



OHIO AUDITOR OF STATE  
**KEITH FABER**





**CRESTWOOD LOCAL SCHOOL DISTRICT  
PORTAGE COUNTY  
JUNE 30, 2021**

**TABLE OF CONTENTS**

<b>TITLE</b>	<b>PAGE</b>
Independent Auditor's Report .....	1
Prepared by Management:	
Management's Discussion and Analysis .....	5
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Position .....	15
Statement of Activities.....	16
Fund Financial Statements:	
Balance Sheet	
Governmental Funds .....	17
Reconciliation of Total Governmental Fund Balances to Net Position of Governmental Activities .....	18
Statement of Revenues, Expenditures and Changes in Fund Balance Governmental Funds .....	19
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities .....	20
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (Budget Basis) General Fund.....	21
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (Budget Basis) Classroom Facilities Maintenance.....	22
Statement of Fiduciary Net Position	
Fiduciary Funds .....	23
Statement of Changes in Fiduciary Net Position Fiduciary Funds .....	24
Notes to the Basic Financial Statements .....	25

**CRESTWOOD LOCAL SCHOOL DISTRICT  
PORTAGE COUNTY  
JUNE 30, 2021**

**TABLE OF CONTENTS  
(Continued)**

<b>TITLE</b>	<b>PAGE</b>
Required Supplementary Information:	
Schedule of the School District's Proportionate Share of the Net Pension Liability (School Employees Retirement System and State Teachers Retirement System).....	66
Schedule of the School District Contributions - Pension (School Employees Retirement System and State Teachers Retirement System) .....	68
Schedule of the School District's Proportionate Share of the Net OPEB Liability (Asset) (School Employees Retirement System and State Teachers Retirement System).....	71
Schedule of the School District's Contributions - OPEB (School Employees Retirement System and State Teachers Retirement System) .....	72
Notes to Required Supplementary Information .....	74
Schedule of Expenditures of Federal Awards .....	77
Notes to the Schedule of Expenditures of Federal Awards .....	78
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i> .....	79
Independent Auditor's Report on Compliance with Requirements Applicable to the Major Federal Program and on Internal Control Over Compliance Required by the Uniform Guidance.....	81
Schedule of Findings.....	83

# OHIO AUDITOR OF STATE KEITH FABER



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

## INDEPENDENT AUDITOR'S REPORT

Crestwood Local School District  
Portage County  
10880 John Edward Drive  
Mantua, Ohio 44255

To the Board of Education:

### ***Report on the Financial Statements***

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

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditor's Responsibility***

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

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

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

***Opinion***

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

***Emphasis of Matter***

As discussed in Note 2P to the financial statements, during 2021, the District adopted new accounting guidance in Governmental Accounting Standards Board (GASB) Statement No. 84, *Fiduciary Activities*. As discussed in Note 19 to the financial statements, the financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the District. We did not modify our opinion regarding these matters.

***Other Matters***

***Required Supplementary Information***

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

***Supplementary and Other Information***

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

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

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

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated March 18, 2022, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.



Keith Faber  
Auditor of State  
Columbus, Ohio

March 18, 2022

**This page intentionally left blank.**



**Crestwood Local School District**  
**Portage County, Ohio**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2021*  
*(Unaudited)*

---

---

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

***Financial Highlights***

Key financial highlights for 2021 are as follows:

- Net position increased \$840,447, which represents a 22 percent increase from restated 2020 net position.
- Capital assets decreased \$626,846 during fiscal year 2021.
- During the fiscal year, outstanding debt decreased from \$3,040,424 to \$2,222,759.

***Using this Annual Report***

This annual report consists of a series of financial statements and notes to those statements. The statements are organized so the reader can understand the School District as a whole 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 School District, presenting both an aggregate view of the School District's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. The fund financial statements also look at the School District's most significant funds with all other nonmajor funds presented in total in one column. In the case of the School District, the general fund and the classroom facilities maintenance fund are the most significant funds.

***Reporting the School District as a Whole***

*Statement of Net Position and the Statement of Activities*

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

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

**Crestwood Local School District**  
**Portage County, Ohio**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2021*  
*(Unaudited)*

---

---

In the *Statement of Net Position* and the *Statement of Activities*, governmental activities include the School District's programs and services, including instruction, support services, extracurricular activities, and non-instructional services, i.e., food service operations.

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

***Fund Financial Statements***

Fund financial reports provide detailed information about the School District's major funds. The School District uses many funds to account for a multitude of financial transactions; however, these fund financial statements focus on the School District's most significant funds. The School District's major governmental funds are the general fund and classroom facilities maintenance fund.

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

***Reporting the School District's Fiduciary Responsibilities***

The School District is the trustee, or fiduciary, for some of its scholarship programs. This activity is presented as a private purpose trust fund. The School District also acts in a trustee capacity as an agent for individuals, private organizations, other governmental units and/or other funds. These activities are reported in fiduciary funds. The School District's fiduciary activities are reported in separate *Statements of Fiduciary Net Position* and *Changes in Fiduciary Net Position*. These activities are excluded from the School District's other financial statements because the assets cannot be utilized by the School District to finance its operations.

*This space intentionally left blank.*

**Crestwood Local School District**  
**Portage County, Ohio**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2021*  
*(Unaudited)*

**The School District as a Whole**

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

**Table 1**  
**Net Position**

	Governmental Activities		
	2021	Restated 2020	Change
<b>Assets</b>			
Current & Other Assets	\$ 20,498,796	\$ 18,452,083	\$ 2,187,163
Net Pension/OPEB Asset	1,175,432	1,134,988	40,444
Capital Assets	13,670,134	14,296,980	(626,846)
<i>Total Assets</i>	<u>35,344,362</u>	<u>33,743,601</u>	<u>1,600,761</u>
<b>Deferred Outflows of Resources</b>			
Deferred Charges	28,665	39,089	(10,424)
Pension & OPEB	4,282,429	4,096,969	185,460
<i>Total Deferred Outflows of Resources</i>	<u>4,311,094</u>	<u>4,136,058</u>	<u>175,036</u>
<b>Liabilities</b>			
Current & Other Liabilities	2,329,800	2,282,980	46,820
Long-Term Liabilities:			
Due Within One Year	936,288	915,672	20,616
Due In More Than One Year:			
Pension & OPEB	24,448,216	23,433,186	1,015,030
Other Amounts	2,588,234	3,469,914	(881,680)
<i>Total Liabilities</i>	<u>30,302,538</u>	<u>30,101,752</u>	<u>200,786</u>
<b>Deferred Inflows of Resources</b>			
Property Taxes	7,880,427	6,362,441	1,517,986
Pension & OPEB	4,446,492	5,229,914	(783,422)
<i>Total Deferred Inflows of Resources</i>	<u>12,326,919</u>	<u>11,592,355</u>	<u>734,564</u>
<b>Net Position</b>			
Net Investment in Capital Assets	11,585,068	11,438,800	146,268
Restricted	4,600,533	4,053,980	546,553
Unrestricted	(19,159,602)	(19,307,228)	147,626
<i>Total Net Position</i>	<u>\$ (2,974,001)</u>	<u>\$ (3,814,448)</u>	<u>\$ 840,447</u>

**Crestwood Local School District**  
**Portage County, Ohio**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2021*  
*(Unaudited)*

---

---

Collectively, the net pension liability (NPL), reported pursuant to GASB Statement 68, *Accounting and Financial Reporting for Pensions—an Amendment of GASB Statement 27* and the net OPEB liability, pursuant to GASB Statement 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, are the largest liabilities reported by the School District at June 30, 2021. For reasons discussed below, many end users of this financial statement will gain a clearer understanding of the School District's actual financial condition by adding deferred inflows related to pension and OPEB, the net pension liability and the net OPEB asset/liability (NOA/NOL) to the reported net position and subtracting deferred outflows related to pension and OPEB.

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/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 asset/liability to equal the School District's proportionate share of each plan's collective:

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

GASB notes that pension and OPEB obligations, whether funded or unfunded, are part of the "employment exchange" – that is, the employee is trading his or her labor in exchange for wages, benefits, and the promise of a future pension and other postemployment benefits. GASB noted that the unfunded portion of this promise is a present obligation of the government, part of a bargained-for benefit to the employee, and should accordingly be reported by the government as a liability since they received the benefit of the exchange. However, the School District is not responsible for certain key factors affecting the balance of these assets/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. For STRS, the plan's fiduciary net OPEB position was sufficient to cover the plan's total OPEB liability resulting in a net OPEB asset for fiscal year 2021 that is allocated to each school based on its proportionate share. The retirement system is responsible for the administration of the pension and OPEB plans.

**Crestwood Local School District**  
**Portage County, Ohio**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2021*  
*(Unaudited)*

---

---

Most long-term liabilities have set repayment schedules or, in the case of compensated absences (i.e. sick and vacation leave), are satisfied through paid time-off or termination payments. There is no repayment schedule for the net pension liability or the net OPEB liability reported by the retirement boards. 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 School District's statements prepared on an accrual basis of accounting include an annual pension expense and an annual OPEB expense for their proportionate share of each plan's change in net pension liability and net OPEB asset/liability, respectively, not accounted for as deferred inflows/outflows.

At year end, capital assets represented 39 percent of total assets. Capital assets include land, construction in progress, land improvements, buildings, furniture and equipment, and vehicles. Net investment in capital assets was \$11,585,068 at June 30, 2021. These capital assets are used to provide services to students and are not available for future spending. Although the School 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 School District's net position, \$4,600,533, represents resources that are subject to external restrictions on how they may be used. The balance of government-wide unrestricted net position is a deficit of \$19,159,602.

The increase in current assets was due to an increase in Property Tax receivable and a decrease in taxes available for advance at June 30.

There was a decrease in other long-term liabilities due to a decrease in long-term debt as a result of principal payments during fiscal year 2021.

There was a significant change in net pension/OPEB liability/asset for the School District. These fluctuations are due to changes in the actuarial liabilities/assets and related accruals that are passed through to the School District's financial statements. All components of pension and OPEB accruals contribute to the fluctuations in deferred outflows/inflows and NPL/NOL/NOA and are described in more detail in their respective notes.

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

**Crestwood Local School District**  
**Portage County, Ohio**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2021*  
(Unaudited)

**Table 2**  
**Changes in Net Position**

	Governmental Activities		
	2021	2020	Change
<b>Revenues</b>			
<i>Program Revenues</i>			
Charges for Services	\$ 1,160,168	\$ 1,285,446	\$ (125,278)
Operating Grants	2,857,332	1,958,914	898,418
Capital Grants	-	23,160	(23,160)
<i>Total Program Revenues</i>	<u>4,017,500</u>	<u>3,267,520</u>	<u>749,980</u>
<b>General Revenues</b>			
Property Taxes	7,832,728	8,714,160	(881,432)
Grants & Entitlements	11,118,712	10,979,546	139,166
Miscellaneous	620,438	617,633	2,805
<i>Total General Revenues</i>	<u>19,571,878</u>	<u>20,311,339</u>	<u>(739,461)</u>
<i>Total Revenues</i>	<u>23,589,378</u>	<u>23,578,859</u>	<u>10,519</u>
<b>Program Expenses</b>			
Instruction:			
Regular	8,861,500	8,886,697	(25,197)
Special	3,405,777	3,378,798	26,979
Vocational	121,611	142,711	(21,100)
Student Intervention Services	405,472	402,775	2,697
Other	1,863,801	1,605,223	258,578
Support Services:			
Pupils	689,912	763,958	(74,046)
Instructional Staff	44,600	115,892	(71,292)
Board of Education	20,471	24,786	(4,315)
Administration	1,699,980	1,659,632	40,348
Fiscal	538,831	500,132	38,699
Business	102,934	89,375	13,559
Operation and Maintenance of Plant	2,102,132	2,238,716	(136,584)
Pupil Transportation	1,355,715	1,468,756	(113,041)
Central	334,051	327,779	6,272
Operation of Non-Instructional/Shared Services:			
Food Service Operations	643,696	544,797	98,899
Community Services	-	93,242	(93,242)
Extracurricular Activities	466,633	509,801	(43,168)
Debt Service:			
Interest and Fiscal Charges	91,815	114,093	(22,278)
<i>Total Expenses</i>	<u>22,748,931</u>	<u>22,867,163</u>	<u>(118,232)</u>
<i>Change in Net Position</i>	840,447	711,696	128,751
<i>Net Position Beginning of Year</i>	(3,814,448)	(4,666,594)	852,146
<i>Restatement - See Note 2</i>	-	140,450	(140,450)
<i>Net Position End of Year</i>	<u>\$ (2,974,001)</u>	<u>\$ (3,814,448)</u>	<u>\$ 980,897</u>

**Crestwood Local School District**  
**Portage County, Ohio**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2021*  
(Unaudited)

The comparative column in Table 2 was not restated for the implementation of GASB 84.

