for resale. . . . .	-	-	10,794	10,794
Due from other funds . . . . .	1,384	-	-	1,384
Total assets . . . . .	<u>\$ 10,415,568</u>	<u>2,568,559</u>	<u>\$ 1,360,436</u>	<u>\$ 14,344,563</u>
<b>Liabilities:</b>				
Accounts payable . . . . .	\$ 17,896	\$ -	\$ -	\$ 17,896
Retainage payable. . . . .	-	-	50,508	50,508
Accrued wages and benefits payable . . . . .	1,211,234	-	41,019	1,252,253
Compensated absences payable . . . . .	31,963	-	-	31,963
Intergovernmental payable . . . . .	40,872	-	472	41,344
Pension and postemployment benefits payable . . . . .	172,373	-	9,385	181,758
Due to other funds . . . . .	-	-	1,384	1,384
Total liabilities. . . . .	<u>1,474,338</u>	<u>-</u>	<u>102,768</u>	<u>1,577,106</u>
<b>Deferred inflows of resources:</b>				
Property taxes levied for the next fiscal year. . . . .	1,731,385	645,919	48,690	2,425,994
Delinquent property tax revenue not available. . . . .	158,167	41,927	2,872	202,966
Income tax revenue not available . . . . .	150,163	-	-	150,163
Intergovernmental revenue not available. . . . .	3,822	-	-	3,822
Total deferred inflows of resources . . . . .	<u>2,043,537</u>	<u>687,846</u>	<u>51,562</u>	<u>2,782,945</u>
<b>Fund balances:</b>				
Nonspendable:				
Materials and supplies inventory. . . . .	18,494	-	2,887	21,381
Prepays. . . . .	7,577	-	-	7,577
Restricted:				
Debt service . . . . .	-	1,880,713	-	1,880,713
Capital improvements . . . . .	-	-	367,713	367,713
Classroom facilities maintenance . . . . .	-	-	216,847	216,847
Targeted academic assistance . . . . .	-	-	1,801	1,801
Other purposes. . . . .	-	-	437,974	437,974
Extracurricular activities . . . . .	-	-	99,999	99,999
Student wellness and success. . . . .	-	-	101,106	101,106
Committed:				
Adult education . . . . .	-	-	513	513
Capital improvements . . . . .	-	-	8,969	8,969
Termination benefits. . . . .	41,298	-	-	41,298
Assigned:				
Student instruction . . . . .	2,041	-	-	2,041
Student and staff support. . . . .	108,097	-	-	108,097
Subsequent year's appropriations . . . . .	782,142	-	-	782,142
Other purposes. . . . .	913	-	-	913
Unassigned (deficit) . . . . .	5,937,131	-	(31,703)	5,905,428
Total fund balances . . . . .	<u>6,897,693</u>	<u>1,880,713</u>	<u>1,206,106</u>	<u>9,984,512</u>
Total liabilities, deferred inflows and fund balances . . . . .	<u>\$ 10,415,568</u>	<u>\$ 2,568,559</u>	<u>\$ 1,360,436</u>	<u>\$ 14,344,563</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**COLONEL CRAWFORD LOCAL SCHOOL DISTRICT  
CRAWFORD COUNTY, OHIO**

RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO  
NET POSITION OF GOVERNMENTAL ACTIVITIES  
JUNE 30, 2020

<b>Total governmental fund balances</b>		\$	9,984,512
<i>Amounts reported for governmental activities on the statement of net position are different because:</i>			
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.			17,366,311
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred inflows in the funds.			
Property taxes receivable	\$	202,966	
Income taxes receivable		150,163	
Intergovernmental receivable		3,822	
Total		356,951	356,951
Unamortized premiums on bonds issued are not recognized in the funds.			(149,636)
Unamortized amounts on refundings are not recognized in the funds.			97,874
Accrued interest payable is not due and payable in the current period and therefore is not reported in the funds.			(113,444)
The net pension liability is not due and payable in the current period; therefore, the liability and related deferred inflows/outflows are not reported in governmental funds:			
Deferred outflows of resources - pension		2,321,342	
Deferred inflows of resources - pension		(479,319)	
Net pension liability		(10,802,149)	
Total		(8,960,126)	(8,960,126)
The net OPEB liability/asset is not due and payable in the current period; therefore, the liability/asset and related deferred inflows/outflows are not reported in governmental funds:			
Deferred outflows of resources - OPEB		308,220	
Deferred inflows of resources - OPEB		(1,052,352)	
Net OPEB asset		618,551	
Net OPEB liability		(1,083,887)	
Total		(1,209,468)	(1,209,468)
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		(9,527,696)	
Energy conservation notes		(590,000)	
Capital lease obligations		(33,077)	
Compensated absences		(474,356)	
Total		(10,625,129)	(10,625,129)
<b>Net position of governmental activities</b>		<b>\$</b>	<b>6,747,845</b>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**COLONEL CRAWFORD LOCAL SCHOOL DISTRICT  
CRAWFORD COUNTY, OHIO**

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	<u>General</u>	<u>Bond Retirement</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>Revenues:</b>				
From local sources:				
Property taxes . . . . .	\$ 3,061,927	\$ 928,460	\$ 63,593	\$ 4,053,980
Income taxes . . . . .	1,562,013	-	-	1,562,013
Payment in lieu of taxes . . . . .	-	-	-	-
Tuition . . . . .	1,997,151	-	-	1,997,151
Transportation fees . . . . .	10,806	-	-	10,806
Earnings on investments . . . . .	141,372	-	6,728	148,100
Charges for services . . . . .	-	-	136,264	136,264
Extracurricular . . . . .	27,730	-	121,299	149,029
Classroom materials and fees . . . . .	76,681	-	780	77,461
Rental income . . . . .	635	-	-	635
Contributions and donations . . . . .	3,550	-	25,561	29,111
Contract services . . . . .	3,660	-	1,000	4,660
Other local revenues . . . . .	29,708	-	4,650	34,358
Intergovernmental - intermediate . . . . .	4,829	-	-	4,829
Intergovernmental - state . . . . .	4,539,330	301,496	163,007	5,003,833
Intergovernmental - federal . . . . .	-	-	471,375	471,375
Total revenues . . . . .	<u>11,459,392</u>	<u>1,229,956</u>	<u>994,257</u>	<u>13,683,605</u>
<b>Expenditures:</b>				
Current:				
Instruction:				
Regular . . . . .	4,838,973	-	15,683	4,854,656
Special . . . . .	1,398,204	-	285,067	1,683,271
Vocational . . . . .	21,003	-	-	21,003
Support services:				
Pupil . . . . .	884,149	-	549	884,698
Instructional staff . . . . .	436,832	-	31,141	467,973
Board of education . . . . .	31,945	-	-	31,945
Administration . . . . .	854,731	-	3,697	858,428
Fiscal . . . . .	363,619	27,349	3,116	394,084
Business . . . . .	1,951	-	-	1,951
Operations and maintenance . . . . .	888,588	-	56,968	945,556
Pupil transportation . . . . .	719,323	-	-	719,323
Central . . . . .	74,685	-	-	74,685
Operation of non-instructional services:				
Other non-instructional services . . . . .	33,443	-	178	33,621
Food service operations . . . . .	-	-	330,138	330,138
Extracurricular activities . . . . .	373,837	-	133,230	507,067
Facilities acquisition and construction . . . . .	62	-	77,471	77,533
Debt service:				
Principal retirement . . . . .	64,697	765,000	-	829,697
Interest and fiscal charges . . . . .	19,890	255,188	-	275,078
Total expenditures . . . . .	<u>11,005,932</u>	<u>1,047,537</u>	<u>937,238</u>	<u>12,990,707</u>
Excess of revenues over expenditures . . . . .	<u>453,460</u>	<u>182,419</u>	<u>57,019</u>	<u>692,898</u>
<b>Other financing sources (uses):</b>				
Transfers in . . . . .	-	-	92,088	92,088
Transfers (out) . . . . .	(92,088)	-	-	(92,088)
Total other financing sources (uses) . . . . .	<u>(92,088)</u>	<u>-</u>	<u>92,088</u>	<u>-</u>
Net change in fund balances . . . . .	361,372	182,419	149,107	692,898
<b>Fund balances at beginning of year (restated).</b>	<u>6,536,321</u>	<u>1,698,294</u>	<u>1,056,999</u>	<u>9,291,614</u>
<b>Fund balances at end of year.</b>	<u>\$ 6,897,693</u>	<u>\$ 1,880,713</u>	<u>\$ 1,206,106</u>	<u>\$ 9,984,512</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**COLONEL CRAWFORD LOCAL SCHOOL DISTRICT  
CRAWFORD COUNTY, OHIO**

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

#REF!

<b>Net change in fund balances - total governmental funds</b>	\$	692,898
<i>Amounts reported for governmental activities in the statement of activities are different because:</i>		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.		
Capital asset additions	\$ 134,617	
Current year depreciation	<u>(633,209)</u>	
Total		(498,592)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Property taxes	44,370	
Income taxes	16,820	
Intergovernmental	<u>1,895</u>	
Total		63,085
Repayment of bond, loan and capital lease principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities on the statement of net position. Principal payments during the year were:		
Bonds	765,000	
Energy conservation note	50,000	
Capital leases	<u>14,697</u>	
Total		829,697
In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due. The following items resulted in additional interest being reported in the statement of activities:		
Change in accrued interest payable	9,737	
Accreted interest on capital appreciation bonds	(67,056)	
Amortization of bond premiums	32,707	
Amortization of deferred charges and gains	<u>123</u>	
Total		(24,489)
Contractually required pension contributions are reported as expenditures in governmental funds; however, the statement of net position reports these amounts as deferred outflows.		
		859,757
Except for amounts reported as deferred inflows/outflows, changes in the net pension liability are reported as pension expense in the statement of activities.		
		(1,704,100)
Contractually required OPEB contributions are reported as expenditures in governmental funds; however, the statement of net position reports these amounts as deferred outflows.		
		25,693
Except for amounts reported as deferred inflows/outflows, changes in the net OPEB liability/asset are reported as OPEB expense in the statement of activities.		
		138,426
Some expenses reported in the statement of activities, such as compensated absences, do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.		
		<u>(41,653)</u>
<b>Change in net position of governmental activities</b>	<b>\$</b>	<b><u>340,722</u></b>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS



**COLONEL CRAWFORD LOCAL SCHOOL DISTRICT  
CRAWFORD COUNTY, OHIO**

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
From local sources:				
Property taxes . . . . .	\$ 2,925,274	\$ 3,007,462	\$ 3,007,462	\$ -
Income taxes. . . . .	1,675,568	1,727,899	1,727,899	-
Tuition. . . . .	1,980,030	1,997,151	1,997,151	-
Transportation fees. . . . .	10,001	9,631	10,806	1,175
Earnings on investments . . . . .	155,431	143,845	142,534	(1,311)
Classroom materials and fees . . . . .	48,335	43,736	43,831	95
Rental income . . . . .	125	635	635	-
Contributions and donations . . . . .	-	500	500	-
Contract services. . . . .	3,060	2,827	3,660	833
Other local revenues . . . . .	22,651	23,869	19,050	(4,819)
Intergovernmental - intermediate . . . . .	11,543	4,829	4,829	-
Intergovernmental - state . . . . .	4,727,716	4,542,613	4,542,613	-
<b>Total revenues . . . . .</b>	<b>11,559,734</b>	<b>11,504,997</b>	<b>11,500,970</b>	<b>(4,027)</b>
<b>Expenditures:</b>				
Current:				
Instruction:				
Regular . . . . .	4,605,693	4,784,329	4,759,076	25,253
Special. . . . .	1,906,938	1,463,210	1,384,630	78,580
Vocational. . . . .	21,768	21,492	21,003	489
Support services:				
Pupil. . . . .	863,400	894,342	881,226	13,116
Instructional staff . . . . .	387,346	441,672	433,346	8,326
Board of education . . . . .	30,517	32,049	32,012	37
Administration. . . . .	855,592	843,141	838,698	4,443
Fiscal . . . . .	356,572	360,216	359,062	1,154
Business . . . . .	2,014	1,951	1,951	-
Operations and maintenance. . . . .	1,007,879	962,698	907,809	54,889
Pupil transportation . . . . .	882,107	843,664	766,339	77,325
Central. . . . .	76,020	86,006	78,663	7,343
Extracurricular activities. . . . .	330,730	343,931	334,190	9,741
Facilities acquisition and construction . . . . .	61	62	62	-
Debt service:				
Principal . . . . .	48,979	50,000	50,000	-
Interest and fiscal charges. . . . .	18,891	17,835	17,835	-
<b>Total expenditures . . . . .</b>	<b>11,394,507</b>	<b>11,146,598</b>	<b>10,865,902</b>	<b>280,696</b>
Excess of revenues over expenditures. . . . .	165,227	358,399	635,068	276,669
	<u>165,227</u>	<u>358,399</u>	<u>635,068</u>	<u>276,669</u>
<b>Other financing sources (uses):</b>				
Refund of prior year's expenditures . . . . .	14,918	47,147	47,147	-
Transfers (out). . . . .	(45,000)	(42,105)	(145,689)	(103,584)
Advances in. . . . .	15,017	15,016	15,016	-
Advances (out) . . . . .	(15,000)	(83,221)	-	83,221
Sale of capital assets . . . . .	-	4,000	4,000	-
<b>Total other financing sources (uses) . . . . .</b>	<b>(30,065)</b>	<b>(59,163)</b>	<b>(79,526)</b>	<b>(20,363)</b>
Net change in fund balance . . . . .	135,162	299,236	555,542	256,306
<b>Fund balance at beginning of year . . . . .</b>	<b>6,142,310</b>	<b>6,142,310</b>	<b>6,142,310</b>	<b>-</b>
<b>Prior year encumbrances appropriated . . . . .</b>	<b>37,920</b>	<b>37,920</b>	<b>37,920</b>	<b>-</b>
<b>Fund balance at end of year . . . . .</b>	<b>\$ 6,315,392</b>	<b>\$ 6,479,466</b>	<b>\$ 6,735,772</b>	<b>\$ 256,306</b>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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**COLONEL CRAWFORD LOCAL SCHOOL DISTRICT  
CRAWFORD COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**NOTE 1 - DESCRIPTION OF THE SCHOOL DISTRICT**

The Colonel Crawford Local School District (the “District”) is located in Crawford County and encompasses all or parts of five towns and villages. The District serves an area of approximately 120 square miles.

The District was established in 1961 through the consolidation of existing land areas and school districts and is organized under Section 2 and 3, Articles VI of the Constitution of the State of Ohio. Under such laws there is no authority for a school district to have a charter or adopt local laws. The legislative power of the District is vested in the Board of Education, consisting of five members elected at large for staggered four year terms.

The District currently operates 1 elementary school, 1 middle school, and 1 comprehensive high school. The District employs 49 non-certified, 64 certified employees, and 5 administrators to provide services to 954 students in grades Pre-K through 12 and various community groups.

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

**A. Reporting Entity**

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

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

**COLONEL CRAWFORD LOCAL SCHOOL DISTRICT  
CRAWFORD COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

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

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

*JOINT VENTURE WITHOUT EQUITY INTEREST*

Heartland Council of Governments/North Central Ohio Computer Cooperative (the "COG")

The COG is a jointly governed organization among 16 school districts, 1 educational service center and a career center. The COG is an association of public school districts within the boundaries of Ashland, Crawford, Huron, Marion, Morrow, Richland, Seneca, and Wyandot counties. The COG 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. Each member school district supports the COG based on a per pupil charge dependent upon the software package utilized. The COG is governed by a Cooperative Assembly consisting of superintendents of the member school districts. The degree of control exercised by any school district is limited to its representation on the Cooperative Assembly. During fiscal year 2020, the District paid \$88,199 to the COG for various services. Financial information can be obtained from the treasurer for the Pioneer Career and Technology Center, who serves as fiscal agent, at 27 Ryan Road, Shelby, Ohio 44875-0309.

*JOINTLY GOVERNED ORGANIZATION*

The District participates in an insurance group purchasing pool, described in Note 11.

**B. Fund Accounting**

The District uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self balancing set of accounts. Funds are classified into three categories: governmental, proprietary and fiduciary. Each category is divided into separate fund types

*GOVERNMENTAL FUNDS*

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

The following are the District's major governmental funds:

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

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

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

**COLONEL CRAWFORD LOCAL SCHOOL DISTRICT  
CRAWFORD COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

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

*PROPRIETARY FUNDS*

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

*FIDUCIARY FUNDS*

Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into four classifications: private-purpose trust funds, custodial funds, pension trust funds and investment trust funds. Trust funds are used to account for assets held by the District under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the District's own programs. The District has no trust funds or custodial funds.

**C. Basis of Presentation and Measurement Focus**

Government-Wide Financial Statements - The statement of net position and the statement of activities display information about the District as a whole. These statements include the financial activities of the primary government.

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

The government-wide financial statements are prepared using the economic resources measurement focus. All assets, all deferred outflows of resources, all liabilities and all deferred inflows of resources associated with the operation of the District are included on the statement of net position.

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

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

**D. Basis of Accounting**

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting.

**COLONEL CRAWFORD LOCAL SCHOOL DISTRICT  
CRAWFORD COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

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

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

Nonexchange transactions, in which the District receives value without directly giving equal value in return, include property taxes, income taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied (See Note 6).

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

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

Deferred Outflows of Resources and Deferred Inflows of Resources - In addition to assets, the government-wide statement of net position will report a separate section for deferred outflows of resources. Deferred outflows of resources, represents a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. For the District, see Notes 12 and 13 for deferred outflows of resources related to the District's net pension liability and net OPEB liability/asset, respectively. In addition, deferred outflows of resources include a deferred charge on debt refunding. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

In addition to liabilities, both the government-wide statement of net position and the governmental fund financial statements report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. For the District, deferred inflows of resources include property taxes and unavailable revenue. Property taxes represent amounts for which there is an enforceable legal claim as of June 30, 2020, but which were levied to finance fiscal year 2021 operations. These amounts have been recorded as a deferred inflow of resources on both the government-wide statement of net position and the governmental fund financial statements. Unavailable revenue is reported only on the governmental funds balance sheet, and represents receivables which will not be collected within the available period. For the District unavailable revenue includes, but is not limited to, delinquent property taxes and intergovernmental grants. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available.

For the District, see Notes 12 and 13 for deferred inflows of resources related to the District's net pension liability and net OPEB liability/asset, respectively. In addition, deferred inflows of resources include a deferred gain on debt refunding. A deferred gain on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. These deferred inflows of resources are only reported on the government-wide statement of net position.

**COLONEL CRAWFORD LOCAL SCHOOL DISTRICT  
CRAWFORD COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

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

Expenses/Expenditures - On the accrual basis of accounting, expenses are recognized at the time they are incurred. The entitlement value of donated commodities used during the year is reported in the statement of revenues, expenditures and changes in fund balances as an expenditure with a like amount reported as intergovernmental revenue.

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

**E. Budgets**

The District is required by State statute to adopt an annual appropriated cash basis budget for all funds. The specific timetable for fiscal year 2020 is as follows:

1. Prior to January 15, the Superintendent and Treasurer submit to the Board of Education a proposed operating budget for the fiscal year commencing the following July 1. The budget includes proposed expenditures and the means of financing for all funds. Public hearings are publicized and conducted to obtain taxpayers' comments. The District was granted a waiver by the County budget commission in 2002 which waived the requirement for public hearings. Instead, the District completes an alternative tax budget in August or September. The purpose of this budget document is to reflect the need for existing (or increased) tax rates.
2. By no later than January 20, the Board-adopted budget is filed with the Crawford County Budget Commission for tax rate determination.
3. Prior to April 1, the Board of Education accepts, by formal resolution, the tax rates as determined by the Budget Commission and receives the Commission's certificate of estimated resources which states the projected revenue of each fund. Prior to July 1, the District must revise its budget so that total contemplated expenditures from any fund during the ensuing year will not exceed the amount stated in the certificate of estimated resources. The revised budget then serves as a basis for the appropriation measure. On or about July 1, the certificate of estimated resources is amended to include any unencumbered balances from the preceding year as reported by the District Treasurer. The certificate of estimated resources may be further amended during the year if projected increases or decreases in revenue are identified by the District Treasurer. The budget figures, as shown in the accompanying budgetary statement, reflect the amounts set forth in the original and final amended certificate of estimated resources issued for fiscal year 2020.
4. By July 1, the annual appropriation resolution is legally enacted by the Board of Education at the fund level of expenditures, which is the legal level of budgetary control. State statute permits a temporary appropriation to be effective until no later than October 1 of each year. Although the legal level of budgetary control was established at the fund level of expenditures, the District has elected to present budgetary statement comparisons at the fund and function level of expenditures. Resolution appropriations by fund must be within the estimated resources as certified by the County Budget Commission and the total of expenditures and encumbrances may not exceed the appropriation totals.
5. Any revisions that alter the total of any fund appropriation must be approved by the Board of Education.

**COLONEL CRAWFORD LOCAL SCHOOL DISTRICT  
CRAWFORD COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

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

6. Formal budgetary integration is employed as a management control device during the year for all funds consistent with the general obligation bond indenture and other statutory provisions. All funds completed the year within the amount of their legally authorized cash basis appropriation.
7. Appropriations amounts are as originally adopted, or as amended by the Board of Education through the year by supplemental appropriations, which either reallocated or increased the original appropriated amounts. All supplemental appropriations were legally enacted by the Board prior to June 30, 2020; however, none of these amendments were significant. The budget figures, as shown in the accompanying budgetary statement, reflect the original and final appropriation amounts including all amendments and modifications.
8. Unencumbered appropriations lapse at year end. Encumbered appropriations are carried forward to the succeeding fiscal year and need not be reappropriated. Expenditures plus encumbrances may not legally exceed budgeted appropriations at the fund level.

**F. Cash and Investments**

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

During fiscal year 2020, the District invested in STAR Ohio. STAR Ohio (the State Treasury Asset Reserve of Ohio), is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but has adopted Governmental Accounting Standards Board (GASB), Statement No. 79, "Certain External Investment Pools and Pool Participants." The District measures its investment in STAR Ohio at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides an NAV per share that approximates fair value.

For fiscal year 2020, there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, notice must be given 24 hours in advance of all deposits and withdrawals exceeding \$25 million. STAR Ohio reserves the right to limit the transaction to \$100 million, requiring the excess amount to be transacted the following business day(s), but only to the \$100 million limit. All accounts of the participant will be combined for these purposes.

Under existing Ohio statutes all investment earnings are assigned to the general fund unless statutorily required to be credited to a specific fund. Interest revenue credited to the general fund during fiscal year 2020 amounted to \$141,372, which includes \$38,108 assigned from other funds.

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

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



**COLONEL CRAWFORD LOCAL SCHOOL DISTRICT  
CRAWFORD COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

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

**G. Inventory**

On government-wide and fund financial statements, purchased inventories are presented at the lower of cost or market and donated commodities are presented at their entitlement value. Inventories are recorded on a first-in, first-out basis and are expensed when used. Inventories are accounted for using the consumption method. On the fund financial statements, materials and supplies is equally offset by a nonspendable fund balance in governmental funds which indicates that it does not constitute available spendable resources even though it is a component of net current assets.

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

**H. Prepaid Items**

Payments made to vendors for services that will benefit periods beyond June 30, 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. The related fund balance is reported as nonspendable in the respective fund.

**I. Capital Assets**

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

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their fair value values as of the date received. The District maintains a capitalization threshold of \$5,000. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset’s life are not. The District does not possess infrastructure.