During the fiscal year, there was an increase in operating grants due to increased state and federal grant funding, primarily the student wellness and success and ESSER grants. Property tax revenues decreased as a result of a decrease in property tax revenue available to the School District in comparison with the prior fiscal year.

Overall, program expenses did not increase significantly. The changes in program expenses are primarily associated to changes in the School District's proportionate share of the net pension liability, net OPEB liability/asset and related accruals. As previously indicated, these items are explained in detail within their respective notes.

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

**Table 3**  
**Governmental Activities**

	Total Cost of Service		Net Cost of Service	
	2021	2020	2021	2020
Instruction:				
Regular	\$ 8,861,500	\$ 8,886,697	\$ 7,479,560	\$ 7,647,804
Special	3,405,777	3,378,798	2,090,135	2,307,126
Vocational	121,611	142,711	59,307	80,407
Student Intervention Services	405,472	402,775	405,472	402,775
Other	1,863,801	1,605,223	1,863,801	1,605,223
Support Services:				
Pupils	689,912	763,958	673,865	747,702
Instructional Staff	44,600	115,892	44,600	112,236
Board of Education	20,471	24,786	20,471	24,786
Administration	1,699,980	1,659,632	1,699,747	1,654,712
Fiscal	538,831	500,132	538,191	500,132
Business	102,934	89,375	102,934	89,375
Operation and Maintenance of Plant	2,102,132	2,238,716	2,051,470	2,222,340
Pupil Transportation	1,355,715	1,468,756	1,234,256	1,419,271
Central	334,051	327,779	326,851	324,179
Operation of Non-Instructional/Shared Services:				
Food Service Operations	643,696	544,797	(367,283)	(82,618)
Community Services	-	93,242	-	9,928
Extracurricular Activities	466,633	509,801	416,239	420,172
Debt Service:				
Interest and Fiscal Charges	91,815	114,093	91,815	114,093
<b>Total Expenses</b>	<b>\$ 22,748,931</b>	<b>\$ 22,867,163</b>	<b>\$ 18,731,431</b>	<b>\$ 19,599,643</b>

**Crestwood Local School District**  
**Portage County, Ohio**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2021*  
*(Unaudited)*

---

---

The comparative column in Table 3 was not restated for the implementation of GASB 84.

The dependence upon general revenues for governmental activities is apparent. Over 82 percent of governmental activities are supported through taxes and other general revenues; such revenues are 83 percent of total governmental revenues. The community, as a whole, is by far the primary support for the School District students.

***Governmental Funds***

The School District's funds are accounted for using the modified accrual basis of accounting

The general fund's net change in fund balance for fiscal year 2021 was an increase of \$12,934. There were no individually significant events that led to this change.

The fund balance of the classroom facilities maintenance fund decreased \$2,081. This was caused by the timing of the collection of property taxes as compared to maintenance projects completed.

***General Fund Budgeting Highlights***

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

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

***Original Budget Compared to Final Budget*** For the general fund, there was no significant changes between the original budget basis revenue and other financing sources to the final budget. The most significant change between original expenditure appropriations and final expenditure appropriations in the general fund were due to decreases in regular and special instruction.

***Final Budget Compared to Actual Results*** For the general fund, there was no significant variance between the actual budget basis revenue and other financing sources to the final budget. Final budgeted expenditures and other financing uses were higher than the actual expenditures and other financing uses as cost savings were recognized support services throughout the year.

*This space intentionally left blank.*



**Crestwood Local School District**  
**Portage County, Ohio**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2021*  
*(Unaudited)*

**Capital Assets and Debt Administration**

**Capital Assets**

Table 4 shows fiscal year 2021 balances compared with 2020. See Note 8 for more information about the capital assets of the School District.

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

	Governmental Activities	
	2021	2020
Land	\$ 801,286	\$ 801,286
Land Improvements	952,883	1,123,396
Buildings	10,758,945	11,210,469
Furniture and Equipment	702,496	710,410
Vehicles	454,524	451,419
<i>Total</i>	\$ 13,670,134	\$ 14,296,980

**Debt**

Table 5 summarizes debt outstanding. See Note 9 for additional details.

**Table 5**  
**Outstanding Debt at Year End**

	Governmental Activities	
	2021	2020
General Obligation Bonds	\$ 1,742,631	\$ 2,286,769
Lease Purchase	371,100	610,500
Capital Leases	109,028	143,155
<i>Total</i>	\$ 2,222,759	\$ 3,040,424

**Crestwood Local School District**  
**Portage County, Ohio**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2021*  
*(Unaudited)*

---

---

***Current Issues***

The Board of Education and administration closely monitor revenues and expenditures in accordance with the financial forecast. The financial future of the School District is not without its challenges though. These challenges stem from issues locally and at the State level. The local challenges will continue to exist, as the School District must rely heavily on property taxes to fund its operations. State level challenges continue to evolve as the State of Ohio determines the outcome of the Ohio Supreme Court case dealing with the unconstitutionality of the State's educational funding system.

Due to the unsettled issues in school funding, management is required to plan carefully and prudently to provide the resources to meet student needs over the next several years.

The recent cuts to the school budget from the Governor's Office had impacted the schools budget, along with two failed levy attempts in the 2020-2021 school year. Federal monies were received through ESSER I, ESSER II, ESSER III. These funds were used to ensure student and staff safety during the COVID 19 pandemic. At the conclusion of the 2020-2021 school year it was determined that we would need to reduce expenditures by \$750,000. This was accomplished through the attrition of staff retiring, and the combining of the Middle and High School buildings due to declining enrollment.

In conclusion, the School District's system of budgeting and internal controls is well regarded. All of the School District's financial abilities will be needed to meet the challenges of the future.

***Contacting the School District's Financial Management***

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the School District's finances and to show the School District's accountability for the money it receives. If you have any questions about this report or need additional financial information, contact Ms. Sarah Palm, Treasurer/CFO of Crestwood Local School District, 11260 Bowen Road, Mantua, Ohio 44255.

**Crestwood Local School District**  
**Portage County, Ohio**  
*Statement of Net Position*  
*June 30, 2021*

	Governmental Activities
<b>Assets</b>	
Equity in Pooled Cash and Investments	\$ 10,607,675
Cash and Investments in Segregated Accounts	41,992
Accounts Receivable	169,005
Intergovernmental Receivable	348,411
Property Taxes Receivable	9,331,713
Net OPEB Asset	1,175,432
Non-Depreciable Capital Assets	801,286
Depreciable Capital Assets, net	12,868,848
<i>Total Assets</i>	35,344,362
<b>Deferred Outflows of Resources</b>	
Deferred Charges on Refunding	28,665
Pension	3,654,025
OPEB	628,404
<i>Total Deferred Outflows of Resources</i>	4,311,094
<b>Liabilities</b>	
Accounts Payable	28,446
Accrued Wages and Benefits	1,776,343
Intergovernmental Payable	443,603
Accrued Interest Payable	6,453
Matured Compensated Absences Payable	74,955
Long-Term Liabilities:	
Due Within One Year	936,288
Due In More Than One Year:	
Net Pension Liability	22,381,990
Net OPEB Liability	2,066,226
Other Amounts Due in More Than One Year	2,588,234
<i>Total Liabilities</i>	30,302,538
<b>Deferred Inflows of Resources</b>	
Property Taxes Levied for the Next Year	7,880,427
Pension	1,569,989
OPEB	2,876,503
<i>Total Deferred Inflows of Resources</i>	12,326,919
<b>Net Position</b>	
Net Investment in Capital Assets	11,585,068
Restricted for:	
Capital Outlay	361,701
Debt Service	650,475
Classroom Facilities	2,606,456
State Funded Programs	229,074
Federally Funded Programs	129,876
Other Purposes	622,951
Unrestricted	(19,159,602)
<i>Total Net Position</i>	\$ (2,974,001)

See accompanying notes to the basic financial statements.

**Crestwood Local School District**  
**Portage County, Ohio**  
*Statement of Activities*  
For the Fiscal Year Ended June 30, 2021

	Program Revenues			Net (Expense) Revenue and Changes in Net Position
	Expenses	Charges for Services and Sales	Operating Grants, Contributions and Interest	Governmental Activities
<b>Governmental Activities</b>				
Instruction:				
Regular	\$ 8,861,500	\$ 1,026,312	\$ 355,628	\$ (7,479,560)
Special	3,405,777	62,984	1,252,658	(2,090,135)
Vocational	121,611	-	62,304	(59,307)
Student Intervention Services	405,472	-	-	(405,472)
Other	1,863,801	-	-	(1,863,801)
Support Services:				
Pupils	689,912	-	16,047	(673,865)
Instructional Staff	44,600	-	-	(44,600)
Board of Education	20,471	-	-	(20,471)
Administration	1,699,980	233	-	(1,699,747)
Fiscal	538,831	-	640	(538,191)
Business	102,934	-	-	(102,934)
Operation and Maintenance of Plant	2,102,132	-	50,662	(2,051,470)
Pupil Transportation	1,355,715	-	121,459	(1,234,256)
Central	334,051	-	7,200	(326,851)
Operation of Non-Instructional/Shared Services:				
Food Service Operations	643,696	24,997	985,982	367,283
Extracurricular Activities	466,633	45,642	4,752	(416,239)
Debt Service:				
Interest and Fiscal Charges	91,815	-	-	(91,815)
<i>Total</i>	<u>\$ 22,748,931</u>	<u>\$ 1,160,168</u>	<u>\$ 2,857,332</u>	<u>(18,731,431)</u>

**General Revenues**

Property Taxes Levied for:	
General Purposes	6,855,547
Debt Service	493,204
Capital Outlay	327,576
Classroom Facility Maintenance	156,401
Grants and Entitlements not Restricted to Specific Programs	11,118,712
Investment Earnings	12,630
Miscellaneous	607,808
<i>Total General Revenues</i>	<u>19,571,878</u>
<i>Change in Net Position</i>	840,447
<i>Net Position Beginning of Year (Restated, See Note 2)</i>	<u>(3,814,448)</u>
<i>Net Position End of Year</i>	<u>\$ (2,974,001)</u>

See accompanying notes to the basic financial statements.

**Crestwood Local School District**  
**Portage County, Ohio**  
*Balance Sheet*  
*Governmental Funds*  
*June 30, 2021*

	General	Classrom Facilities Maintenance	Other Governmental Funds	Total Governmental Funds
<b>Assets</b>				
Equity in Pooled Cash and Investments	\$ 6,350,661	\$ 2,586,865	\$ 1,670,149	\$ 10,607,675
Cash and Investments in Segregated Accounts	-	-	41,992	41,992
Accounts Receivable	83,816	-	85,189	169,005
Interfund Receivable	6,618	-	-	6,618
Intergovernmental Receivable	134,091	-	214,320	348,411
Property Taxes Receivable	8,121,132	128,348	1,082,233	9,331,713
<i>Total Assets</i>	<u>\$ 14,696,318</u>	<u>\$ 2,715,213</u>	<u>\$ 3,093,883</u>	<u>\$ 20,505,414</u>
<b>Liabilities</b>				
Accounts Payable	\$ -	\$ -	\$ 28,446	\$ 28,446
Accrued Wages and Benefits	1,654,775	-	121,568	1,776,343
Intergovernmental Payable	422,365	-	21,238	443,603
Interfund Payable	-	-	6,618	6,618
Matured Compensated Absences Payable	74,955	-	-	74,955
<i>Total Liabilities</i>	<u>2,152,095</u>	<u>-</u>	<u>177,870</u>	<u>2,329,965</u>
<b>Deferred Inflows of Resources</b>				
Property Taxes Levied for the Next Year	6,850,759	108,757	920,911	7,880,427
Unavailable Revenue	458,909	4,279	210,945	674,133
<i>Total Deferred Inflows of Resources</i>	<u>7,309,668</u>	<u>113,036</u>	<u>1,131,856</u>	<u>8,554,560</u>
<b>Fund Balances</b>				
Nonspendable	4,608	-	-	4,608
Restricted	-	2,602,177	1,823,363	4,425,540
Committed	47,470	-	-	47,470
Assigned	479,852	-	-	479,852
Unassigned	4,702,625	-	(39,206)	4,663,419
<i>Total Fund Balance</i>	<u>5,234,555</u>	<u>2,602,177</u>	<u>1,784,157</u>	<u>9,620,889</u>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i>	<u>\$ 14,696,318</u>	<u>\$ 2,715,213</u>	<u>\$ 3,093,883</u>	<u>\$ 20,505,414</u>

See accompanying notes to the basic financial statements.

**Crestwood Local School District**  
**Portage County, Ohio**  
*Reconciliation of Total Governmental Fund Balances to*  
*Net Position of Governmental Activities*  
June 30, 2021

<b>Total Governmental Fund Balances</b>		\$ 9,620,889
<i>Amounts reported for governmental activities in the statement of net position are different because:</i>		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		13,670,134
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds:		
Intergovernmental	\$ 167,499	
Delinquent Property Taxes	368,844	
Excess Costs	94,015	
SERS Reimbursement	43,775	674,133
Accrued interest payable is not due and payable in the current period and therefore not reported in the funds.		(6,453)
Unamortized loss on refunding represents deferred outflows, which do not use current financial resources and, therefore, are not reported in the funds.		28,665
The net pension liability and net OPEB liability are not due and payable in the current period, therefore, the liability and related deferred inflows/outflows are not reported in governmental funds.		
Net OPEB Asset	1,175,432	
Deferred Outflows - Pension	3,654,025	
Deferred Outflows - OPEB	628,404	
Net Pension Liability	(22,381,990)	
Net OPEB Liability	(2,066,226)	
Deferred Inflows - Pension	(1,569,989)	
Deferred Inflows - OPEB	(2,876,503)	(23,436,847)
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:		
General Obligation Bonds	(1,690,000)	
Unamortized Bond Premium	(52,631)	
Early Retirement Incentive	(35,000)	
Lease Purchase	(371,100)	
Capital Leases	(109,028)	
Compensated Absences	(1,266,763)	(3,524,522)
<i>Net Position of Governmental Activities</i>		\$ (2,974,001)

See accompanying notes to the basic financial statements.

**Crestwood Local School District**  
**Portage County, Ohio**  
*Statement of Revenues, Expenditures and Changes in Fund Balances*  
*Governmental Funds*  
*For the Fiscal Year Ended June 30, 2021*

	General	Classroom Facilities Maintenance	Other Governmental Funds	Total Governmental Funds
<b>Revenues</b>				
Property and Other Local Taxes	\$ 6,815,496	\$ 155,987	\$ 816,062	\$ 7,787,545
Intergovernmental	11,491,137	51,302	2,325,272	13,867,711
Investment Income	12,630	-	40	12,670
Tuition and Fees	983,612	-	-	983,612
Extracurricular Activities	73,884	-	45,086	118,970
Charges for Services	43,704	-	24,997	68,701
Rent	595	-	-	595
Contributions and Donations	13,989	-	14,493	28,482
Miscellaneous	515,065	-	92,743	607,808
<i>Total Revenues</i>	<u>19,950,112</u>	<u>207,289</u>	<u>3,318,693</u>	<u>23,476,094</u>
<b>Expenditures</b>				
Current:				
Instruction:				
Regular	7,849,729	-	247,718	8,097,447
Special	2,711,519	-	709,827	3,421,346
Vocational	122,411	-	-	122,411
Student Intervention Services	405,472	-	-	405,472
Other	1,870,670	-	-	1,870,670
Support Services:				
Pupils	666,421	-	15,904	682,325
Instructional Staff	78,688	-	-	78,688
Board of Education	20,471	-	-	20,471
Administration	1,708,623	-	-	1,708,623
Fiscal	537,867	2,175	17,700	557,742
Business	102,934	-	-	102,934
Operation and Maintenance of Plant	1,859,932	172,295	11,674	2,043,901
Pupil Transportation	1,306,494	-	92,636	1,399,130
Central	332,802	-	3,020	335,822
Operation of Non-Instructional/Shared Services:				
Food Service Operations	-	-	645,239	645,239
Extracurricular Activities	320,506	-	117,191	437,697
Capital Outlay	-	34,900	103,147	138,047
Debt Service				
Principal Retirement	-	-	798,527	798,527
Interest and Fiscal Charges	-	-	94,076	94,076
<i>Total Expenditures</i>	<u>19,894,539</u>	<u>209,370</u>	<u>2,856,659</u>	<u>22,960,568</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>55,573</u>	<u>(2,081)</u>	<u>462,034</u>	<u>515,526</u>
<b>Other Financing Sources (Uses)</b>				
Transfers In	-	-	42,639	42,639
Transfers Out	(42,639)	-	-	(42,639)
<i>Net Change in Fund Balances</i>	12,934	(2,081)	504,673	515,526
<i>Fund Balances Beginning of Year, Restated (See Note 2)</i>	<u>5,221,621</u>	<u>2,604,258</u>	<u>1,279,484</u>	<u>9,105,363</u>
<i>Fund Balances End of Year</i>	<u>\$ 5,234,555</u>	<u>\$ 2,602,177</u>	<u>\$ 1,784,157</u>	<u>\$ 9,620,889</u>

See accompanying notes to the basic financial statements.

**Crestwood Local School District**  
**Portage 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, 2021*

<b>Net Change in Fund Balances - Total Governmental Funds</b>	\$	515,526
<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	\$ 327,422	
Current Year Depreciation	<u>(954,268)</u>	(626,846)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Intergovernmental	45,972	
Property Taxes	45,183	
Excess Costs	(11,710)	
SERS Reimbursement	<u>33,839</u>	113,284
Repayment of principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.		
General Obligation Bonds	525,000	
Lease Purchase	239,400	
Capital Lease	<u>34,127</u>	798,527
In the statement of activities, interest is accrued on outstanding bonds, and bond premium and the gain/loss on refunding are amortized over the term of the bonds, whereas in governmental funds, an interest expenditure is reported when bonds are issued.		
Accrued Interest Payable	(6,453)	
Amortization of Premium on Bonds	19,138	
Amortization of Refunding Loss	<u>(10,424)</u>	2,261
Contractually required pension/OPEB contributions are reported as expenditures in governmental funds; however, the statement of net position reports these amounts as deferred outflows.		
Pension	1,556,478	
OPEB	<u>61,487</u>	1,617,965
Except for amount reported as deferred inflows/outflows, changes in the net pension/OPEB liability are reported as pension/OPEB expense in the statement of activities.		
Pension	(1,808,699)	
OPEB	<u>185,030</u>	(1,623,669)
Some expenses reported in the statement of activities, do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.		
Early Retirement Incentive	1,000	
Compensated Absences	<u>42,399</u>	43,399
<i>Change in Net Position of Governmental Activities</i>	<u>\$</u>	<u>840,447</u>

See accompanying notes to the basic financial statements.



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

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues and Other Financing Sources	\$ 20,434,526	\$ 20,538,640	\$ 20,605,834	\$ 67,194
Expenditures and Other Financing Uses	21,946,187	20,185,110	20,050,119	134,991
Net Change in Fund Balance	(1,511,661)	353,530	555,715	202,185
<i>Fund Balance Beginning of Year</i>	5,067,743	5,067,743	5,067,743	-
Prior Year Encumbrances Appropriated	134,142	134,142	134,142	-
<i>Fund Balance End of Year</i>	<u>\$ 3,690,224</u>	<u>\$ 5,555,415</u>	<u>\$ 5,757,600</u>	<u>\$ 202,185</u>

See accompanying notes to the basic financial statements.

**Crestwood Local School District**  
**Portage County, Ohio**  
*Statement of Revenues, Expenditures and Changes in*  
*Fund Balance - Budget and Actual (Budget Basis)*  
*Classroom Facilities Maintenance*  
*For the Fiscal Year Ended June 30, 2021*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues and Other Financing Sources	\$ 216,594	\$ 182,305	\$ 218,099	\$ 35,794
Expenditures and Other Financing Uses	<u>239,700</u>	<u>223,961</u>	<u>221,619</u>	<u>2,342</u>
Net Change in Fund Balance	(23,106)	(41,656)	(3,520)	38,136
<i>Fund Balance Beginning of Year</i>	2,565,919	2,565,919	2,565,919	-
Prior Year Encumbrances Appropriated	<u>12,221</u>	<u>12,221</u>	<u>12,221</u>	<u>-</u>
<i>Fund Balance End of Year</i>	<u>\$ 2,555,034</u>	<u>\$ 2,536,484</u>	<u>\$ 2,574,620</u>	<u>\$ 38,136</u>

**Crestwood Local School District**  
**Portage County, Ohio**  
*Statement of Fiduciary Net Position*  
*Fiduciary Funds*  
*June 30, 2021*

---

	<u>Custodial</u>
<b>Assets</b>	
Equity in Pooled Cash and Investments	\$ 4,709
<i>Total Assets</i>	<u>4,709</u>
<b>Net Position</b>	
Restricted for Individuals, Organizations, and Other Governments	4,709
<i>Total Net Position</i>	<u>\$ 4,709</u>

See accompanying notes to the basic financial statements.

**Crestwood Local School District**  
**Portage County, Ohio**  
*Statement of Changes in Fiduciary Net Position*  
*Fiduciary Funds*  
*For the Fiscal Year Ended June 30, 2021*

---

	Custodial
<b>Additions</b>	\$ -
<b>Deductions</b>	-
<i>Change in Net Position</i>	-
<i>Net Position Beginning of Year, Restated (See Note 2)</i>	4,709
<i>Net Position End of Year</i>	\$ 4,709

See accompanying notes to the basic financial statements.

**Crestwood Local School District**  
**Portage County, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2021*

---

---

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

The Crestwood Local School District (the “School District”) was formed in 1956 from a consolidation of the Mantua and Shalersville Township Schools. In 1964, the Hiram Township Schools joined the School District which currently covers seventy-five square miles.

The School District operates under a locally elected five-member Board form of government and provides educational services as mandated by State and/or federal agencies. The Board controls the School District’s four instructional/support facilities staffed by non-certified employees and certified full time teaching and support personnel who provide services to students and other community members.

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

The financial statements of the School District have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to local governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The most significant of the School District’s accounting policies are shown 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. 61, *Omnibus-An Amendment of GASB Statements No. 14 and 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 School District. For the School District, this includes general operations, food service and student related activities of the School District.

Component units are legally separate organizations for which the School District is financially accountable. The School District is financially accountable for an organization if the School District appoints a voting majority of the organization’s governing board and (1) the School District is able to significantly influence the programs or services performed or provided by the organization; or (2) the School District is legally entitled to or can otherwise access the organization’s resources; (3) the School District is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or (4) the School District is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the School District in that the School District approves the budget, the issuance of debt or the levying of taxes for the organization. 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 School District has no component units. The basic financial statements of the reporting entity include only those of the School District (the primary government).