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

Description	Governmental Activities Estimated Lives
Land improvements	5 - 20 years
Buildings and improvements	20 - 50 years
Furniture and equipment	5 - 20 years
Vehicles	6 - 15 years

**J. Interfund Balances**

On the fund financial statements, short-term receivables and payables resulting from interfund loans are classified as “interfund loans receivable/payable”. On the fund financial statements, short-term receivables and payables resulting from negative cash are classified as “due to/from other funds”. These amounts are eliminated in the governmental activities column on the statement of net position.

**COLONEL CRAWFORD LOCAL SCHOOL DISTRICT  
CRAWFORD COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

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

**K. Compensated Absences**

Compensated absences of the District consist of vacation leave and sick leave liability to the extent that payments to the employee for these absences are attributable to services already rendered and are not contingent on a specific event that is outside the control of the District and the employee.

In accordance with the provisions of GASB Statement No. 16, "Accounting for Compensated Absences", a liability for vacation leave is accrued if a) the employees' rights to payment are attributable to services already rendered; and b) it is probable that the employer will compensate the employees for the benefits through paid time off or other means, such as cash payment at termination or retirement. An accrual for earned sick leave is made to the extent that it is probable that the benefits will result in termination (severance) payments. A liability for sick leave is accrued using the vesting method; i.e., the liability is based on the sick leave accumulated at June 30, 2020, by those employees who are currently eligible to receive termination (severance) payments, as well as those employees expected to become eligible in the future. For purposes of establishing a liability for sick leave on employees expected to become eligible to retire in the future, all employees age fifty or greater with at least ten years of service were considered expected to become eligible to retire in accordance with GASB Statement No. 16.

The total liability for vacation and sick leave payments has been calculated using pay rates in effect at June 30, 2020, and reduced to the maximum payment allowed by labor contract and/or statute, plus any applicable additional salary related payments.

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

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

**L. Accrued Liabilities and Long-Term Obligations**

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

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

**M. Fund Balance**

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

Nonspendable - The nonspendable fund balance classification includes amounts that cannot be spent because they are not in spendable form or legally required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash. It also includes the long-term amount of loans receivable.

**COLONEL CRAWFORD LOCAL SCHOOL DISTRICT  
CRAWFORD COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

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

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

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

*Assigned* - Amounts in the assigned fund balance classification are intended to be used by the District for specific purposes but do not meet the criteria to be classified as restricted nor committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the general fund, assigned amounts represent intended uses established by policies of the District Board of Education, which includes giving the Treasurer the authority to constrain monies for intended purposes.

*Unassigned* - Unassigned fund balance is the residual classification for the general fund and includes all spendable amounts not contained in the other classifications. In other governmental funds, the unassigned classification is only used to report a deficit fund balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

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

**N. Net Position**

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

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

**O. Bond Issuance Costs/Unamortized Bond Premium and Discount/Unamortized Accounting Gain or Loss**

On government-wide financial statements, bond issuance costs are expensed in the year they occur.

**COLONEL CRAWFORD LOCAL SCHOOL DISTRICT  
CRAWFORD COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

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

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

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

On the governmental fund financial statements, bond issuance costs and bond premiums are recognized in the current period. A reconciliation between the bonds face value and the amount reported on the statement of net position is presented in Note 10.A.

**P. Estimates**

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

**Q. Interfund Activity**

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

**R. Pensions/Other Postemployment Benefits (OPEB)**

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

**S. Fair Value**

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

**COLONEL CRAWFORD LOCAL SCHOOL DISTRICT  
CRAWFORD COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

**NOTE 3 - ACCOUNTABILITY AND COMPLIANCE**

**A. Change in Accounting Principles**

For fiscal year 2020, the District has implemented GASB Statement No. 84, “*Fiduciary Activities*” and GASB Statement No. 90, “*Majority Equity Interests - an amendment to GASB Statements No. 14 and No. 61*”.

GASB Statement No. 84 establishes specific criteria for identifying activities that should be reported as fiduciary activities and clarifies whether and how business-type activities should report their fiduciary activities. Due to the implementation of GASB Statement No. 84, the District will no longer be reporting agency and private purpose trust funds. The District reviewed its agency and private purpose trust funds, and they have been reclassified as governmental funds. These fund reclassifications resulted in the restatement of the District’s financial statements.

GASB Statement No. 90 improves the consistency and comparability of reporting a government’s majority equity interest in a legally separate organization and improve the relevance of financial statement information for certain component units. It defines a majority equity interest and specifies that a majority equity interest in a legally separate organization should be reported as an investment if a government’s holding of the equity interest meets the definition of an investment. The implementation of GASB Statement No. 90 did not have an effect on the financial statements of the District.

**B. Restatement of Net Position and Fund Balances**

The implementation of GASB 84 had the following effect on fund balance as reported at June 30, 2019:

	General	Bond Retirement Fund	Other Governmental Funds	Total Governmental Funds
Fund Balance as previously reported	\$ 6,536,162	\$ 1,698,294	\$ 1,020,202	\$ 9,254,658
GASB Statement No. 84	<u>159</u>	<u>-</u>	<u>36,797</u>	<u>36,956</u>
Restated Fund Balance, at June 30, 2019	<u>\$ 6,536,321</u>	<u>\$ 1,698,294</u>	<u>\$ 1,056,999</u>	<u>\$ 9,291,614</u>

The implementation of the GASB 84 pronouncement had the following effect on the net position as reported at June 30, 2019:

	Governmental Activities
Net position as previously reported	\$ 6,370,167
GASB Statement No. 84	<u>36,956</u>
Restated net position at June 30, 2019	<u>\$ 6,407,123</u>

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**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**NOTE 3 - ACCOUNTABILITY AND COMPLIANCE - (Continued)**

Related to the implementation of GASB Statement No. 84, the School District will no longer be reporting agency funds or private purpose trust funds. At June 30, 2019, agency funds reported assets and liabilities of \$86,219 and private purpose trust funds reported net position of \$1,067.

**C. Deficit Fund Balances**

Fund balances at June 30, 2020 included the following individual fund deficits:

<u>Nonmajor funds</u>	<u>Deficit</u>
Food service	\$ 23,506
Title I	5,310

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

**NOTE 4 - DEPOSITS AND INVESTMENTS**

State statutes classify monies held by the District into three categories.

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

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

Interim deposits are deposits of interim monies. Interim monies are those monies which are not needed for immediate use, but which will be needed before the end of the current period of designation of depositories.

Interim deposits must be evidenced by time certificates of deposit maturing not more than one year from the date of deposit or by savings or deposit accounts including passbook accounts.

Interim monies may be deposited or invested in the following securities:

1. United States Treasury Notes, Bills, Bonds, or any other obligation or security issued by the United States Treasury or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including, but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, and Government National Mortgage Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided that the fair value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;

**COLONEL CRAWFORD LOCAL SCHOOL DISTRICT  
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**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)**

4. Bonds and other obligations of the State of Ohio, and with certain limitations including a requirement for maturity within ten years from the date of settlement, bonds and other obligations of political subdivisions of the State of Ohio, if training requirements have been met;
5. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
6. No-load money market mutual funds consisting exclusively of obligations described in items (1) and (2) above and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
7. The State Treasurer's investment pool, the State Treasury Asset Reserve of Ohio (STAR Ohio); and,
8. Certain bankers' acceptances for a period not to exceed one hundred eighty days) and commercial paper notes (for a period not to exceed two hundred seventy days) in an amount not to exceed 40 percent of the interim monies available for investment at any one time if training requirements have been met.

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

Investments in stripped principal or interest obligations, reverse repurchase agreements and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage and short selling are also prohibited. Except as noted above, an investment must mature within five years from the date of purchase unless matched to a specific obligation or debt of the District, and must be purchased with the expectation that it will be held to maturity. Investments may only be made through specified dealers and institutions. Payment for investments may be made only upon delivery of the securities representing the investments to the Treasurer or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

**A. Deposits with Financial Institutions**

At June 30, 2020, the carrying amount of all District deposits was \$485,886 and the bank balance of all District deposits was \$566,289. Of the bank balance, \$250,000 was covered by the FDIC and \$316,289 was covered by the Ohio Pooled Collateral System.

Custodial credit risk is the risk that, in the event of bank failure, the District will not be able to recover deposits or collateral securities that are in the possession of an outside party. The District has no deposit policy for custodial credit risk beyond the requirements of State statute. Ohio law requires that deposits either be insured or protected by (1) eligible securities pledged to the District and deposited with a qualified trustee by the financial institution as security for repayment whose fair value at all times shall be at least 105 percent of the deposits being secured, or (2) participation in the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution. OPCS requires the total fair value of the securities pledged to be 102 percent of the deposits being secured or a rate set by the Treasurer of State. For fiscal year 2020, the District's financial institutions were approved for a reduced collateral rate of 102 percent through the OPCS. Although all statutory requirements for the deposit of money had been followed, noncompliance with Federal requirements could potentially subject the District to a successful claim by the FDIC.

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NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

**NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)**

**B. Investments**

As of June 30, 2020, the District had the following investment and maturity:

<u>Measurement/ Investment type</u>	<u>Measurement Value</u>	<u>Investment Maturity 6 months or less</u>
<i>Amortized cost:</i>		
STAR Ohio	<u>\$ 9,307,176</u>	<u>\$ 9,307,176</u>

The District's investments in STAR Ohio are valued at the daily redemption value as reported by the underlying fund (Level 1 inputs).

*Interest Rate Risk:* As a means of limiting its exposure to fair value losses arising from rising interest rates and according to State law, the District's investment policy limits investment portfolio maturities to five years or less.

*Credit Risk:* Standard & Poor's has assigned STAR Ohio an AAAM money market rating. Ohio law requires that STAR Ohio maintain the highest rating provided by at least one nationally recognized standard rating service.

*Custodial Credit Risk:* For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The District has no investment policy dealing with investment custodial risk beyond the requirement in State statute that prohibits payment for investments prior to the delivery of the securities representing such investments to the Treasurer or qualified trustee.

*Concentration of Credit Risk:* The District places no limit on the amount that may be invested in any one issuer. The following table includes the percentage of each investment type held by the District at June 30, 2020:

<u>Measurement/ Investment type</u>	<u>Mesurement Value</u>	<u>% of Total</u>
<i>Amortized cost:</i>		
STAR Ohio	<u>\$ 9,307,176</u>	<u>100.00</u>



**COLONEL CRAWFORD LOCAL SCHOOL DISTRICT  
CRAWFORD COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

**NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)**

**C. Reconciliation of Cash and Investments to the Statement of Net Position**

The following is a reconciliation of cash and investments as reported in the note above to cash and investments as reported on the statement of net position as of June 30, 2020:

<u>Cash and investments per note</u>	
Carrying amount of deposits	\$ 485,886
Investments	<u>9,307,176</u>
Total	<u>\$ 9,793,062</u>
 <u>Cash and investments per statement of net position</u>	
Governmental activities	<u>\$ 9,793,062</u>
Total	<u>\$ 9,793,062</u>

**NOTE 5 - INTERFUND TRANSACTIONS**

- A.** Interfund transfers for the year ended June 30, 2020, consisted of the following, as reported on the fund statements:

<u>Transfers to nonmajor governmental funds from:</u>	<u>Amount</u>
General Fund	<u>\$ 92,088</u>

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

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

All transfers were made in compliance with Ohio Revised Code Sections 5705.14, 5705.15 and 5705.16.

- B.** Interfund balances at June 30, 2020 as reported on the fund statements, consist of the following amount due to/from other funds:

<u>Receivable fund</u>	<u>Payable fund</u>	<u>Amount</u>
General Fund	Nonmajor governmental fund	<u>\$ 1,384</u>

The primary purpose of the due to/from other funds is to cover negative cash in various nonmajor governmental funds. This interfund balance will be repaid once the anticipated revenues are received.

Interfund balances between governmental funds are eliminated on the government-wide financial statements.

**COLONEL CRAWFORD LOCAL SCHOOL DISTRICT  
CRAWFORD COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**NOTE 6 - TAXES**

**A. Property Taxes**

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 property and public utility property. Real property tax revenues received in calendar year 2020 represent the collection of calendar year 2019 taxes. Real property taxes received in calendar year 2020 were levied after April 1, 2019, on the assessed values as of January 1, 2019, the lien date. Assessed values for real property taxes are established by State statute at 35 percent of appraised fair value. Real property taxes are payable annually or semiannually. If paid annually, payment is due December 31; if paid semiannually, the first payment is due December 31, with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established. Public utility property tax revenues received in calendar year 2020 represent the collection of calendar year 2019 taxes. Public utility real and personal property taxes received in calendar year 2020 became a lien on December 31, 2018, were levied after April 1, 2019, and are collected with real property taxes. Public utility real property is assessed at 35 percent of true value; public utility tangible personal property is currently assessed at varying percentages of true value.

The District receives property taxes from Crawford 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, 2020, are available to finance fiscal year 2020 operations. The amount available as an advance at June 30, 2020 was \$940,958 in the general fund, \$271,955 in the bond retirement fund and \$18,627 in the classroom facilities maintenance fund (a nonmajor governmental fund). This amount is recorded as revenue. The amount available for advance at June 30, 2019 was \$886,493 in the general fund, \$261,369 in the bond retirement fund and \$17,902 in the classroom facilities maintenance fund (a nonmajor governmental fund). The amount of second-half real property taxes available for advance at fiscal year-end can vary based on the date the tax bills are sent.

Accrued property taxes receivable includes real property, public utility property and delinquent tangible personal property taxes which are measurable as of June 30, 2020 and for which there is an enforceable legal claim. Although total property tax collections for the next fiscal year are measurable, only the amount of real property taxes available as an advance at June 30 was levied to finance current fiscal year operations and is reported as revenue at fiscal year-end. The portion of the receivable not levied to finance current fiscal year operations is offset by a credit to deferred inflows.

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

**COLONEL CRAWFORD LOCAL SCHOOL DISTRICT  
CRAWFORD COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

**NOTE 6 - TAXES - (Continued)**

The assessed values upon which the fiscal year 2020 taxes were collected are:

	2019 Second Half Collections		2020 First Half Collections	
	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
Agricultural/residential and other real estate	\$ 128,877,600	92.72	\$ 129,618,130	91.17
Public utility personal	<u>10,112,930</u>	<u>7.28</u>	<u>12,559,800</u>	<u>8.83</u>
Total	<u>\$ 138,990,530</u>	<u>100.00</u>	<u>\$ 142,177,930</u>	<u>100.00</u>
Tax rate per \$1,000 of assessed valuation for:				
General	\$45.50		\$45.50	
Debt service	7.30		7.30	
Classroom facilities maintenance	0.50		0.50	

**B. School District Income Taxes**

In February 2007, the District passed a 1.25% continuing earned income only tax for general operations of the District. Employers and residents are required to withhold income tax on compensation and remit the tax to the State. Taxpayers are required to file an annual return. The State makes quarterly distributions to the District after withholding amounts for administrative fees and estimated refunds. Income tax collection began in January 2008. Income tax is credited to the general fund. During fiscal year 2020, the District received \$1,562,013 in income tax revenue.

**NOTE 7 - RECEIVABLES**

Receivables at June 30, 2020 consisted of property taxes, income taxes, accrued interest, and intergovernmental grants and entitlements. All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes, the stable condition of State programs and the current year guarantee of federal funds. A summary of the principal items of receivables reported on the statement of net position follows:

**Governmental activities:**

Property taxes	\$ 3,860,500
Income taxes	632,112
Accrued interest	2,803
Intergovernmental	<u>14,950</u>
Total	<u>\$ 4,510,365</u>

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

**COLONEL CRAWFORD LOCAL SCHOOL DISTRICT  
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NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

**NOTE 8 - CAPITAL ASSETS**

Capital asset activity for the fiscal year ended June 30, 2020, was as follows:

	<u>Balance</u> <u>06/30/19</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>06/30/20</u>
Governmental activities:				
<i>Capital assets, not being depreciated:</i>				
Land	\$ 376,562	\$ -	\$ -	\$ 376,562
Total capital assets, not being depreciated	<u>376,562</u>	<u>-</u>	<u>-</u>	<u>376,562</u>
<i>Capital assets, being depreciated:</i>				
Land improvements	626,924	-	-	626,924
Buildings and improvements	22,005,131	-	-	22,005,131
Furniture and equipment	1,195,351	48,734	(7,000)	1,237,085
Vehicles	1,260,986	85,883	(172,210)	1,174,659
Total capital assets, being depreciated	<u>25,088,392</u>	<u>134,617</u>	<u>(179,210)</u>	<u>25,043,799</u>
<i>Less: accumulated depreciation</i>				
Land improvements	(566,154)	(15,718)	-	(581,872)
Buildings and improvements	(5,466,104)	(509,541)	-	(5,975,645)
Furniture and equipment	(776,450)	(62,601)	7,000	(832,051)
Vehicles	(791,343)	(45,349)	172,210	(664,482)
Total accumulated depreciation	<u>(7,600,051)</u>	<u>(633,209)</u>	<u>179,210</u>	<u>(8,054,050)</u>
Governmental activities capital assets, net	<u>\$ 17,864,903</u>	<u>\$ (498,592)</u>	<u>\$ -</u>	<u>\$ 17,366,311</u>

Depreciation expense was charged to governmental functions as follows:

Instruction:

Regular	\$ 376,413
Special	24,507
Vocational	32,444

Support services:

Pupil	8,724
Instructional staff	19,816
Board of education	1,708
Administration	11,624
Fiscal	1,708
Operations and maintenance	55,620
Pupil transportation	52,213
Central	4,074
Extracurricular activities	26,773
Food service operations	<u>17,585</u>
Total depreciation expense	<u>\$ 633,209</u>

**COLONEL CRAWFORD LOCAL SCHOOL DISTRICT  
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NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

**NOTE 9 - CAPITALIZED LEASE**

During fiscal year 2018, the District renewed capitalized leases for copiers. All leases meet the criteria of a capital lease which defines a capital lease generally as one which transfers benefits and risks of ownership to the lessee. Capital lease payments have been reclassified and are reflected as debt service expenditures in the basic financial statements. These expenditures are reflected as program/function expenditures on a budgetary basis. Capital assets acquired by lease have been originally capitalized in the amount of \$73,280, which represents the present value of the future minimum lease payments at the time of acquisition.

Principal and interest payments in the 2020 fiscal year totaled \$14,697 and \$2,055, respectively. These amounts are reported as debt service payments of the general fund.

The capitalized assets acquired through capital leases are as follows:

**Assets:**

Equipment (copiers)	\$ 73,280
Less: accumulated depreciations	<u>(43,968)</u>
Total	<u>\$ 29,312</u>

The following is a schedule of the future minimum lease payments required under the capital leases and the present value of the minimum lease payments as of June 30, 2020.

<u>Fiscal Year Ending June 30,</u>	<u>Amount</u>
2021	\$ 16,751
2022	16,751
2023	<u>1,396</u>
Total minimum lease payments	34,898
Less: amount representing interest	<u>(1,821)</u>
Total	<u>\$ 33,077</u>

**COLONEL CRAWFORD LOCAL SCHOOL DISTRICT  
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NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

**NOTE 10 - LONG-TERM OBLIGATIONS**

A. During fiscal year 2020, the following changes occurred in governmental activities long-term obligations.

	Interest Rate	Balance Outstanding 06/30/19	Additions	Reductions	Balance Outstanding 06/30/20	Amounts Due in One Year
<b>Governmental activities:</b>						
<u>General obligation bonds:</u>						
Series 2007 Issue:						
Capital appreciation bonds	9.74%	\$ 210,000	\$ -	\$ -	\$ 210,000	\$ -
Accreted interest		460,640	67,056	-	527,696	-
Series 2014 Issue:						
Refunding bonds	3.35%	1,055,000	-	(520,000)	535,000	535,000
Series 2017 Issue:						
Refunding bonds	2.5-4%	8,500,000	-	(245,000)	8,255,000	725,000
Total general obligation bonds payable		<u>10,225,640</u>	<u>67,056</u>	<u>(765,000)</u>	<u>9,527,696</u>	<u>1,260,000</u>
Energy Conservation						
Notes - Series 2014	2.90%	640,000	-	(50,000)	590,000	50,000
<u>Other long-term obligations:</u>						
Capital leases		47,774	-	(14,697)	33,077	15,448
Net pension liability		10,417,812	384,337	-	10,802,149	-
Net OPEB liability		1,141,942	-	(58,055)	1,083,887	-
Compensated absences		432,703	96,327	(54,674)	474,356	68,980
Total other long-term obligations		<u>12,040,231</u>	<u>480,664</u>	<u>(127,426)</u>	<u>12,393,469</u>	<u>\$ 84,428</u>
Total governmental activities		<u>22,905,871</u>	<u>\$ 547,720</u>	<u>\$ (942,426)</u>	<u>22,511,165</u>	<u>\$ 1,394,428</u>
Add: Unamortized premium on bond issue					<u>149,636</u>	
Total on statement of net position		<u>\$ 22,905,871</u>			<u>\$ 22,660,801</u>	

B. Capital Leases - Capital leases were paid from the general fund. See Note 9 for more details.

C. Net Pension Liability - The District's net pension liability is described in Note 12. The District pays obligations related to employee compensation from the fund benefitting from their service.

D. Net OPEB Liability - The District's net OPEB liability is described in Note 13. The District pays obligations related to employee compensation from the fund benefitting from their service.

E. Compensated Absences - Compensated absences will be paid from the fund from which the employee is paid which is primarily the general fund

**COLONEL CRAWFORD LOCAL SCHOOL DISTRICT  
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NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

**NOTE 10 - LONG-TERM OBLIGATIONS - (Continued)**

F. On November 1, 2007, the District issued general obligation bonds (Series 2007 General Obligation School Improvement and Refunding Bonds) to advance refund \$9,080,000 of the Series 2004 current interest general obligation bonds and to current refund \$480,000 bond anticipation notes that matured on January 15, 2008. The issuance proceeds were used to purchase securities which were placed in an irrevocable trust to provide resources for all future debt service payments on the refunded debt. This refunded debt is considered defeased (in-substance) and accordingly, has been removed from the statement of net position.

The bond issue is comprised of both current interest bonds, par value \$9,305,000, and capital appreciation bonds, par value \$210,000. The interest rates on the current interest bonds range from 4.0% to 5.00%. The capital appreciation bonds mature on January 15, 2031 and January 15, 2032, (stated interest rate 9.742%) at a redemption price equal to 100% of the principal, plus accrued interest to the redemption date. The accreted value at maturity for the capital appreciation bonds is \$2,000,000. Total accreted interest of \$527,696 has been included in the statement of net position.

During fiscal year 2017, \$8,830,000 of the Series 2007 Refunding General Obligation Bonds were refunded by the Series 2015 Refunding Bonds, leaving only \$210,000 in capital appreciation bonds. There were no further obligations outstanding on the current interest portion of the bonds. Payments of principal and interest relating to this bond will be recorded as an expenditure in the Bond Retirement Fund.

The reacquisition price exceeded the net carrying amount of the old debt by \$413,309. This amount is being netted against the new debt and amortized over the remaining life of the refunded debt, which is equal to the life of the new debt issued.

The following is a summary of the future debt requirements to maturity for the Series 2007 general obligation bonds:

Fiscal Year Ending	Capital Appreciation Bonds		
June 30,	Principal	Interest	Total
2021	\$ -	\$ -	\$ -
2022	-	-	-
2023	-	-	-
2024	-	-	-
2025	-	-	-
2026 - 2030	-	-	-
2031 - 2032	210,000	1,790,000	2,000,000
Total	\$ 210,000	\$ 1,790,000	\$ 2,000,000

H. On September 23, 2014, the District issued general obligation bonds (Series 2014 General Obligation School Improvement Refunding Bonds) to advance refund \$2,540,000 of the Series 2004 current interest general obligation bonds. The issuance proceeds were used to purchase securities which were placed in an irrevocable trust to provide resources for all future debt service payments on the refunded debt. This refunded debt is considered defeased (in-substance) and accordingly, has been removed from the statement of net position. The balance of the refunded current interest bonds at June 30, 2020, is \$535,000. Payments of principal and interest relating to this bond will be recorded as an expenditure in the Bond Retirement Fund.