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

**Crestwood Local School District**  
**Portage County, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2021*

---

---

***JOINTLY GOVERNED ORGANIZATIONS***

Stark-Portage Area Computer Consortium (SPARCC)

The School District is a member of SPARCC. SPARCC is the computer service organization or Data Acquisition Site (DAS) used by the School District. SPARCC is an association of public school districts in a geographic area determined by the Ohio Department of Education. The Stark County Educational Service Center acts as the fiscal agent for the consortium. The purpose of the consortium is to develop and employ a computer system efficiently and effectively for the needs of the member Boards of Education. All school districts in the consortium are required to pay fees, charges and assessments as charged. A Board made up of superintendents from all of the participating school districts governs SPARCC. An elected Executive Board consisting of five members of the governing board is the managerial body of the consortium and meets on a monthly basis. The School District does not maintain an ongoing financial interest or an ongoing financial responsibility. Payments to SPARCC are made from the general fund. During the fiscal year, the School District paid \$98,120 to SPARCC.

Portage County School Consortium (the “Consortium”)

The School District is a member of the Portage County School Consortium, an insurance group - purchasing consortium made up of thirteen districts in Portage County. All member districts pay an insurance premium directly to the Consortium. The School District paid \$3,348,769 in the form of insurance premiums to the Consortium during the fiscal year.

Maplewood Career Center (the “Center”)

The Maplewood Career Center is located in Portage County and offers vocational training to the School District’s students in the 11<sup>th</sup> and 12<sup>th</sup> grades. Although the School District is represented on the Board of Education of the Center by appointing a member to a three-year term, any financial support of the Center is generated directly by the Center through a county-wide tax levy and state-supported pupil basic aid. The School District does not maintain an ongoing financial interest or an ongoing financial responsibility.

Ohio Schools Council

The School District participates in the Ohio Schools Council (OCS) Everyday Essentials Cafeteria Items food purchasing program and Natural Gas Program, which provides competitive pricing and rebate incentives by virtue of its grouping and representation with other participants in the program.

***B. Fund Accounting***

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

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

**Crestwood Local School District**  
**Portage County, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2021*

---

---

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

**Classroom Facilities Maintenance Fund** The classroom facilities maintenance special revenue fund accounts for monies received from a special levy for maintenance of facilities.

The other governmental funds of the School District account for grants and other resources to which the School District is bound to observe constraints imposed upon the use of the resources.

**Fiduciary Funds** Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into the following four classifications: pension (and other employee benefit) trust funds, investment trust funds, private-purpose trust funds and custodial funds. Trust funds are distinguished from custodial funds by the existence of a trust agreement or equivalent arrangements that has certain characteristics. The School District has a private purpose trust fund which accounts for various college scholarships for students. Custodial Funds are used to report fiduciary activities that are not required to be reported in a trust fund.

The School District's fiduciary funds include/are custodial funds. Custodial funds are used to account for assets held by the School District relating to OHSAA Tournaments.

**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 School District as a whole. These statements include the financial activities of the primary government, except for fiduciary funds.

The government-wide statement of activities presents a comparison between direct expenses and program revenues for each function or program of the governmental activities of the School 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 School District.

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

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

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

**Crestwood Local School District**  
**Portage County, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2021*

---

---

brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

The private purpose trust fund is reported using the economic resources measurement focus.

***D. Basis of Accounting***

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

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

Nonexchange transactions, in which the School District receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. 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 School District must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the School District on a reimbursement basis. On a modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

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

***Deferred Outflows/Inflows of Resources*** In addition to assets, the statements of financial position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. For the School District, deferred outflows of resources are reported on the government-wide statement of net position for deferred charges on refunding, for pension and OPEB. 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. The deferred outflows of resources related to pension and OPEB plans are explained in Notes 12 and 13.



**Crestwood Local School District**  
**Portage County, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2021*

---

---

In addition to liabilities, the statements of financial position report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized until that time. For the School District, deferred inflows of resources include property taxes, pension, OPEB and unavailable revenue. Property taxes represent amounts for which there is an enforceable legal claim as of June 30, 2021, but which were levied to finance fiscal year 2022 operations. These amounts have been recorded as a deferred inflow on both the government-wide statement of net position and governmental fund financial statements. Unavailable revenue is reported only on the governmental funds balance sheet, and represents receivables which will not be collected within the available period. For the School District, unavailable revenue may include delinquent property taxes, grants and entitlements and miscellaneous revenue. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available. The details of these unavailable revenues are identified on the Reconciliation of Total Governmental Fund Balances to Net Position of Governmental Activities. Deferred inflows of resources related to pension and OPEB plans are reported on the government-wide statement of net position. (See Notes 12 and 13)

***E. Budgets***

The budgetary process is prescribed by provisions of the Ohio Revised Code and entails the preparation of budgetary documents within an established timetable. The major documents prepared are the tax budget, the certificate of estimated resources and the appropriation resolution, all of which are prepared on the budgetary basis of accounting. All funds, other than agency funds, are legally required to be budgeted and appropriated. The primary level of budgetary control is at the fund level for all funds. Any budgetary modifications at this level may only be made by resolution of the Board of Education.

The certificate of estimated resources and the appropriations resolution are subject to amendment throughout the year with legal restriction and appropriations cannot exceed estimated resources, as certified. The amounts reported as the original budgeted revenue in the budgetary statements reflect the amounts in the certificate when the original appropriations were adopted. The amounts reported as the final budgeted revenue amounts in the budgetary statements reflect the amounts in the final amended certificate of estimated resources issued during the fiscal year. The amounts reported as the original budgeted expenditure amounts reflect the first appropriation for that fund that covered the entire fiscal year, including amounts automatically carried over from prior years. The amounts reported as the final budgeted expenditure amounts represent the final appropriation amounts passed by the Board during the year.

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

***F. Cash and Investments***

The School District has segregated bank accounts for monies held separately from the School District's central bank account for scholarships. These depository accounts are presented on the financial statements as "cash and investments in segregated accounts" since they are not required to be deposited into the School District's treasury.

**Crestwood Local School District**  
**Portage County, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2021*

---

---

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

For the fiscal year 2021, 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 except for those specifically related to the building capital projects fund (a nonmajor governmental fund), or certain trust funds individually authorized by board resolution. Investment earnings credited to the general fund during fiscal year 2021 amounted to \$12,630 which includes \$5,587 assigned from other School District funds.

For presentation on the basic financial statements, investments of the cash management pool and investments with original maturities of three months or less at the time they are purchased by the School 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 School District's investment account at year end is provided in Note 4.

***G. Capital Assets***

General capital assets are those assets not specifically related to activities reported in the proprietary funds. These assets generally result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide statement of net position but are not reported in the fund financial statements.

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

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

**Crestwood Local School District**  
**Portage County, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2021*

Description	Estimated Lives
Land Improvements	40 - 50 years
Buildings	30 - 50 years
Furniture and Equipment	5 - 20 years
Vehicles	5 - 20 years

***H. Interfund Balances***

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

***I. Compensated Absences***

GASB No. 16, *Accounting for Compensated Absences* specifies the method used to accrue liabilities for leave benefits. Vacation benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is probable that the employer will compensate the employees for the benefits through paid time off or some other means. The School District records a liability for accumulated unused vacation time when earned for all employees with more than one year of service.

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

The total liability for vacation and sick leave payments has been calculated using pay rates in effect at June 30, 2021, 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.

On the governmental fund statements, compensated absences are recognized as a liability and expenditure to the extent payments come due each period upon the occurrence of employee resignations and retirements.

***J. Pensions and Other Postemployment Benefits (OPEB)***

For purposes of measuring the net pension/OPEB asset/liability, deferred outflows of resources and deferred inflows of resources related to pension/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.

**Crestwood Local School District**  
**Portage County, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2021*

---

---

***K. Accrued Liabilities and Long-term Obligations***

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements; and all payables, accrued liabilities, and long-term obligations payable from proprietary funds are reported on the proprietary fund financial statements. In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources, are reported as obligations of the funds. However, claims and judgments and compensated absences that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are due for payment during the current fiscal year. 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. Bonds and capital leases are recognized as a liability on the fund financial statements when due.

***L. Fund Balance***

In accordance with Governmental Accounting Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, the School District classifies its fund balance based on the purpose for which the resources were received and the level of constraint placed on the resources. The classifications are as follows:

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

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

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

*Assigned* – Amounts in the assigned fund balance classification are intended to be used by the School District for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the general fund, assigned amounts represent intended uses established by policies of the School District Board of Education. The Board of Education has by resolution authorized the Treasurer to assign fund balance. The Board of Education may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget.

**Crestwood Local School District**  
**Portage County, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2021*

---

---

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

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

***M. Net Position***

Net position represents the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. 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 their use either through the enabling legislation adopted by the School District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. At June 30, 2021, there was no net position restricted by enabling legislation.

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

***N. Estimates***

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

***O. Interfund Activity***

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

***P. Implementation of New Accounting Policies***

For the fiscal year ended June 30, 2021, the School District has implemented Governmental Accounting Standards Board (GASB) Statement No. 84, *Fiduciary Activities*, GASB No. 90, *Majority Equity Interests an amendment of GASB Statements No. 14 and No. 61*, certain provisions of GASB Statement No. 93, *Replacement of Interbank Offered Rates* and GASB Statement No. 98, *The Annual Comprehensive Financial Report*.

**Crestwood Local School District**  
**Portage County, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2021*

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 School District reviewed its funds for proper classification, and any fund reclassifications resulted in the restatement of the School District's financial statements (see below).

GASB Statement No. 90 improves the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and improves the relevance of financial statement information for certain component units. The implementation of GASB Statement No. 90 did not have an effect on the financial statements of the School District.

GASB Statement No. 93 addresses accounting and financial reporting effects that result from the replacement of interbank offered rates (IBORs) with other reference rates in order to preserve the reliability, relevance, consistency, and comparability of reported information. The implementation of certain provisions (all except for paragraphs 13 and 14, which are effective for fiscal years beginning after June 15, 2021), of GASB Statement No. 93 did not have an effect on the financial statements of the School District.

GASB Statement No. 98 establishes the term *annual comprehensive financial report* and its acronym *ACFR*. That new term and acronym replace instances of comprehensive annual financial report and its acronym in generally accepted accounting principles for state and local governments. The implementation of GASB Statement No. 98 did not have an effect on the financial statements of the School District.

***Restatement of Net Position/Fund Balances***

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

	<u>Governmental Activities</u>
Net Position, June 30, 2020	\$ (3,954,898)
GASB Statement No. 84	<u>140,450</u>
Restated Net Position, June 30, 2020	<u><u>\$ (3,814,448)</u></u>

**Crestwood Local School District**  
**Portage County, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2021*

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

	General Fund	Other Governmental Funds
Fund Balance, June 30, 2020	\$ 5,187,103	\$ 1,173,552
GASB Statement No. 84	34,518	105,932
Restated Fund Balance, June 30, 2020	\$ 5,221,621	\$ 1,279,484

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

	Fiduciary Funds		
	Private Purpose	Agency	Custodial
Net Position, June 30, 2020	\$ 43,594	\$ -	\$ -
GASB Statement No. 84	(43,594)	-	4,709
Adjustments:			
Assets	-	126,725	-
Liabilities	-	(126,725)	-
Restated Net Position, June 30, 2020	\$ -	\$ -	\$ 4,709

**Crestwood Local School District**  
**Portage County, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2021*

**NOTE 3 – ACCOUNTABILITY**

Fund balances at June 30, 2021 included the following individual fund deficits:

	Deficit Fund Balance
Nonmajor Governmental Funds:	
IDEA Part B	\$ 19,519
Title I	15,275
Improving Teacher Quality	4,412
Total	\$ 39,206

The deficits in these governmental funds resulted from adjustments for accrued liabilities. The general fund is liable for any deficit in the non-major governmental funds and will provide transfers when cash is required, not when accruals occur.

**NOTE 4 – DEPOSITS AND INVESTMENTS**

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

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

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

Protection of the School District's deposits is provided by the Federal Deposit Insurance Corporation (FDIC), 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.

Interim monies may be invested in the following obligations provided they mature or are redeemable within five years from the date of settlement:

1. United States Treasury bills, notes, bonds, or any other obligations or security issued by the United States Treasury or any other obligation guaranteed as to principal and interest by the United States;



**Crestwood Local School District**  
**Portage County, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2021*

---

---

2. Bonds, notes, debentures, or other obligations or securities issued by any federal government agency or instrumentality. 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 market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least 2% and be marked to market daily, and the term of the agreement must not exceed 30 days;
4. Bonds and other obligations of the State of Ohio;
5. No-load money market mutual funds consisting exclusively of obligations described in item (1) or (2) above and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
6. The State Treasurer's investment pool (STAR Ohio);
7. Certain bankers' acceptances and commercial paper notes in an amount not to exceed forty percent of the interim moneys available for investment at any one time; and
8. Under limited circumstances, corporate note interests rated in either of the two highest rating classifications by at least two nationally recognized rating agencies.

Investments in stripped principal or interest obligations, reverse repurchase agreements and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage and short selling are also prohibited. An investment must mature within 5 years from the date of purchase unless matched to a specific obligation or debt of the School District, and must be purchased with the expectation that it will be held to maturity. Investments may only be made through specified dealers and institutions. Payment for investments may be made only upon delivery of the securities representing the investments to the Treasurer or qualified trustee or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

***Cash on Hand*** - At June 30, 2021 the School District had \$3,760 in undeposited cash on hand, which is included as part of "Equity in Pooled Cash and Investments."

***Deposits*** - At year-end, \$6,576,296 of the School District's bank balance of \$7,326,296 was exposed to custodial credit risk. Although the securities were held by the pledging financial institutions' trust department in the School District's name and all statutory requirements for the investment of money had been followed, noncompliance with Federal requirements could potentially subject the School District to a successful claim by the FDIC.

***Custodial Credit Risk*** Custodial credit risk for deposits is the risk that in the event of a bank failure, the School District will not be able to recover deposits or collateral securities that are in possession of an outside party.

**Crestwood Local School District**  
**Portage County, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2021*

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

- Eligible securities pledged to the School District and deposited with a qualified trustee by the financial institution as security for repayment whose market value at all times shall be at least 105 percent of the deposits being secured; or
- Participation in the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution. OPCS required the total market value of the securities pledged to be 102 percent of the deposits being secured or a rate set by the Treasurer of State.

**C. Investments**

At June 30, 2021, the School District had the following investments and maturities:

S&P Credit Rating	Investment	Measurement Amount	Investment Maturities in Months			% of Investments
			0-12	13-36	Over 36	
Net Asset Value (NAV):						
AAAm	STAR Ohio	\$ 25,119	\$ 25,119	\$ -	\$ -	0.75%
Aaa	Money Market Funds	19,498	19,498	-	-	0.57%
Fair Value:						
AA+	Federal Farm Credit Bank	717,301	160,105	274,191	283,005	21.02%
N/A	Negotiable Certificates of Deposit	2,460,225	1,506,543	953,682	-	72.09%
AA+	US Treasury Notes	190,340	190,340	-	-	5.58%
	Total	<u>\$ 3,412,483</u>	<u>\$ 1,901,605</u>	<u>\$1,227,873</u>	<u>\$283,005</u>	<u>100.01%</u>

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

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

*Credit Risk:* The School District's investments credit ratings are summarized in the table above.

**Crestwood Local School District**  
**Portage County, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2021*

STAR Ohio is an investment pool operated by the Ohio State Treasurer. It is unclassified since it is not evidenced by securities that exist in physical or book entry form. Ohio law requires STAR Ohio maintain the highest rating provided by at least one nationally recognized standard rating service. The weighted average of maturity of the portfolio held by STAR Ohio as of June 30, 2021, is 54 days.

*Concentration of Credit Risk:* The School District places no limit on the amount that may be invested in any one issuer. The percentage of each investment type held by the School District at June 30, 2021 is included in the table above.

**NOTE 5 – INTERFUND ACTIVITY**

**A. Interfund Balances**

As of June 30, 2021 receivables and payables that resulted from cash advances from the general fund to other funds were as follows:

	<b>Interfund Receivable</b>	<b>Interfund Payable</b>
Fund:		
General	\$ 6,618	\$ -
Other Governmental		
IDEA Preschool	-	447
Title I	-	4,153
Title II-D	-	2,018
Total	\$ 6,618	\$ 6,618

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

Interfund balances between governmental funds are eliminated on the government-wide financial statements; therefore, no internal balances at June 30, 2021 are reported on the statement of net position.

**B. Interfund Transfers**

During fiscal year 2021, the general fund transferred \$42,639 to the athletics fund to cover expenditures.

Transfers are used to move revenues from the fund that statute or budget required to collect them to the fund that statute or budget requires to expand 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 on the government-wide financial statements; therefore, no transfers are reported on the statement of activities.

**Crestwood Local School District**  
**Portage County, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2021*

**NOTE 6 – PROPERTY TAXES**

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

Property taxes include amounts levied against all real and public utility property located in the School District. Real property tax revenue received in calendar year 2021 represents collections of calendar year 2020 taxes. Real property taxes received in calendar year 2021 were levied after April 1, 2020, on the assessed value listed as of January 1, 2020, the lien date. Assessed values for real property taxes are established by State law at 35 percent of appraised market value. Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid 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 revenue received in calendar year 2021 represents collections of calendar year 2020 taxes. Public utility real and tangible personal property taxes received in calendar year 2021 became a lien December 31, 2019, were levied after April 1, 2020 and are collected in 2021 with real property taxes. Public utility real property is assessed at 35 percent of true value; public utility tangible personal property currently is assessed at varying percentages of true value.

The School District receives property taxes from Portage County. The County Auditor periodically advances to the School District its portion of the taxes collected. Second-half real property tax payments collected by the County by June 30, 2021, are available to finance fiscal year 2021 operations. The amount 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, 2021, and for which there is an enforceable legal claim. Although total property tax collections for the next fiscal year are measurable, only the amount of real property taxes available as an advance at June 30 was levied to finance current fiscal year operations and is reported as revenue at fiscal year-end. The portion of the receivable not levied to finance current fiscal year operations is offset by a credit to deferred inflows of resources.

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

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

	<b>2020 Second Half</b>		<b>2021 First-Half</b>	
	<b>Amount</b>	<b>Percent</b>	<b>Amount</b>	<b>Percent</b>
Real Estate	\$ 314,484,250	94.66%	\$317,041,210	94.58%
Public Utility Personal Property	17,739,990	5.34%	18,185,590	5.42%
<b>Total</b>	<b>\$ 332,224,240</b>	<b>100.00%</b>	<b>\$335,226,800</b>	<b>100.00%</b>
Full Tax Rate per \$1,000 of assessed valuation	\$ 51.07		\$ 51.03	

**Crestwood Local School District**  
**Portage County, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2021*

**NOTE 7 – RECEIVABLES**

Receivables at June 30, 2021 consisted of accounts, property taxes, interfund, 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 fiscal year guarantee of federal funds. All receivables are expected to be collected within the subsequent year.

**NOTE 8 – CAPITAL ASSETS**

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

	Balance 6/30/2020	Additions	Reductions	Balance 6/30/2021
<b>Governmental Activities</b>				
<i>Capital Assets, not being depreciated:</i>				
Land	\$ 801,286	\$ -	\$ -	\$ 801,286
<i>Capital Assets, being depreciated:</i>				
Land improvements	5,946,389	39,864	-	5,986,253
Buildings	23,857,738	71,711	-	23,929,449
Furniture and equipment	4,979,418	122,711	-	5,102,129
Vehicles	2,501,786	93,136	(60,667)	2,534,255
Total Capital Assets, being depreciated	<u>37,285,331</u>	<u>327,422</u>	<u>(60,667)</u>	<u>37,552,086</u>
<i>Less Accumulated Depreciation:</i>				
Land improvements	(4,822,993)	(210,377)	-	(5,033,370)
Buildings	(12,647,269)	(523,235)	-	(13,170,504)
Furniture and equipment	(4,269,008)	(130,625)	-	(4,399,633)
Vehicles	(2,050,367)	(90,031)	60,667	(2,079,731)
Total Accumulated Depreciation	<u>(23,789,637)</u>	<u>(954,268)</u>	<u>60,667</u>	<u>(24,683,238)</u>
Total Capital Assets being depreciated, net	<u>13,495,694</u>	<u>(626,846)</u>	<u>-</u>	<u>12,868,848</u>
<i>Governmental Activities Capital Assets, Net</i>	<u>\$ 14,296,980</u>	<u>\$ (626,846)</u>	<u>\$ -</u>	<u>\$ 13,670,134</u>

Depreciation expense was charged to governmental functions as follows:

Instruction:	
Regular	\$ 677,407
Support Services:	
Instructional Staff	38,443
Administration	1,708
Operation and Maintenance of Plant	89,500
Pupil Transportation	101,072
Central	7,984
Extracurricular Activities	31,550
Food Service Operations	6,604
	<u>\$ 954,268</u>

**Crestwood Local School District**  
**Portage County, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2021*

**NOTE 9 – LONG-TERM OBLIGATIONS**

During the fiscal year 2021 the following changes occurred in governmental activities long-term obligations:

	Balance 6/30/2020	Additions	Deductions	Outstanding Balance 6/30/2021	Amount Due in One Year
<b>General Obligation Bonds:</b>					
2011 Refunding Bonds	\$ 2,215,000	\$ -	\$ (525,000)	\$ 1,690,000	\$ 545,000
Unamortized Premium	71,769	-	(19,138)	52,631	-
Total General Obligations Bonds	<u>2,286,769</u>	<u>-</u>	<u>(544,138)</u>	<u>1,742,631</u>	<u>545,000</u>
<b>Direct Borrowing:</b>					
Lease Purchase	610,500	-	(239,400)	371,100	245,800
<b>Net Pension Liability:</b>					
Pension	20,940,345	1,441,645	-	22,381,990	-
OPEB	2,492,841	-	(426,615)	2,066,226	-
Total Net Pension Liability	<u>23,433,186</u>	<u>1,441,645</u>	<u>(426,615)</u>	<u>24,448,216</u>	<u>-</u>
<b>Other Long-Term Obligations:</b>					
Compensated Absences	1,309,162	79,680	(122,079)	1,266,763	75,276
Early Retirement Incentive	36,000	35,000	(36,000)	35,000	35,000
Dell Computer Lease	143,155	-	(34,127)	109,028	35,212
Total Other Long Term Obligations	<u>1,488,317</u>	<u>114,680</u>	<u>(192,206)</u>	<u>1,410,791</u>	<u>145,488</u>
<b>Total</b>	<u>\$ 27,818,772</u>	<u>\$ 1,556,325</u>	<u>\$(1,402,359)</u>	<u>\$ 27,972,738</u>	<u>\$ 936,288</u>

On March 30, 2011, the School District issued \$5,799,978 in voted general obligation bonds, which included serial and capital appreciation (deep discount) bonds in the amount of \$5,760,000 and \$39,978, respectively. The bonds advance refunded \$5,660,000 of outstanding 2001 Classroom Facilities General Obligation Bonds and \$140,000 of outstanding 2001 Site Acquisition General Obligation Bonds. The bonds were issued for a nineteen year period with final maturities at December 31, 2023. The bonds are being repaid from the bond retirement fund.

At the date of refunding, \$5,799,978 (including premium and after underwriting fees and other issuance costs) was received to pay off old debt. The advance refunding reduced cash flows required for debt service by \$639,976 over the next thirteen years and resulted in an economic gain of \$461,609. As a result, \$5,800,000 of the 2001 Series Bonds are considered to be defeased and the liability for those bonds has been removed from the financial statements.

The bonds were issued with a premium of \$248,795, which is reported as an increase to bonds payable. The amounts are being amortized to interest expense over the life of the bonds using the straight-line method. The refunding resulted in a difference between the net carrying amount of the debt and the acquisition price of \$132,903. This difference, reported in the accompanying financial statements as a

**Crestwood Local School District**  
**Portage County, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2021*

---

---

deferred outflow of resources, is being amortized to interest expense over the life of the bonds using the straight-line method.

The bond issue consists of serial and capital appreciation bonds. The serial bonds were issued with an interest rate of 2.0-4.0 percent.

The current interest bonds maturing on or after December 1, 2019 are subject to prior redemption, by and at the sole option of the School District, in whole or in part as selected by the School District (in whole multiples of \$5,000) or any date on or after December 1, 2018, at a redemption price equal to 100 percent of the principal amount redeemed, plus interest accrued to the redemption date.