The bond issue is comprised of current interest bonds, par value \$2,540,000. The interest rates on the current interest bonds are 3.35%. Interest payments of the current interest bonds are due on January 15 and July 15 of each year. The final maturity date stated on the issue is July 15, 2020.

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**NOTE 10 - LONG-TERM OBLIGATIONS - (Continued)**

The net carrying amount of the old debt exceeded the reacquisition price by \$101,404. This amount is being netted against the new debt and amortized over the remaining life of the refunded debt, which is equal to the life of the new debt issued.

The following is a summary of the future debt requirements to maturity for the Series 2014 general obligation refunding bonds:

Fiscal Year Ending June 30,	Current Interest Bonds		
	Principal	Interest	Total
2021	\$ 535,000	\$ 8,961	\$ 543,961

- I. On December 10, 2014, the District issued \$825,000 in Series 2014 Energy Conservation Notes to provide financing for energy conservation projects throughout the District. The interest rates on the notes are 2.90%. Interest payments of the notes are due on June 1 and December 1 of each year. The final maturity date stated on the issue is December 1, 2029. Payments of principal and interest relating to this bond will be recorded as an expenditure in the Bond Retirement Fund.

The following is a summary of the future debt requirements to maturity for the Series 2014 Energy Conservation Notes:

Fiscal Year Ending June 30,	Current Interest Bonds		
	Principal	Interest	Total
2021	\$ 50,000	\$ 16,385	\$ 66,385
2022	55,000	14,862	69,862
2023	55,000	13,268	68,268
2024	55,000	11,672	66,672
2025	60,000	10,005	70,005
2026 - 2030	315,000	23,273	338,273
Total	\$ 590,000	\$ 89,465	\$ 679,465

- J. On May 2, 2017, the District issued general obligation bonds (Series 2017 General Obligation Refunding Bonds) to advance refund \$8,830,000 of the Series 2007 current interest general obligation bonds. The issuance proceeds were used to purchase securities which were placed in an irrevocable trust to provide resources for all future debt service payments on the refunded debt. This refunded debt is considered defeased (in-substance) and accordingly, has been removed from the statement of net position. The balance of the refunded current interest bonds at June 30, 2020, is \$8,255,000. Payments of principal and interest relating to this bond will be recorded as an expenditure in the Bond Retirement Fund.

The bond issue is comprised of current interest bonds, par value \$8,805,000. The interest rates on the current interest bonds are between 2% and 4%. Interest payments of the current interest bonds are due on January 15 and July 15 of each year. The final maturity date stated on the issue is January 15, 2030.

The net carrying amount of the old debt exceeded the reacquisition price by \$103,355. This amount is being netted against the new debt and amortized over the remaining life of the refunded debt, which is equal to the life of the new debt issued. This advance refunding was undertaken to reduce the combined debt service payments over the next 13 years by \$1,113,896 and resulting in an economic gain of \$948,623.



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**NOTE 10 - LONG-TERM OBLIGATIONS - (Continued)**

The following is a summary of the future debt requirements to maturity for the Series 2017 general obligation refunding bonds:

Fiscal Year Ending June 30,	Current Interest Bonds		
	Principal	Interest	Total
2021	\$ 725,000	\$ 223,655	\$ 948,655
2022	745,000	209,155	954,155
2023	765,000	190,530	955,530
2024	790,000	167,580	957,580
2025	815,000	135,980	950,980
2026 - 2030	<u>4,415,000</u>	<u>350,090</u>	<u>4,765,090</u>
Total	<u>\$ 8,255,000</u>	<u>\$ 1,276,990</u>	<u>\$ 9,531,990</u>

**K. Legal Debt Margin**

The Ohio Revised Code provides that voted net general obligation debt of the District shall never exceed 9% of the total assessed valuation of the District. The code further provides that unvoted indebtedness shall not exceed 1/10 of 1% of the property valuation of the District. The code additionally states that unvoted indebtedness related to energy conservation debt shall not exceed 9/10 of 1% of the property valuation of the District. The assessed valuation used in determining the District’s legal debt margin has been modified by House Bill 530 which became effective March 30, 2006. In accordance with House Bill 530, the assessed valuation used in the District’s legal debt margin calculation excluded tangible personal property used in business, telephone or telegraph property, interexchange telecommunications company property, and personal property owned or leased by a railroad company and used in railroad operations. The effects of these debt limitations at June 30, 2020, are a voted debt margin of \$14,676,727 (including available funds of \$1,880,713), an unvoted debt margin of \$142,178 and an energy conservation debt margin of \$689,601.

The District has been assigned as an “approved special needs school district” by the Ohio Superintendent of Public Instruction. As a result, the portion of the general obligation bonds issued in fiscal year 2004 in excess of the debt limitation is exempted from that limitation pursuant to Revised Code Section 133.06(D)(2).

**NOTE 11 - RISK MANAGEMENT**

**A. Comprehensive**

The District is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets, errors and omissions, injuries to employees, and natural disasters. The District contracts with Wright Specialty Insurance Company for general liability insurance with a \$1,000,000 single occurrence limit and a \$2,000,000 aggregate. The Board’s legal liability holds a deductible of \$2,500. Buildings/content and boiler and machinery has a limit of \$33,317,061 with a deductible of \$1,000. Real property and contents are 100% coinsured.

The bus fleet and maintenance vehicles are also insured through Wright Specialty Insurance Company and hold a \$500 collision deductible and a \$500 comprehensive deductible and a \$1,000,000 limit on liability coverage, along with a \$1,000,000 umbrella on top of that and a \$1,000,000 limit on uninsured motorist coverage.

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**NOTE 11 - RISK MANAGEMENT - (Continued)**

Settled claims resulting from these risks have not exceeded commercial coverage in any of the past three fiscal years. There has been no significant reduction in amounts of insurance coverage from fiscal year 2020.

**B. Employee Health Insurance**

In January 1995, the District joined together with two other school districts in the state to form the Wyandot Crawford Health Benefit Plan (WCHBP), a public entity risk pool currently operating as a common risk management and insurance program. The WCHBP now includes seven school districts. The District pays an annual premium to the pool for its general insurance coverage. The risk of loss transfers entirely from the District to WCHBP. The Agreement for formation of the WCHBP provides that the WCHBP will be self-sustaining through member premiums and will reinsure through commercial companies for claims in excess of \$175,000 for each insured event.

Postemployment health care is provided to plan participants or their beneficiaries through the respective retirement systems discussed in Note 13. As such, no funding provisions are required by the District.

**C. Workers' Compensation**

The District pays the State Worker's Compensation System a premium for employee injury coverage. The premium is calculated by multiplying the monthly total gross payroll by a factor that is calculated by the State.

**NOTE 12 - DEFINED BENEFIT PENSION PLANS**

***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.

The Ohio Revised Code limits the District's obligation for this liability to annually required payments. The District cannot control benefit terms or the manner in which pensions 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.

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**NOTE 12 - DEFINED BENEFIT PENSION PLANS - (Continued)**

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 due to other governments/intergovernmental payable/pension and postemployment benefits payable on both the accrual and modified accrual bases of accounting.

***Plan Description - School Employees Retirement System (SERS)***

Plan Description - The District 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](http://www.ohsers.org) under Employers/Audit Resources.

Age and service requirements for retirement are as follows:

	Eligible to Retire on or before August 1, 2017 *	Eligible to Retire after August 1, 2017
Full benefits	Age 65 with 5 years of services credit; or Any age with 30 years of service credit	Age 67 with 10 years of service credit; or Age 57 with 30 years of service credit
Actuarially reduced benefits	Age 60 with 5 years of service credit; or Age 55 with 25 years of service credit	Age 62 with 10 years of service credit; or Age 60 with 25 years of service credit

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

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

Effective January 1, 2018, SERS cost-of-living adjustment (COLA) changed from a fixed 3% annual increase to one based on the Consumer Price Index (CPI-W) with a cap of 2.5% and a floor of 0%. SERS also has the authority to award or suspend the COLA, or to adjust the COLA above or below CPI-W. SERS suspended the COLA increases for 2018, 2019 and 2020 for current retirees, and confirmed their intent to implement a four-year waiting period for the state of a COLA for future retirees.

Funding Policy - Plan members are required to contribute 10% of their annual covered salary and the District is required to contribute 14% 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% for plan members and 14% 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, 2020, the allocation to pension, death benefits, and Medicare B was 14.0%.

The District’s contractually required contribution to SERS was \$217,003 for fiscal year 2020. Of this amount, \$40,529 is reported as pension and postemployment benefits payable.

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**NOTES TO THE BASIC FINANCIAL STATEMENTS  
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**NOTE 12 - DEFINED BENEFIT PENSION PLANS - (Continued)**

***Plan Description - State Teachers Retirement System (STRS)***

Plan Description - Licensed teachers 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 website at [www.strsoh.org](http://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 will be 2.2% of final average salary for the five highest years of earnings multiplied by all years of service. Effective July 1, 2017, the cost-of-living adjustment was reduced to zero. Members are eligible to retire at age 60 with five years of qualifying service credit, or age 55 with 28 years of service, or 33 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% of the 14% employer contributions into an investment account. Investment allocation decisions are determined by the member. The remaining 4.47% of the 14% employer rate is allocated to the defined benefit unfunded liability. A member is eligible to receive a retirement benefit at age 50 and termination of employment. The member may elect to receive a lifetime monthly annuity or a lump sum withdrawal.

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

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. Eligible survivors of members who die before service retirement may qualify for monthly benefits. New members on or after July 1, 2013, must have at least ten years of qualifying service credit to apply for disability benefits. Members in the DC Plan who become disabled are entitled only to their account balance. 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.

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**NOTE 12 - DEFINED BENEFIT PENSION PLANS - (Continued)**

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 fiscal year 2019, plan members were required to contribute 14% of their annual covered salary. The District was required to contribute 14%; the entire 14% was the portion used to fund pension obligations. The fiscal year 2019 contribution rates were equal to the statutory maximum rates.

The District's contractually required contribution to STRS was \$642,754 for fiscal year 2020. Of this amount, \$115,536 is reported as pension and postemployment benefits payable.

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

The net pension liability was measured as of June 30, 2019, 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 projected contributions of all participating entities.

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

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Proportion of the net pension liability prior measurement date	0.04077340%	0.03675975%	
Proportion of the net pension liability current measurement date	<u>0.04250510%</u>	<u>0.03734668%</u>	
Change in proportionate share	<u>0.00173170%</u>	<u>0.00058693%</u>	
Proportionate share of the net pension liability	\$ 2,543,155	\$ 8,258,994	\$ 10,802,149
Pension expense	\$ 449,213	\$ 1,254,887	\$ 1,704,100

At June 30, 2020, 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>
<b>Deferred outflows of resources</b>			
Differences between expected and actual experience	\$ 64,489	\$ 67,243	\$ 131,732
Changes of assumptions	-	970,179	970,179
Difference between employer contributions and proportionate share of contributions/ change in proportionate share	82,652	277,022	359,674
Contributions subsequent to the measurement date	<u>217,003</u>	<u>642,754</u>	<u>859,757</u>
Total deferred outflows of resources	<u>\$ 364,144</u>	<u>\$ 1,957,198</u>	<u>\$ 2,321,342</u>

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**NOTE 12 - DEFINED BENEFIT PENSION PLANS - (Continued)**

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
<b>Deferred inflows of resources</b>			
Differences between expected and actual experience	\$ -	\$ 35,751	\$ 35,751
Net difference between projected and actual earnings on pension plan investments	32,641	403,657	436,298
Difference between employer contributions and proportionate share of contributions/ change in proportionate share	<u>7,270</u>	<u>-</u>	<u>7,270</u>
Total deferred inflows of resources	<u>\$ 39,911</u>	<u>\$ 439,408</u>	<u>\$ 479,319</u>

\$859,757 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 year ending June 30, 2021.

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:			
2021	\$ 126,749	\$ 638,027	\$ 764,776
2022	(35,863)	170,312	134,449
2023	(2,171)	(3,243)	(5,414)
2024	18,513	69,938	88,451
2025	<u>2</u>	<u>2</u>	<u>4</u>
Total	<u>\$ 107,230</u>	<u>\$ 875,036</u>	<u>\$ 982,266</u>

**Actuarial Assumptions - SERS**

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

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.

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**NOTE 12 - DEFINED BENEFIT PENSION PLANS - (Continued)**

Key methods and assumptions used in calculating the total pension liability in the latest actuarial valuation, prepared as of June 30, 2019, are presented below:

Wage inflation	3.00%
Future salary increases, including inflation	3.50% to 18.20%
COLA or ad hoc COLA	2.50%
Investment rate of return	7.50% net of investments expense, including inflation
Actuarial cost method	Entry age normal (level percent of payroll)

For 2019, 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% of male rates, and 110% of female rates. Mortality among disabled members was based upon the 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.

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

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

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash	1.00 %	0.50 %
US Equity	22.50	4.75
International Equity	22.50	7.00
Fixed Income	19.00	1.50
Private Equity	10.00	8.00
Real Assets	15.00	5.00
Multi-Asset Strategies	10.00	3.00
Total	<u>100.00 %</u>	

**Discount Rate** - The total pension liability was calculated using the discount rate of 7.50%. 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%). 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.

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NOTES TO THE BASIC FINANCIAL STATEMENTS  
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**NOTE 12 - DEFINED BENEFIT PENSION PLANS - (Continued)**

*Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate* - 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%, 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%), or one percentage point higher (8.50%) than the current rate.

	1% Decrease	Current Discount Rate	1% Increase
District's proportionate share of the net pension liability	\$ 3,563,869	\$ 2,543,155	\$ 1,687,158

**Actuarial Assumptions - STRS**

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results used in the July 1, 2019, actuarial valuation are presented below:

	July 1, 2019
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%
Cost-of-living adjustments (COLA)	0.00%

For the July 1, 2019, actuarial valuation, post-retirement mortality rates for healthy retirees are based on the RP-2014 Annuitant Mortality Table with 50% of rates through age 69, 70% of rates between ages 70 and 79, 90% of rates between ages 80 and 84, and 100% of rates thereafter, projected forward generationally using mortality improvement scale MP-2016. Post-retirement disabled mortality rates are based on the RP-2014 Disabled Mortality Table with 90% of rates for males and 100% 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, 2019 valuation are based on the results of an actuarial experience study for the period July 1, 2011 through June 30, 2016.

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



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NOTES TO THE BASIC FINANCIAL STATEMENTS  
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**NOTE 12 - DEFINED BENEFIT PENSION PLANS - (Continued)**

<u>Asset Class</u>	<u>Target Allocation*</u>	<u>Long-Term Expected Real 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% as of June 30, 2019. 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, 2019. Therefore, the long-term expected rate of return on pension plan investments of 7.45% was applied to all periods of projected benefit payment to determine the total pension liability as of June 30, 2019.

**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%, 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%) or one-percentage-point higher (8.45%) than the current rate:

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
District's proportionate share of the net pension liability	\$12,069,599	\$ 8,258,994	\$ 5,033,121

**NOTE 13 - DEFINED BENEFIT OPEB PLANS**

***Net OPEB Liability/Asset***

The net OPEB liability/asset reported on the statement of net position represents a liability/asset to employees 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.

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**NOTE 13 - DEFINED BENEFIT OPEB PLANS - (Continued)**

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.

The Ohio Revised Code limits the District's obligation for this liability to annually required payments. The District cannot control benefit terms or the manner in which 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. The Ohio Revised Code permits, but does not require, the retirement systems to provide healthcare to eligible benefit recipients. Any 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 retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits.

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

***Plan Description - School Employees Retirement System (SERS)***

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

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**NOTE 13 - DEFINED BENEFIT OPEB PLANS - (Continued)**

Funding Policy - State statute permits SERS to fund the health care benefits through employer contributions. Each year, after the allocation for statutorily required pensions and benefits, the Retirement Board may allocate the remainder of the employer contribution of 14% of covered payroll to the Health Care Fund in accordance with the funding policy. For the fiscal year ended June 30, 2020, SERS did not allocate any employer contributions to post-employment health care. An additional health care surcharge on employers is collected for employees earning less than an actuarially determined minimum compensation amount, prorated if less than a full year of service credit was earned. For fiscal year 2020, this amount was \$19,600. Statutes provide that no employer shall pay a health care surcharge greater than 2% of that employer's SERS-covered payroll; nor may SERS collect in aggregate more than 1.5% of the total statewide SERS-covered payroll for the health care surcharge. For fiscal year 2020, the District's surcharge obligation was \$25,693.

The surcharge added to the allocated portion of the 14% employer contribution rate is the total amount assigned to the Health Care Fund. The District's contractually required contribution to SERS was \$25,693 for fiscal year 2020. Of this amount, \$25,693 is reported as pension and postemployment benefits payable.

***Plan Description - State Teachers Retirement System (STRS)***

Plan Description – The State Teachers Retirement System of Ohio (STRS) administers a cost-sharing Health Plan administered for eligible retirees who participated in the defined benefit or combined pension plans offered by STRS. Ohio law authorizes STRS to offer this plan. Benefits include hospitalization, physicians' fees, prescription drugs and partial reimbursement of monthly Medicare Part B premiums. Medicare Part B premium reimbursements will be discontinued effective January 1, 2021. The Plan is included in the report of STRS which can be obtained by visiting [www.strsoh.org](http://www.strsoh.org) or by calling (888) 227-7877.

Funding Policy – Ohio Revised Code Chapter 3307 authorizes STRS to offer the Plan and gives the Retirement Board discretionary authority over how much, if any, of the health care costs will be absorbed by STRS. Active employee members do not contribute to the Health Care Plan. Nearly all health care plan enrollees, for the most recent year, pay a portion of the health care costs in the form of a monthly premium. Under Ohio law, funding for post-employment health care may be deducted from employer contributions, currently 14% of covered payroll. For the fiscal year ended June 30, 2020, STRS did not allocate any employer contributions to post-employment health care.

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

The net OPEB liability/asset was measured as of June 30, 2019, and the total OPEB liability/asset used to calculate the net OPEB liability/asset was determined by an actuarial valuation as of that date. The District's proportion of the net OPEB liability/asset was based on the District's share of contributions to the respective retirement systems relative to the contributions of all participating entities.

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**NOTE 13 - DEFINED BENEFIT OPEB PLANS - (Continued)**

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

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Proportion of the net OPEB liability prior measurement date	0.04116190%	0.03675975%	
Proportion of the net OPEB liability/asset current measurement date	<u>0.04310050%</u>	<u>0.03734668%</u>	
Change in proportionate share	<u>0.00193860%</u>	<u>0.00058693%</u>	
Proportionate share of the net OPEB liability	\$ 1,083,887	\$ -	\$ 1,083,887
Proportionate share of the net OPEB asset	\$ -	\$ (618,551)	\$ (618,551)
OPEB expense	\$ 42,771	\$ (181,197)	\$ (138,426)

At June 30, 2020, 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>
<b>Deferred outflows of resources</b>			
Differences between expected and actual experience	\$ 15,910	\$ 56,077	\$ 71,987
Net difference between projected and actual earnings on OPEB plan investments	2,603	-	2,603
Changes of assumptions	79,166	13,002	92,168
Difference between employer contributions and proportionate share of contributions/ change in proportionate share	72,468	43,301	115,769
Contributions subsequent to the measurement date	<u>25,693</u>	<u>-</u>	<u>25,693</u>
Total deferred outflows of resources	<u>\$ 195,840</u>	<u>\$ 112,380</u>	<u>\$ 308,220</u>

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
<b>Deferred inflows of resources</b>			
Differences between expected and actual experience	\$ 238,123	\$ 31,469	\$ 269,592
Net difference between projected and actual earnings on OPEB plan investments	-	38,849	38,849
Changes of assumptions	60,738	678,167	738,905
Difference between employer contributions and proportionate share of contributions/ change in proportionate share	<u>5,006</u>	<u>-</u>	<u>5,006</u>
Total deferred inflows of resources	<u>\$ 303,867</u>	<u>\$ 748,485</u>	<u>\$ 1,052,352</u>

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**NOTE 13 - DEFINED BENEFIT OPEB PLANS - (Continued)**

\$25,693 reported as deferred outflows of resources related to OPEB resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability/asset in the year ending June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

	SERS	STRS	Total
Fiscal Year Ending June 30:			
2021	\$ (52,852)	\$ (139,469)	\$ (192,321)
2022	(17,619)	(139,469)	(157,088)
2023	(16,857)	(123,900)	(140,757)
2024	(16,980)	(118,434)	(135,414)
2025	(19,516)	(117,175)	(136,691)
Thereafter	(9,896)	2,342	(7,554)
Total	\$ (133,720)	\$ (636,105)	\$ (769,825)

***Actuarial Assumptions - SERS***

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

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

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

**COLONEL CRAWFORD LOCAL SCHOOL DISTRICT  
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NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

**NOTE 13 - DEFINED BENEFIT OPEB PLANS - (Continued)**

Key methods and assumptions used in calculating the total OPEB liability in the latest actuarial valuation date of June 30, 2019 are presented below:

Wage inflation	3.00%
Future salary increases, including inflation	3.50% to 18.20%
Investment rate of return	7.50% net of investments expense, including inflation
 Municipal bond index rate:	
Measurement date	3.13%
Prior measurement date	3.62%
 Single equivalent interest rate, net of plan investment expense, including price inflation:	
Measurement date	3.22%
Prior measurement date	3.70%
 Medical trend assumption:	
Measurement date	
Medicare	5.25 to 4.75%
Pre-Medicare	7.00 to 4.75%
Prior measurement date	
Medicare	5.375 to 4.75%
Pre-Medicare	7.25 to 4.75%

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

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**NOTE 13 - DEFINED BENEFIT OPEB PLANS - (Continued)**

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:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash	1.00 %	0.50 %
US Equity	22.50	4.75
International Equity	22.50	7.00
Fixed Income	19.00	1.50
Private Equity	10.00	8.00
Real Assets	15.00	5.00
Multi-Asset Strategies	10.00	3.00
Total	<u>100.00 %</u>	

**Discount Rate** - The discount rate used to measure the total OPEB liability at June 30, 2019 was 3.22%. The discount rate used to measure total OPEB liability prior to June 30, 2019 was 3.70%. 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 3.13%, as of June 30, 2019 (i.e. municipal bond rate), was used to present value the projected benefit payments for the remaining years in the projection. A municipal bond rate of 3.62% was used as of June 30, 2018. 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 Rate and Changes in the Health Care Cost Trend Rates** - The net OPEB liability is sensitive to changes in the discount rate and the health care cost trend rate. The following table presents the net OPEB liability of SERS, what SERS' net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (2.22%) and higher (4.22%) than the current discount rate (3.22%). 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	Current Discount Rate	1% Increase
	District's proportionate share of the net OPEB liability	\$ 1,315,633	\$ 1,083,887

	1% Decrease	Current Trend Rate	1% Increase
	District's proportionate share of the net OPEB liability	\$ 868,413	\$ 1,083,887

**COLONEL CRAWFORD LOCAL SCHOOL DISTRICT  
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NOTES TO THE BASIC FINANCIAL STATEMENTS  
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**NOTE 13 - DEFINED BENEFIT OPEB PLANS - (Continued)**

***Actuarial Assumptions - STRS***

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results used in the July 1, 2019, actuarial valuation, compared with July 1, 2018, are presented below:

	July 1, 2019		July 1, 2018	
	Initial	Ultimate	Initial	Ultimate
Inflation	2.50%		2.50%	
Projected salary increases	12.50% at age 20 to 2.50% at age 65		12.50% at age 20 to 2.50% at age 65	
Investment rate of return	7.45%, net of investment expenses, including inflation		7.45%, net of investment expenses, including inflation	
Payroll increases	3.00%		3.00%	
Cost-of-living adjustments (COLA)	0.00%		0.00%	
Discounted rate of return	7.45%		7.45%	
Blended discount rate of return	N/A		N/A	
Health care cost trends				
Medical				
Pre-Medicare	5.87%	4.00%	6.00%	4.00%
Medicare	4.93%	4.00%	5.00%	4.00%
Prescription Drug				
Pre-Medicare	7.73%	4.00%	8.00%	4.00%
Medicare	9.62%	4.00%	-5.23%	4.00%

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

Actuarial assumptions used in the June 30, 2019 valuation are based on the results of an actuarial experience study for the period July 1, 2011 through June 30, 2016.