The capital appreciation bonds matured December 1, 2019. These bonds were purchased at a discount at the time of issuance and at maturity all compounded interest is paid and the bond holder collects the face value. However, since interest is technically earned and compounded semi-annually, the value of the bond increases. Therefore, as the value increases, the accretion is booked as interest expense.

Outstanding general obligation bonds are direct obligations of the School District for which the full faith, credit, and resources are pledged and payable from taxes levied on all taxable property of the School District. The bonds are being repaid from the bond retirement fund.

In fiscal year 2013, the School District entered into a lease purchase agreement with Huntington Public Capital Corporation to finance the energy conservation project in the amount of \$2,123,500. The lease agreement required the School District to establish an escrow account while construction was being completed. The proceeds were used to make various upgrades throughout the high school, middle school, bus garage and the field house. The lease issued for a nineteen year period with final maturities at December 1, 2022. The lease is being paid from the general fund and the permanent improvement fund.

In the event of default, as defined by the lease agreement, the amounts payable by the School District may become due. If payments are not made, the lessor may retake possession of the secured asset, consisting of equipment as defined by the lease agreement. Additionally, the lessor has the option to sublease the project facilities, holding the School District liable for all lease payments and other payments due prior to the effective date of the sublease and for the difference between the rental and other amounts paid by the subleases pursuant to such sublease and the amounts payable by the District pursuant to the lease during the then current lease term.

There is no repayment schedule for the net pension liability and net OPEB liability; however, employer pension and OPEB contributions are primarily made from the General Fund. For additional information related to the net pension liability and net OPEB liability see Notes 12 and 13.

Compensated absences will be paid from the fund from which the person is paid. In prior years, this has primarily been the general fund. The early retirement incentive will also be paid from the general fund. The School District pays obligations related to employee compensation from the fund benefitting from their service.

The School District provides a contractual notification incentive plan for employees beginning in fiscal year 2013. Employees who enroll in the contractual notification incentive plan must declare their intention to retire before the end of the first semester. Certified employees will receive a \$10,000 incentive. Classified employees will receive a \$3,000 incentive. 50 percent of the contractual notification

**Crestwood Local School District**  
**Portage County, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2021*

incentive plan is paid in one year with the remaining 50 percent paid in the next calendar year. A liability for the contractual notification incentive plan has been included in the early retirement incentive plan liability in the statement of net position.

The following is a summary of the future debt service requirements to maturity for the long-term debt:

Fiscal Year Ending June 30	Current Interest Bonds		Lease Purchase		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2022	\$ 545,000	\$ 56,700	\$ 245,800	\$ 8,216	\$ 790,800	\$ 64,916
2023	560,000	34,600	125,300	1,660	685,300	36,260
2024	585,000	11,700	-	-	585,000	11,700
Total	<u>\$1,690,000</u>	<u>\$103,000</u>	<u>\$ 371,100</u>	<u>\$ 9,876</u>	<u>\$ 2,061,100</u>	<u>\$ 112,876</u>

**NOTE 10 – LEASES**

**A. Property and Liability**

The School District leases 43 printers and copier machines under a non-cancelable lease. The School District disbursed \$94,639 to pay lease costs for the fiscal year ended June 30, 2021. Future lease payments are as follows:

Fiscal Year Ending June 30,	Amount
2022	\$ 94,639
2023	94,639
2024	94,639
2025	47,320
	<u>\$ 331,237</u>

**B. Capital Lease**

During fiscal year 2020, the School District entered into to a capital lease agreement with Dell Financial Services for 500 Chromebooks in the amount of \$143,155. The lease met the criteria of a capital lease. However, the assets were not capitalized because they did not meet the capitalization threshold individually. A corresponding liability was recorded on the Statement of Net Position.

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



**Crestwood Local School District**  
**Portage County, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2021*

Fiscal Year Ending June 30,	Amount
2022	\$ 38,125
2023	38,125
2024	38,125
	114,375
Less amount representing Interest	(5,347)
Present value of minimum lease payments	109,028

**NOTE 11 – RISK MANAGEMENT**

The School District is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets, errors and omissions, injuries to employees and natural disasters. These risks are covered by commercial insurance purchased from independent third parties.

**A. Property and Liability**

The School District is a member of the Portage County School Consortium (the “Consortium”) for health insurance for the School District’s employees. The Consortium was established in 1983 so that thirteen educational-service providers in Portage County could manage risk exposures and purchase necessary insurance coverage as a group. The Consortium is organized into two distinct entities to facilitate its risk management operations. The Property and Casualty Insurance Pool function is to manage the member districts’ physical property and liability risks. The Health and Welfare Trust is to facilitate the management of risks associated with providing employee benefits and coverage, such as health and accident insurance and life insurance. The School District participates both in the Health and Welfare Trust and Property and Casualty Insurance Pool of the Consortium. The Consortium retains a third-party administrator to facilitate the operation of the Health and Welfare Trust.

The School District pays all insurance premiums directly to the Consortium. Although the School District does not participate in the day-to-day management of the Consortium, one of its administrators serves as a trustee of the Consortium’s governing board as provided in the Consortium’s enabling authority. Although the School District recognizes that it retains a contingent liability to provide insurance coverage should the assets of the Consortium become depleted, it is the opinion of management that the assets of the Consortium are sufficient to meet its claims. Settlements for the past three fiscal years have not exceeded the insurance coverage; and insurance coverage has not been significantly reduced since the prior year.

As part of the Property and Casualty Insurance Pool, the School District contracted with Ohio Casualty Insurance for property, employee bonding, and for general liability insurance during fiscal year 2021.

**B. Workers’ Compensation**

The School District is a member of the Ohio School Boards Association (OSBA) Worker’s Compensation Group Rating Program established in April 1991. The program was created by the OSBA as a result of the Worker’s Compensation group rating plan as defined in Section 4123.29 of the Ohio Revised Code. The group ratings program allows districts to group together to potentially achieve a lower premium rate than they may otherwise be able to acquire as individual employers.

**Crestwood Local School District**  
**Portage County, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2021*

---

---

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

**NOTE 12 – DEFINED BENEFIT PENSION PLANS**

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

***Net Pension Liability/Net OPEB Liability (Asset)***

Pensions and OPEB are a component of exchange transactions—between an employer and its employees—of salaries and benefits for employee services. Pensions/OPEB are provided to an employee—on a deferred-payment basis—as part of the total compensation package offered by an employer for employee services each financial period.

The net pension/OPEB liability (asset) represents the School 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/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 this estimate annually.

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

GASB 68/75 assumes the liability is solely the obligation of the employer, because (1) they benefit from employee services; and (2) State statute requires 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 (assets) 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/OPEB liability (asset). Resulting adjustments to the net pension/OPEB liability (asset) would be effective when the changes are legally enforceable. The Ohio revised Code permits, but does not require the retirement systems to provide healthcare to eligible benefit recipients.

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

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

**Crestwood Local School District**  
**Portage County, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2021*

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

Plan Description – School District non-teaching employees participate in SERS, a statewide, 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 on or after August 1, 2017
Full Benefits	Any age with 30 years of service credit	Age 67 with 10 years of service credit; or Age 57 with 30 years of service credit
Actuarially Reduced Benefits	Age 60 with 5 years of service credit Age 55 with 25 years of service credit	Age 62 with 10 years of service credit; or Age 60 with 25 years of service credit

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

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

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

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

The School District’s contractually required contribution to SERS was \$454,998 for fiscal year 2021. Of this amount, \$28,875 is reported as an intergovernmental payable.

**Crestwood Local School District**  
**Portage County, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2021*

---

---

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

Plan Description – School District licensed teachers and other faculty members participate in STRS Ohio, a cost-sharing multiple-employer public employee retirement system administered by STRS. STRS provides retirement and disability benefits to members and death and survivor benefits to beneficiaries. STRS issues a stand-alone financial report that includes financial statements, required supplementary information and detailed information about STRS’ fiduciary net position. That report can be obtained by writing to STRS, 275 E. Broad St., Columbus, OH 43215-3771, by calling (888) 227-7877, or by visiting the STRS Web site at [www.strsoh.org](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 is 2.2 percent of final average salary for the five highest years of earnings multiplied by all years of service. Effective August 1, 2017 – July 1, 2019, any member could retire with reduced benefits who had (1) five years of service credit and age 60; (2) 27 years of service credit and age 55; or (3) 30 years of service credit regardless of age. Effective August 1, 2019 – July 1, 2021, any member may retire with reduced benefits who has (1) five years of service credit and age 60; (2) 28 years of service credit and age 55; or (3) 30 years of service credit regardless of age. Eligibility changes will continue to be phased through 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. Eligibility changes for actuarially reduced benefits will be phased in until August 1, 2023, when retirement eligibility will be five years of qualifying service credit and age 60, or 30 years of service credit at any age.

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

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

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

**Crestwood Local School District**  
**Portage County, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2021*

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

Funding Policy – Employer and member contribution rates are established by the State Teachers Retirement Board and limited by Chapter 3307 of the Ohio Revised Code. The statutory employer rate is 14 percent and the statutory member rate is 14 percent of covered payroll. The School District was required to contribute 14 percent; the entire 14 percent was the portion used to fund pension obligations. The 2021 contribution rates were equal to the statutory maximum rates.

The School District's contractually required contribution to STRS was \$1,101,480 for fiscal year 2021. Of this amount, \$164,462 is reported as an intergovernmental payable.

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

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

	SERS	STRS	Total
Proportion of the Net Pension Liability:			
Current Measurement Date	0.09372480%	0.06688105%	
Prior Measurement Date	0.09670020%	0.06852821%	
Change in Proportionate Share	<u>-0.00297540%</u>	<u>-0.00164716%</u>	
Proportionate Share of the Net			
Pension Liability	\$ 6,199,156	\$ 16,182,834	\$ 22,381,990
Pension Expense	\$ 449,458	\$ 1,359,241	\$ 1,808,699

Deferred outflows/inflows of resources represent the effect of changes in the net pension liability due to the difference between projected and actual investment earnings, differences between expected and actual actuarial experience, changes in assumptions and changes in the School District's proportion of the collective net pension liability. The deferred outflows and deferred inflows are to be included in pension expense over current and future periods. The difference between projected and actual investment earnings is recognized in pension expense using a straight line method over a five year period beginning in the current year. Deferred outflows and deferred inflows resulting from changes in sources other than differences between projected and actual investment earnings are amortized over the average expected remaining service lives of all members (both active and inactive) using the straight line method. Employer contributions to the pension plan subsequent to the measurement date are also required to be reported as a deferred outflow of resources.

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

**Crestwood Local School District**  
**Portage County, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2021*

	SERS	STRS	Total
<b>Deferred Outflows of Resources</b>			
Differences between Expected and Actual Experience	\$ 12,042	\$ 36,309	\$ 48,351
Net Difference between Projected and Actual Earnings on Pension Plan Investments	393,520	786,972	1,180,492
Changes of Assumptions	-	868,704	868,704
School District Contributions Subsequent to the Measurement Date	454,998	1,101,480	1,556,478
<b>Total Deferred Outflows of Resources</b>	<u>\$ 860,560</u>	<u>\$ 2,793,465</u>	<u>\$ 3,654,025</u>
<b>Deferred Inflows of Resources</b>			
Differences between Expected and Actual Experience	\$ -	\$ 103,479	\$ 103,479
Changes in Proportion and Differences between School District Contributions and Proportionate Share of Contributions	182,284	1,284,226	1,466,510
<b>Total Deferred Inflows of Resources</b>	<u>\$ 182,284</u>	<u>\$ 1,387,705</u>	<u>\$ 1,569,989</u>

\$1,556,478 reported as deferred outflows of resources related to pension resulting from School District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the fiscal year ending June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Fiscal Year Ending June 30:	SERS	STRS	Total
2022	\$ (140,270)	\$ (8,671)	\$ (148,941)
2023	76,314	(111,679)	(35,365)
2024	164,030	137,358	301,388
2025	123,204	287,272	410,476
	<u>\$ 223,278</u>	<u>\$ 304,280</u>	<u>\$ 527,558</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 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.

**Crestwood Local School District**  
**Portage County, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2021*

---

---

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing benefit costs between the employers and plan members to that point. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations. Future benefits for all current plan members were projected through 2130.

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

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

Actuarial Cost Method	Entry Age Normal (Level Percentage of Payroll, Closed)
Inflation	3.00 percent
Future Salary Increases, including inflation	3.50 percent to 18.20 percent
Investment Rate of Return	7.50 percent, net of investment expense, including inflation
COLA or Ad Hoc COLA	2.50 percent, on and after April 1, 2018, COLA's for future retirees will be delayed for three years following commencement

For post-retirement mortality, the table used in evaluating allowances to be paid is the RP-2014 Blue Collar Mortality Table with fully generational projection and Scale BB, with 120 percent of male rates and 110 percent of female rates used. The RP-2000 Disabled Mortality Table with 90 percent for male rates and 100 percent for female rates set back five years is used for the period after disability retirement.

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

The long-term return expectation for the investments has been determined by using a building-block approach and assumes a time horizon, as defined in SERS' *Statement of Investment Policy*. A forecasted rate of inflation serves as the baseline for the return expectation. Various real return premiums over the baseline inflation rate have been established for each asset class. The long-term expected nominal rate of return has been determined by calculating an arithmetic weighted average of the expected real return premiums for each asset class, adding the projected inflation rate, and adding the expected return from rebalancing uncorrelated asset classes. The target asset allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

**Crestwood Local School District**  
**Portage County, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2021*

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

**Discount Rate** Total pension liability was calculated using the discount rate of 7.50 percent. The discount rate determination does not use a municipal bond rate. The projection of cash flows used to determine the discount rate assumed that employers would contribute the actuarially determined contribution rate of projected compensation over the remaining 24-year amortization period of the unfunded actuarial accrued liability. Projected inflows from investment earnings were calculated using the long-term assumed investment rate of return (7.50 percent). Based on those assumptions, the plan's fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, the long-term expected rate of return on investments was applied to all periods of projected benefits to determine the total pension liability.

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

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
School District's Proportionate Share of the Net Pension Liability	\$ 8,492,086	\$ 6,199,156	\$ 4,275,343

**Actuarial Assumptions - STRS**

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

Inflation	2.50 percent
Actuarial Cost Method	Entry Age Normal (Level Percent of Payroll)
Projected Salary Increases	12.50 percent at age 20 to 2.50 percent at age 65
Investment Rate of Return	7.45 percent, net of investment expenses, including inflation
Payroll Increases	3.00 percent
Cost-of-Living Adjustments	0.00 percent



**Crestwood Local School District**  
**Portage County, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2021*

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

The actuarial assumptions used in the June 30, 2020 valuation, were based on the results of the latest available actuarial experience study, which is for the period July 1, 2011, through June 30, 2016.

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

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

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

**Discount Rate.** The discount rate used to measure the total pension liability was 7.45 percent as of June 30, 2020. The projection of cash flows used to determine the discount rate assumes that employer and member contributions will be made at statutory contribution rates of 14 percent each. For this purpose, only employer contributions that are intended to fund benefits of current plan members and their beneficiaries are included. Based on those assumptions, STRS' fiduciary net position was projected to be available to make all projected future benefit payments to current plan members as of June 30, 2020. Therefore, the long-term expected rate of return on investments of 7.45 percent was applied to all periods of projected benefit payments to determine the total pension liability as of June 30, 2020.

**Sensitivity of the School District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate** The following table represents the School District's proportionate share of the net pension liability as of June 30, 2020, calculated using the current period discount rate assumption of 7.45 percent, as well as what the School District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.45 percent) or one percentage point higher (8.45 percent) than the current assumption:

**Crestwood Local School District**  
**Portage County, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2021*

	1% Decrease	Current Discount Rate	1% Increase
School District's Proportionate Share of the Net Pension Liability	\$ 23,041,539	\$ 16,182,834	\$ 10,370,654

***Social Security System***

Effective July 1, 1991, all employees not otherwise covered by School Employees Retirement System or State Teachers Retirement System have an option to choose Social Security. The School District's liability is 6.2 percent of wages paid.

**NOTE 13 – DEFINED BENEFIT OPEB PLANS**

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

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

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

Funding Policy - State statute permits SERS to fund the health care benefits through employer contributions. Each year, after the allocation for statutorily required pensions and benefits, the Retirement Board may allocate the remainder of the employer contribution of 14 percent of covered payroll to the Health Care Fund in accordance with the funding policy. For the fiscal year ended June 30, 2021, SERS did not allocate any employer contributions to health care. An additional health care surcharge on employers is collected for employees earning less than an actuarially determined minimum compensation amount, pro-rated if less than a full year of service credit was earned. For fiscal year 2021, this amount was \$23,000. Statutes provide that no employer shall pay a health care surcharge greater than

**Crestwood Local School District**  
**Portage County, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2021*

2.0 percent of that employer’s SERS-covered payroll; nor may SERS collect in aggregate more than 1.5 percent of the total statewide SERS-covered payroll for the health care surcharge. For fiscal year 2021, the School District’s surcharge obligation was \$61,487, which is reported as an intergovernmental payable.

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

Plan Description – The State Teachers Retirement System of Ohio (STRS) administers a cost-sharing Health Plan administered for eligible retirees who participated in the defined benefit or combined pension plans offered by STRS. Ohio law authorizes STRS to offer this plan. Benefits include hospitalization, physicians’ fees, prescription drugs and partial reimbursement of monthly Medicare Part B premiums. Medicare Part B premium reimbursements were 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 percent of covered payroll. For the fiscal year ended June 30, 2021, STRS did not allocate any employer contributions to post-employment health care.

***Net OPEB Liability (Asset), OPEB Expense, and Deferred Outflows/Inflows of Resources Related to OPEB***

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

	SERS	STRS	Total
Proportion of the Net OPEB Liability (Asset):			
Current Measurement Date	0.09507200%	0.06688100%	
Prior Measurement Date	0.09912700%	0.06852800%	
Change in Proportionate Share	<u>-0.00405500%</u>	<u>-0.00164700%</u>	
Proportionate Share of the Net			
OPEB Liability (Asset)	\$ 2,066,226	\$ (1,175,432)	
OPEB Expense	\$ (69,277)	\$ (115,753)	\$ (185,030)

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

**Crestwood Local School District**  
**Portage County, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2021*

	SERS	STRS	Total
<b>Deferred Outflows of Resources</b>			
Differences between Expected and Actual Experience	\$ 27,138	\$ 75,315	\$ 102,453
Net Difference between Projected and Actual Earnings on OPEB Plan Investments	23,281	41,192	64,473
Changes of Assumptions	352,219	19,402	371,621
Changes in Proportion and Differences between School District Contributions and Proportionate Share of Contributions	28,370	-	28,370
School District Contributions Subsequent to the Measurement Date	61,487	-	61,487
<b>Total Deferred Outflows of Resources</b>	<u>\$ 492,495</u>	<u>\$ 135,909</u>	<u>\$ 628,404</u>
<b>Deferred Inflows of Resources</b>			
Differences between Expected and Actual Experience	\$ 1,050,819	\$ 234,130	\$ 1,284,949
Net Difference between Projected and Actual Earnings on OPEB Plan Investments	-	-	-
Changes of Assumptions	52,043	1,116,468	1,168,511
Changes in Proportion and Differences between School District Contributions and Proportionate Share of Contributions	246,464	176,579	423,043
<b>Total Deferred Inflows of Resources</b>	<u>\$ 1,349,326</u>	<u>\$ 1,527,177</u>	<u>\$ 2,876,503</u>

\$61,487 reported as deferred outflows of resources related to OPEB resulting from School District contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the fiscal year ending June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

	SERS	STRS	Total
Fiscal Year Ending June 30:			
2022	\$ (182,532)	\$ (349,401)	\$ (531,933)
2023	(180,846)	(321,518)	(502,364)
2024	(181,118)	(311,743)	(492,861)
2025	(183,790)	(283,230)	(467,020)
2026	(141,290)	(68,192)	(209,482)
Thereafter	(48,742)	(57,184)	(105,926)
	<u>\$ (918,318)</u>	<u>\$ (1,391,268)</u>	<u>\$ (2,309,586)</u>

***Actuarial Assumptions - SERS***

The total OPEB liability is determined by SERS' actuaries in accordance with GASB Statement No. 74, as part of their annual actuarial valuation for each retirement plan. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts (e.g., salaries, credited service) and assumptions

**Crestwood Local School District**  
**Portage County, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2021*

---

---

about the probability of occurrence of events far into the future (e.g., mortality, disabilities, retirements, employment terminations). Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future.

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

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

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

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

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

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

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

**Crestwood Local School District**  
**Portage County, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2021*

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

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

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

**Discount Rate** The discount rate used to measure the total OPEB liability at June 30, 2020 was 2.63 percent. The discount rate used to measure total OPEB liability prior to June 30, 2020 was 3.22 percent. The projection of cash flows used to determine the discount rate assumed that contributions will be made from members and the plan at the contribution rate of 2.00 percent of projected covered payroll each year, which includes a 1.50 percent payroll surcharge and no contributions from the basic benefits plan. Based on these assumptions, the OPEB plan's fiduciary net position was projected to become insufficient to make future benefit payments during the fiscal year ending June 30, 2034. However, since SERS' actuaries indicate the fiduciary net position is projected to be depleted at a future measurement date, the single equivalent interest rate is determined as the single rate that will generate a present value of benefit payments equal to the sum of the present value determined by the long-term expected rate of return, and the present value determined by discounting those benefits after the date of depletion by the Fidelity General Obligation 20-year Municipal Bond Index rate of 2.45 percent, as of June 30, 2020 (i.e., municipal bond rate).

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

**Crestwood Local School District**  
**Portage County, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2021*

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
School District's Proportionate Share of the Net OPEB Liability	\$ 2,529,009	\$ 2,066,226	\$ 1,698,314

  

	<u>1% Decrease</u>	<u>Current Trend Rate</u>	<u>1% Increase</u>
School District's Proportionate Share of the Net OPEB Liability	\$ 1,626,996	\$ 2,066,226	\$ 2,653,589

***Actuarial Assumptions – STRS***

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

Inflation	2.50 percent	
Projected Salary Increases	12.50 percent at age 20 to 2.50 percent at age 65	
Payroll Increases	3.00 percent	
Investment Rate of Return	7.45 percent, net of investment expenses, including inflation	
Discount Rate of Return	7.45 percent	
Health Care Cost Trend Rates		
Medical	<u>Initial</u>	<u>Ultimate</u>
Pre-Medicare	5.00 percent	4.00 percent
Medicare	-6.69 percent	4.00 percent
Prescription Drug		
Pre-Medicare	6.50 percent	4.00 percent
Medicare	11.87 percent	4.00 percent

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

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

The actuarial assumptions used in the June 30, 2020 valuation were adopted by the board from the results of an actuarial experience study for July 1, 2011, through June 30, 2016.

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

**Crestwood Local School District**  
**Portage County, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2021*

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

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

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

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

	1% Decrease	Current Discount Rate	1% Increase
	School District's Proportionate Share of the Net OPEB Liability (Asset)	\$ (1,022,703)	\$ (1,175,432)

  

	1% Decrease	Current Trend Rate	1% Increase
	School District's Proportionate Share of the Net OPEB Liability (Asset)	\$ (1,296,974)	\$ (1,175,432)

**Benefit Term Changes since the Prior Measurement Date** There were no changes to the claims costs process. Claim curves were updated to reflect the projected fiscal year 2021 premium based on June 30, 2020 enrollment distribution. The non-Medicare subsidy percentage was increased effective January 1, 2021 from 1.984 percent to 2.055 percent per year of service. The non-Medicare frozen subsidy base premium was increased effective January 1, 2021. The Medicare subsidy percentages were adjusted effective January 1, 2021 to .1 percent for the AMA Medicare plan. The Medicare Part B monthly reimbursement elimination date was postponed indefinitely.