***Assumption Changes Since the Prior Measurement Date*** - There were no changes in assumptions since the prior measurement date of June 30, 2018.

***Benefit Term Changes Since the Prior Measurement Date*** - There was no change to the claims costs process. Claim curves were trended to the fiscal year ending June 30, 2020 to reflect the current price renewals. The non-Medicare subsidy percentage was increased effective January 1, 2020 from 1.944% 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.



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**NOTE 13 - DEFINED BENEFIT OPEB PLANS - (Continued)**

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

Asset Class	Target Allocation*	Long-Term Expected Real Rate of Return **
Domestic Equity	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 OPEB asset was 7.45% as of June 30, 2019. 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 to current plan members. Therefore, the long-term expected rate of return on health care plan investments of 7.45% was used to measure the total OPEB asset as of June 30, 2019.

**Sensitivity of the District's Proportionate Share of the Net OPEB Asset to Changes in the Discount and Health Care Cost Trend Rate** - The following table represents the net OPEB asset as of June 30, 2019, calculated using the current period discount rate assumption of 7.45%, as well as what the net OPEB asset would be if it were calculated using a discount rate that is one percentage point lower (6.45%) or one percentage point higher (8.45%) than the current assumption. Also shown is the net OPEB asset as if it were calculated using health care cost trend rates that are one percentage point lower or one percentage point higher than the current health care cost trend rates.

	1% Decrease	Current Discount Rate	1% Increase
	District's proportionate share of the net OPEB asset	\$ 527,810	\$ 618,551

	1% Decrease	Current Trend Rate	1% Increase
	District's proportionate share of the net OPEB asset	\$ 701,408	\$ 618,551

**COLONEL CRAWFORD LOCAL SCHOOL DISTRICT  
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NOTES TO THE BASIC FINANCIAL STATEMENTS  
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**NOTE 14 - BUDGETARY BASIS OF ACCOUNTING**

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

The statement of revenue, expenditures and changes in fund balance - budget and actual (non-GAAP budgetary basis) presented for the general fund is presented on the budgetary basis to provide a meaningful comparison of actual results with the budget. The major differences between the budget basis and the GAAP basis are that:

- (a) Revenues and other financing sources are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis);
- (b) Expenditures and other financing uses are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis);
- (c) In order to determine compliance with Ohio law, and to reserve that portion of the applicable appropriation, total outstanding encumbrances (budget basis) are recorded as the equivalent of an expenditure, as opposed to assigned or committed fund balance for that portion of outstanding encumbrances not already recognized as an account payable (GAAP basis);
- (d) Advances-in and advances-out are operating transactions (budget basis) as opposed to balance sheet transactions (GAAP basis); and,
- (e) Some funds are included in the general fund (GAAP basis), but have separate legally adopted budgets (budget basis).

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

**Net Change in Fund Balance**

	<u>General fund</u>
Budget basis	\$ 555,542
Net adjustment for revenue accruals	(111,866)
Net adjustment for expenditure accruals	(124,067)
Net adjustment for other sources/uses	(12,404)
Funds budgeted elsewhere	(37,505)
Adjustment for encumbrances	91,672
GAAP basis	\$ 361,372

Certain funds that are legally budgeted in separate special revenue funds are considered part of the general fund on a GAAP basis. This includes the public school support fund, other grants fund, the special enterprise fund, the NWDAB tournament fund, and the termination benefits fund.

**COLONEL CRAWFORD LOCAL SCHOOL DISTRICT  
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NOTES TO THE BASIC FINANCIAL STATEMENTS  
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**NOTE 15 - CONTINGENCIES**

**A. Grants**

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

**B. Litigation**

The District is involved in no material litigation as either plaintiff or defendant.

**C. Foundation Funding**

School District foundation funding is based on the annualized full-time equivalent (FTE) enrollment of each student. The Ohio Department of Education (ODE) is legislatively required to adjust/reconcile funding as enrollment information is updated by schools throughout the State, which can extend past the fiscal year end. As of the date of this report, ODE has finalized the impact of enrollment of adjustments to the June 30, 2020 Foundation funding and \$6,305 is owed to the District. Of this amounts, \$3,822 was included as intergovernmental receivable as of June 30, 2020.

**NOTE 16 - SET-ASIDES**

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

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

	<u>Capital Improvements</u>
Set-aside balance June 30, 2019	\$ -
Current year set-aside requirement	173,381
Prior year offset from bond proceeds	<u>(173,381)</u>
Total	<u>\$ -</u>
Balance carried forward to fiscal year 2021	<u>\$ -</u>
Set-aside balance June 30, 2020	<u>\$ -</u>

The District has \$12,365,789 in debt proceeds that will be available in future fiscal years as a capital improvement offset.

**COLONEL CRAWFORD LOCAL SCHOOL DISTRICT  
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NOTES TO THE BASIC FINANCIAL STATEMENTS  
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**NOTE 17 - CONTRACTUAL AND OTHER COMMITMENTS**

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

<u>Fund</u>	<u>Year-End Encumbrances</u>
General fund	\$ 92,381
Other governmental	<u>64,955</u>
Total	<u>\$ 157,336</u>

**NOTE 18 - COVID-19**

The United States and the State of Ohio declared a state of emergency in March 2020 due to the COVID-19 pandemic. The financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the District. The District's investment portfolio and the investments of the pension and other employee benefit plans are subject to increased market volatility, which could result in a significant decline in fair value, consistent with the general decline in financial markets. However, because the values of individual investments fluctuate with market conditions, the amount of losses that will be recognized in subsequent periods, if any, cannot be determined. In addition, the impact on the District's future operating costs, revenues, and any recovery from emergency funding, either federal or state, cannot be estimated.

**REQUIRED SUPPLEMENTARY INFORMATION**

**COLONEL CRAWFORD LOCAL SCHOOL DISTRICT  
CRAWFORD COUNTY, OHIO**

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF  
THE NET PENSION LIABILITY  
SCHOOL EMPLOYEES RETIREMENT SYSTEM (SERS) OF OHIO

LAST SEVEN FISCAL YEARS

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
District's proportion of the net pension liability	0.04250510%	0.04077340%	0.03922180%	0.03971960%
District's proportionate share of the net pension liability	\$ 2,543,155	\$ 2,335,168	\$ 2,343,416	\$ 2,907,108
District's covered payroll	\$ 1,535,052	\$ 1,411,970	\$ 1,271,536	\$ 1,236,907
District's proportionate share of the net pension liability as a percentage of its covered payroll	165.67%	165.38%	184.30%	235.03%
Plan fiduciary net position as a percentage of the total pension liability	70.85%	71.36%	69.50%	62.98%

Note: Information prior to 2014 was unavailable. Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

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

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

<u>2016</u>	<u>2015</u>	<u>2014</u>
0.04089250%	0.04338000%	0.04338000%
\$ 2,333,366	\$ 2,195,437	\$ 2,579,669
\$ 1,231,077	\$ 1,260,527	\$ 1,272,146
189.54%	174.17%	202.78%
69.16%	71.70%	65.52%

**COLONEL CRAWFORD LOCAL SCHOOL DISTRICT  
CRAWFORD COUNTY, OHIO**

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF  
THE NET PENSION LIABILITY  
STATE TEACHERS RETIREMENT SYSTEM (STRS) OF OHIO

LAST SEVEN FISCAL YEARS

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
District's proportion of the net pension liability	0.03734668%	0.03675975%	0.03570122%	0.03542358%
District's proportionate share of the net pension liability	\$ 8,258,994	\$ 8,082,644	\$ 8,480,901	\$ 11,857,340
District's covered payroll	\$ 4,491,157	\$ 4,073,764	\$ 4,037,114	\$ 3,762,100
District's proportionate share of the net pension liability as a percentage of its covered payroll	183.89%	198.41%	210.07%	315.18%
Plan fiduciary net position as a percentage of the total pension liability	77.40%	77.31%	75.30%	66.80%

Note: Information prior to 2014 was unavailable. Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

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

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION



<u>2016</u>	<u>2015</u>	<u>2014</u>
0.03445552%	0.03536731%	0.03536731%
\$ 9,522,498	\$ 8,602,554	\$ 10,247,306
\$ 3,594,857	\$ 3,613,562	\$ 3,812,792
264.89%	238.06%	268.76%
72.10%	74.70%	69.30%

**COLONEL CRAWFORD LOCAL SCHOOL DISTRICT  
CRAWFORD COUNTY, OHIO**

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF DISTRICT PENSION CONTRIBUTIONS  
SCHOOL EMPLOYEES RETIREMENT SYSTEM (SERS) OF OHIO

LAST TEN FISCAL YEARS

	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>
Contractually required contribution	\$ 217,003	\$ 207,232	\$ 190,616	\$ 178,015
Contributions in relation to the contractually required contribution	(217,003)	(207,232)	(190,616)	(178,015)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -
District's covered payroll	\$ 1,550,021	\$ 1,535,052	\$ 1,411,970	\$ 1,271,536
Contributions as a percentage of covered payroll	14.00%	13.50%	13.50%	14.00%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
\$ 173,167	\$ 162,256	\$ 174,709	\$ 176,065	\$ 160,508	\$ 146,200
<u>(173,167)</u>	<u>(162,256)</u>	<u>(174,709)</u>	<u>(176,065)</u>	<u>(160,508)</u>	<u>(146,200)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 1,236,907	\$ 1,231,077	\$ 1,260,527	\$ 1,272,146	\$ 1,193,368	\$ 1,163,087
14.00%	13.18%	13.86%	13.84%	13.45%	12.57%

**COLONEL CRAWFORD LOCAL SCHOOL DISTRICT  
CRAWFORD COUNTY, OHIO**

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF DISTRICT PENSION CONTRIBUTIONS  
STATE TEACHERS RETIREMENT SYSTEM (STRS) OF OHIO

	LAST TEN FISCAL YEARS			
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Contractually required contribution	\$ 642,754	\$ 628,762	\$ 570,327	\$ 565,196
Contributions in relation to the contractually required contribution	<u>(642,754)</u>	<u>(628,762)</u>	<u>(570,327)</u>	<u>(565,196)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 4,591,100	\$ 4,491,157	\$ 4,073,764	\$ 4,037,114
Contributions as a percentage of covered payroll	14.00%	14.00%	14.00%	14.00%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
\$ 526,694	\$ 503,280	\$ 469,763	\$ 495,663	\$ 501,072	\$ 498,467
<u>(526,694)</u>	<u>(503,280)</u>	<u>(469,763)</u>	<u>(495,663)</u>	<u>(501,072)</u>	<u>(498,467)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 3,762,100	\$ 3,594,857	\$ 3,613,562	\$ 3,812,792	\$ 3,854,400	\$ 3,834,362
14.00%	14.00%	13.00%	13.00%	13.00%	13.00%

**COLONEL CRAWFORD LOCAL SCHOOL DISTRICT  
CRAWFORD COUNTY, OHIO**

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF  
THE NET OPEB LIABILITY  
SCHOOL EMPLOYEES RETIREMENT SYSTEM (SERS) OF OHIO

LAST FOUR FISCAL YEARS

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
District's proportion of the net OPEB liability	0.04310050%	0.04116190%	0.03941900%	0.04008041%
District's proportionate share of the net OPEB liability	\$ 1,083,887	\$ 1,141,942	\$ 1,057,902	\$ 1,142,440
District's covered payroll	\$ 1,535,052	\$ 1,411,970	\$ 1,271,536	\$ 1,236,907
District's proportionate share of the net OPEB liability as a percentage of its covered payroll	70.61%	80.88%	83.20%	92.36%
Plan fiduciary net position as a percentage of the total OPEB liability	15.57%	13.57%	12.46%	11.49%

Note: Information prior to 2017 was unavailable. Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

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

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

**COLONEL CRAWFORD LOCAL SCHOOL DISTRICT  
CRAWFORD COUNTY, OHIO**

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF  
THE NET OPEB LIABILITY/ASSET  
STATE TEACHERS RETIREMENT SYSTEM (STRS) OF OHIO

LAST FOUR FISCAL YEARS

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
District's proportion of the net OPEB liability/asset	0.03734668%	0.03675975%	0.03570122%	0.03542358%
District's proportionate share of the net OPEB liability/(asset)	\$ (618,551)	\$ (590,692)	\$ 1,392,930	\$ 1,894,462
District's covered payroll	\$ 4,491,157	\$ 4,073,764	\$ 4,037,114	\$ 3,762,100
District's proportionate share of the net OPEB liability/asset as a percentage of its covered payroll	13.77%	14.50%	34.50%	50.36%
Plan fiduciary net position as a percentage of the total OPEB liability/asset	174.70%	176.00%	47.10%	37.30%

Note: Information prior to 2017 was unavailable. Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

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

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

**COLONEL CRAWFORD LOCAL SCHOOL DISTRICT  
CRAWFORD COUNTY, OHIO**

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF DISTRICT OPEB CONTRIBUTIONS  
SCHOOL EMPLOYEES RETIREMENT SYSTEM (SERS) OF OHIO

LAST TEN FISCAL YEARS

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Contractually required contribution	\$ 25,693	\$ 31,832	\$ 28,397	\$ 19,717
Contributions in relation to the contractually required contribution	<u>(25,693)</u>	<u>(31,832)</u>	<u>(28,397)</u>	<u>(19,717)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 1,550,021	\$ 1,535,052	\$ 1,411,970	\$ 1,271,536
Contributions as a percentage of covered payroll	1.66%	2.07%	2.01%	1.55%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION



<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
\$ 19,547	\$ 31,597	\$ 22,878	\$ 19,232	\$ 23,768	\$ 33,500
<u>(19,547)</u>	<u>(31,597)</u>	<u>(22,878)</u>	<u>(19,232)</u>	<u>(23,768)</u>	<u>(33,500)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 1,236,907	\$ 1,231,077	\$ 1,260,527	\$ 1,272,146	\$ 1,193,368	\$ 1,163,087
1.58%	2.57%	1.81%	1.51%	1.99%	2.88%

**COLONEL CRAWFORD LOCAL SCHOOL DISTRICT  
CRAWFORD COUNTY, OHIO**

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF DISTRICT OPEB CONTRIBUTIONS  
STATE TEACHERS RETIREMENT SYSTEM (STRS) OF OHIO

	LAST TEN FISCAL YEARS			
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Contractually required contribution	\$ -	\$ -	\$ -	\$ -
Contributions in relation to the contractually required contribution	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 4,591,100	\$ 4,491,157	\$ 4,073,764	\$ 4,037,114
Contributions as a percentage of covered payroll	0.00%	0.00%	0.00%	0.00%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
\$ -	\$ -	\$ 37,367	\$ 38,128	\$ 38,544	\$ 38,344
-	-	(37,367)	(38,128)	(38,544)	(38,344)
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 3,762,100	\$ 3,594,857	\$ 3,613,562	\$ 3,812,792	\$ 3,854,400	\$ 3,834,362
0.00%	0.00%	1.00%	1.00%	1.00%	1.00%

**COLONEL CRAWFORD LOCAL SCHOOL DISTRICT  
CRAWFORD COUNTY, OHIO**

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

PENSION

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*SCHOOL EMPLOYEES RETIREMENT SYSTEM (SERS) OF OHIO*

Changes in benefit terms: There were no changes in benefit terms from the amounts reported for fiscal years 2014-2017. For fiscal year 2018, SERS changed from a fixed 3% annual increase to a Cost of Living Adjustment (COLA) based on the changes in the Consumer Price Index (CPI-W), with a cap of 2.5% and a floor of 0%. There were no changes in benefit terms from the amounts previously reported for fiscal years 2019-2020.

Changes in assumptions: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal years 2014-2016. For fiscal year 2017, the following changes of assumptions affected the total pension liability since the prior measurement date: (a) the assumed rate of inflation was reduced from 3.25% to 3.00%, (b) payroll growth assumption was reduced from 4.00% to 3.50%, (c) assumed real wage growth was reduced from 0.75% to 0.50%, (d) Rates of withdrawal, retirement and disability were updated to reflect recent experience, (e) mortality among active members was updated to RP-2014 Blue Collar Mortality Table with fully generational projection and a five year age set-back for both males and females, (f) 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, (g) mortality among disabled members was updated to 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 and (h) the discount rate was reduced from 7.75% to 7.50%. There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal years 2018-2020.

*STATE TEACHERS RETIREMENT SYSTEM (STRS) OF OHIO*

Changes in benefit terms: There were no changes in benefit terms from the amounts reported for fiscal years 2014-2017. For fiscal year 2018, STRS decreased the Cost of Living Adjustment (COLA) to zero. There were no changes in benefit terms from amounts previously reported for fiscal years 2019-2020.

Changes in assumptions: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal years 2014-2017. For fiscal year 2018, the following changes of assumption affected the total pension liability since the prior measurement date: (a) the long term expected rate of return was reduced from 7.75% to 7.45%, (b) the inflation assumption was lowered from 2.75% to 2.50%, (c) the payroll growth assumption was lowered to 3.00%, (d) total salary increases rate was lowered by decreasing the merit component of the individual salary increases, in addition to a decrease of 0.25% due to lower inflation (e) the healthy and disabled mortality assumptions were updated to the RP-2014 mortality tables with generational improvement scale MP-2016 and (f) rates of retirement, termination and disability were modified to better reflect anticipated future experience. There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2020.

(Continued)

**COLONEL CRAWFORD LOCAL SCHOOL DISTRICT  
CRAWFORD COUNTY, OHIO**

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION (CONTINUED)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

OTHER POSTEMPLOYMENT BENEFITS (OPEB)

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*SCHOOL EMPLOYEES RETIREMENT SYSTEM (SERS) OF OHIO*

Changes in benefit terms: There were no changes in benefit terms from the amounts previously reported for fiscal years 2017-2020.

Changes in assumptions: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2017. For fiscal year 2018, the following changes of assumptions affected the total OPEB liability since the prior measurement date: (a) assumed rate of inflation was reduced from 3.25% to 3.00%, (b) payroll growth assumption was reduced from 4.00% to 3.50%, (c) assumed real wage growth was reduced from 0.75% to 0.50%, (d) rates of withdrawal, retirement, and disability were updated to reflect recent experience, (e) 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, (f) 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, (g) 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, (h) the municipal bond index rate increased from 2.92% to 3.56% and (i) the single equivalent interest rate, net of plan investment expense, including price inflation increased from 2.98% to 3.63%. For fiscal year 2019, the following changes of assumptions affected the total OPEB liability since the prior measurement date: (a) the discount rate increased from 3.63% to 3.70%, (b) the health care cost trend rates for Medicare were changed from a range of 5.50%-5.00% to a range of 5.375%-4.75% and Pre-Medicare were changed from a range of 7.50%-5.00% to a range of 7.25%-4.75%, (c) the municipal bond index rate increased from 3.56% to 3.62% and (d) the single equivalent interest rate, net of plan investment expense, including price inflation increased from 3.63% to 3.70%. For fiscal year 2020, the following changes of assumptions affected the total OPEB liability since the prior measurement date: (a) the discount rate decreased from 3.70% to 3.22%, (b) the health care cost trend rates for Medicare were changed from a range of 5.375%-4.75% to a range of 5.25%-4.75% and Pre-Medicare were changed from a range of 7.25%-4.75% to a range of 7.00%-4.75%, (c) the municipal bond index rate decreased from 3.62% to 3.13% and (d) the single equivalent interest rate, net of plan investment expense, including price inflation decreased from 3.70% to 3.22%.

*STATE TEACHERS RETIREMENT SYSTEM (STRS) OF OHIO*

Changes in benefit terms: There were no changes in benefit terms from the amounts previously reported for fiscal year 2017. For fiscal year 2018, STRS reduced the subsidy multiplier for non-Medicare benefit recipients from 2.1% to 1.9% per year of service. Medicare Part B premium reimbursements were discontinued for certain survivors and beneficiaries and all remaining Medicare Part B premium reimbursements will be discontinued beginning January 2019. For fiscal year 2019, STRS increased the subsidy multiplier for non-Medicare benefit recipients from 1.9% to 1.944% per year of service effective January 1, 2019. The non-Medicare frozen subsidy base premium was increased January 1, 2019 and all remaining Medicare Part B premium reimbursements will be discontinued beginning January 1, 2020. For fiscal year 2020, STRS increase the subsidy percentage from 1.944% to 1.984% 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.

Changes in assumptions: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2017. For fiscal year 2018, the following changes of assumption affected the total OPEB liability since the prior measurement date: (a) the discount rate was increased from 3.26% to 4.13% based on the methodology defined under GASB Statement No. 74, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans (OPEB), (b) the long term expected rate of return was reduced from 7.75% to 7.45%, (c) valuation year per capita health care costs were updated, and the salary scale was modified, (d) the percentage of future retirees electing each option was updated based on current data and the percentage of future disabled retirees and terminated vested participants electing health coverage were decreased and (e) the assumed mortality, disability, retirement, withdrawal and future health care cost trend rates were modified along with the portion of rebated prescription drug costs. For fiscal year 2019, the following changes of assumptions affected the total OPEB liability/asset since the prior measurement date: (a) the discount rate was increased from the blended rate of 4.13% to the long-term expected rate of return of 7.45% based on the methodology defined under GASB Statement No. 74, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans (OPEB) and (b) decrease in health care cost trend rates from 6.00%-11.00% initial; 4.50% ultimate down to Medical Pre-Medicare 6.00% and Medicare 5.00% initial; 4.00% ultimate and Prescription Drug Pre-Medicare 8.00% and Medicare (5.23%) initial; 4.00% ultimate. For fiscal year 2020, health care cost trend rates were changed to the following: medical pre-medicare from 6.00% initial - 4.00% ultimate down to 5.87% initial - 4.00% ultimate; medical medicare from 5.00% initial - 4.00% ultimate down to 4.93% initial - 4.00% ultimate; prescription drug pre-medicare from 8.00% initial - 4.00% ultimate down to 7.73% initial - 4.00% ultimate and (5.23%) initial - 4.00% ultimate up to 9.62% initial - 4.00% ultimate.

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# OHIO AUDITOR OF STATE KEITH FABER



88 East Broad Street, 5<sup>th</sup> Floor  
Columbus, Ohio 43215-3506  
(614) 466-3402 or (800) 443-9275  
CentralRegion@ohioauditor.gov

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

Colonel Crawford Local School District  
Crawford County  
2303 State Route 602  
North Robinson, Ohio 44856

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 Colonel Crawford School District, Crawford County, Ohio (the District), as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated April 1, 2021, wherein we noted the District adopted new accounting guidance in Governmental Accounting Standards Board (GASB) Statement No. 84, *Fiduciary Activities*. We also noted the financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the District.

### ***Internal Control Over Financial Reporting***

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

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

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

***Compliance and Other Matters***

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

***Purpose of this Report***

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



Keith Faber  
Auditor of State  
Columbus, Ohio

April 1, 2021



# OHIO AUDITOR OF STATE KEITH FABER



**COLONEL CRAWFORD LOCAL SCHOOL DISTRICT**

**CRAWFORD 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 5/6/2021**

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](http://www.ohioauditor.gov)