**Crestwood Local School District**  
**Portage County, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2021*

**NOTE 14 – BUDGETARY BASIS OF ACCOUNTING**

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

The statement of revenues, expenditures and changes in fund balance – budget and actual (non-GAAP budgetary basis) presented for the general and classroom facilities maintenance funds are presented on the budgetary basis to provide a meaningful comparison of actual results with the budget. The major differences between the budget basis and 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 an assignment of fund balance for that portion of outstanding encumbrances not already recognized as an account payable (GAAP basis); and,
- (d) Some funds are included in the general fund (GAAP), but have separate legally adopted budgets. The adjustments necessary to convert the results of operations for the year on the budget basis to the GAAP basis for the general and classroom facilities maintenance funds are as follows:

<b>Net Change in Fund Balance</b>		
	General	Classroom Facilities Maintenance
GAAP Basis	\$ 12,934	\$ (2,081)
Net Adjustment for Revenue Accruals	842,949	10,810
Net Adjustment for Expenditure Accruals	27,230	0
Funds Budgeted Elsewhere**	(52,607)	-
Adjustment for Encumbrances	(274,791)	(12,249)
Budget Basis	\$ 555,715	\$ (3,520)

\*\* As part of Governmental Accounting Standards Board Statement No. 54, *Fund Balance Reporting*, certain funds that are legally budgeted in separate special revenue funds are considered part of the general fund on a GAAP basis. This includes public school support, uniform school supplies, surround care, workman’s comp, HRA Benefits, and Flexible Spending Account.

**Crestwood Local School District**  
**Portage County, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2021*

**NOTE 15 – CONTINGENCIES**

***A. Grants***

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

***B. Litigation***

The School District is not party to any claims or lawsuits that would, in the School District’s opinion, have a material effect of the basic financial statements.

***C. School District 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 adjustments to the June 30, 2021 Foundation Funding for the School District. These adjustments were insignificant for the School District for fiscal year 2021.

**NOTE 16 – STATUTORY RESERVES**

The School District is required by State law to set-aside certain general fund revenue amounts, as defined by statute, into various reserves. These reserves are calculated and presented on a cash basis. During the fiscal year ended June 30, 2021, the reserve activity was as follows:

	Capital Acquisition
Set Aside Reserve Balance June 30, 2020	\$ -
Current Year Set Aside Requirement	289,365
Current year offsets	(411,978)
Total	\$ (122,613)
Balance carried forward to fiscal year 2022	\$ -
Set Aside Restricted Balance as of June 30, 2021	\$ -

The School District had enough current year offsets to reduce the set-aside amount below zero for the capital acquisition reserve; however, this amount may not be carried forward to future years.

**Crestwood Local School District**  
**Portage County, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2021*

**NOTE 17 – FUND BALANCE**

Fund balance can be classified as nonspendable, restricted, committed, assigned and/or unassigned based primarily on the extent to which the School District is bound to observe constraints imposed upon the use of the resources in governmental funds.

The constraints placed on fund balance for the major governmental funds and all other governmental funds are presented as follows:

	General	Classroom Facilities Maintenance	Other Governmental	Total
Nonspendable for:				
Unclaimed Funds	\$ 4,608	\$ -	\$ -	\$ 4,608
Restricted for:				
Debt Service	-	-	638,000	638,000
Capital Outlay	-	-	340,062	340,062
Classroom Facilities Maintenance	-	2,602,177	-	2,602,177
Food Service	-	-	501,120	501,120
Other Purposes	-	-	344,181	344,181
Total Restricted	<u>-</u>	<u>2,602,177</u>	<u>1,823,363</u>	<u>4,425,540</u>
Committed for:				
Underground Storage Tanks	<u>47,470</u>	<u>-</u>	<u>-</u>	<u>47,470</u>
Assigned for:				
Encumbrances				
Instruction	118,941	-	-	118,941
Support Services	155,850	-	-	155,850
Other Purposes	149,546	-	-	149,546
Public School Support	27,708	-	-	27,708
Surround Care	26,282	-	-	26,282
Serving Safe Food	1,525	-	-	1,525
Total Assigned	<u>479,852</u>	<u>-</u>	<u>-</u>	<u>479,852</u>
Unassigned	<u>4,702,625</u>	<u>-</u>	<u>(39,206)</u>	<u>4,663,419</u>
<i>Total Fund Balance</i>	<u>\$ 5,234,555</u>	<u>\$ 2,602,177</u>	<u>\$ 1,784,157</u>	<u>\$ 9,620,889</u>

**Crestwood Local School District**  
**Portage County, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2021*

**NOTE 18 – COMMITMENTS**

***Encumbrances***

The School 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 School District’s commitments for encumbrances in the governmental funds were as follows:

Fund	Amount
General Fund	\$ 280,968
Classroom Facilities Maintenance	12,249
Other Governmental	210,489
Total Governmental Funds	\$ 503,706

**NOTE 19 – COVID-19**

The United States and the State of Ohio declared a state of emergency in March of 2020 due to the COVID-19 pandemic. Ohio’s state of emergency ended in June of 2021 while the national state of emergency continues. During fiscal year 2021, the School District received Coronavirus Aid, Relief, and Economic Security (CARES) Act funding. Additional funding has been made available through the Consolidated Appropriations Act, 2021, passed by Congress on December 21, 2020 and/or the American Rescue Plan Act, passed by Congress on March 11, 2021.

**NOTE 20 – SUBSEQUENT EVENTS**

For fiscal year 2022, school district foundation funding received from the State of Ohio will be funded using a direct funding model. Under this new model, community school, STEM school, scholarship, and open enrollment funding will be directly funded by the State of Ohio to the respective educating schools. For fiscal year 2021 and prior, the amounts related to students who were residents of the School District were funded to the School District who, in turn, made the payment to the educating school. For fiscal year 2021, the School District reported \$1,030,312 in revenues and expenditures/expenses related to these programs. Also during fiscal year 2021, the school district reported \$706,106 in tuition and fees from the resident school districts which will be direct funded to the School District as the educating entity in fiscal year 2022. This new funding system calculates a unique base cost and a unique “per-pupil local capacity amount” for each school district. The School District’s state core foundation funding is then calculated. Any change in funding will be subject to a phase in percentage of 16.67 percent for fiscal year 2022 and 33.33 percent for fiscal year 2023.

*This page intentionally left blank.*

**Crestwood School District**  
**Portage County, Ohio**  
*Required Supplementary Information*  
*Schedule of the School District's Proportionate Share of the Net Pension Liability*  
*Last Eight Fiscal Years (1)*

	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>
<b><i>School Employees Retirement System (SERS)</i></b>				
School District's Proportion of the Net Pension Liability	0.09372480%	0.09670020%	0.10307540%	0.10061900%
School District's Proportionate Share of the Net Pension Liability	\$ 6,199,156	\$ 5,785,743	\$ 5,903,319	\$ 6,011,763
School District's Covered Payroll	\$ 3,218,257	\$ 3,344,170	\$ 3,335,978	\$ 3,352,786
School District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	192.62%	173.01%	176.96%	179.31%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	68.55%	70.85%	71.36%	69.50%
<b><i>State Teachers Retirement System (STRS)</i></b>				
School District's Proportion of the Net Pension Liability	0.06688105%	0.06852821%	0.07466012%	0.07617201%
School District's Proportionate Share of the Net Pension Liability	\$ 16,182,834	\$ 15,154,602	\$ 16,416,084	\$ 18,094,824
School District's Covered Payroll	\$ 8,064,271	\$ 7,969,857	\$ 8,487,957	\$ 8,370,686
School District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	200.67%	190.15%	193.40%	216.17%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	75.50%	77.40%	77.31%	75.30%

(1) Information prior to 2014 is not available.

The amounts presented for each fiscal year were determined as of the measurement date, which is the prior fiscal year.

<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
0.10751910%	0.10258050%	0.10577100%	0.10577100%
\$ 7,869,406	\$ 5,853,343	\$ 5,353,010	\$ 6,289,862
\$ 3,529,407	\$ 4,011,965	\$ 3,443,153	\$ 3,307,269
222.97%	145.90%	155.47%	190.18%
62.98%	69.16%	71.70%	65.52%
0.07911329%	0.08103184%	0.08390501%	0.08390501%
\$ 26,481,603	\$ 22,394,830	\$ 20,408,602	\$ 24,310,593
\$ 8,039,021	\$ 7,971,093	\$ 8,883,946	\$ 8,814,854
329.41%	280.95%	229.72%	275.79%
66.80%	72.10%	74.70%	69.30%

**Crestwood School District**  
**Portage County, Ohio**  
*Required Supplementary Information*  
*Schedule of School District Contributions - Pension*  
*Last Ten Fiscal Years*

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
<b><i>School Employees Retirement System (SERS)</i></b>				
Contractually Required Contribution	\$ 454,998	\$ 450,556	\$ 451,463	\$ 450,357
Contributions in Relation to the Contractually Required Contribution	<u>(454,998)</u>	<u>(450,556)</u>	<u>(451,463)</u>	<u>(450,357)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
School District's Covered Payroll	\$ 3,249,986	\$ 3,218,257	\$ 3,344,170	\$ 3,335,978
Contributions as a Percentage of Covered Payroll	14.00%	14.00%	13.50%	13.50%
<b><i>State Teachers Retirement System (STRS)</i></b>				
Contractually Required Contribution	\$ 1,101,480	\$ 1,128,998	\$ 1,115,780	\$ 1,188,314
Contributions in Relation to the Contractually Required Contribution	<u>(1,101,480)</u>	<u>(1,128,998)</u>	<u>(1,115,780)</u>	<u>(1,188,314)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
School District's Covered Payroll	\$ 7,867,714	\$ 8,064,271	\$ 7,969,857	\$ 8,487,957
Contributions as a Percentage of Covered Payroll	140.00%	14.00%	14.00%	14.00%



<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
\$ 469,390	\$ 494,117	\$ 528,777	\$ 477,221	\$ 457,726	\$ 452,986
<u>(469,390)</u>	<u>(494,117)</u>	<u>(528,777)</u>	<u>(477,221)</u>	<u>(457,726)</u>	<u>(452,986)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 3,352,786	\$ 3,529,407	\$ 4,011,965	\$ 3,443,153	\$ 3,307,269	\$ 3,367,926
14.00%	14.00%	13.18%	13.86%	13.84%	13.45%
\$ 1,171,896	\$ 1,125,463	\$ 1,115,953	\$ 1,154,913	\$ 1,145,931	\$ 1,241,353
<u>(1,171,896)</u>	<u>(1,125,463)</u>	<u>(1,115,953)</u>	<u>(1,154,913)</u>	<u>(1,145,931)</u>	<u>(1,241,353)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 8,370,686	\$ 8,039,021	\$ 7,971,093	\$ 8,883,946	\$ 8,814,854	\$ 9,548,869
14.00%	14.00%	14.00%	13.00%	13.00%	13.00%

*This page intentionally left blank.*

**Crestwood School District**  
**Portage, County, Ohio**  
*Required Supplementary Information*  
*Schedule of the School District's Proportionate Share of the Net OPEB Liability (Asset)*  
*Last Five Fiscal Years (1)*

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
<b><i>School Employees Retirement System (SERS)</i></b>					
School District's Proportion of the Net OPEB Liability	0.09507200%	0.09912700%	0.10430420%	0.10223630%	0.10876768%
School District's Proportionate Share of the Net OPEB Liability	\$ 2,066,226	\$ 2,492,841	\$ 2,893,680	\$ 2,743,754	\$ 3,100,281
School District's Covered Payroll	\$ 3,218,257	\$ 3,344,170	\$ 3,335,978	\$ 3,352,786	\$ 3,529,407
School District's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	64.20%	74.54%	86.74%	81.84%	87.84%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	18.17%	15.57%	13.57%	12.46%	11.49%
<b><i>State Teachers Retirement System (STRS)</i></b>					
School District's Proportion of the Net OPEB Liability/(Asset)	0.06688100%	0.06852800%	0.07466012%	0.07617201%	0.07911329%
School District's Proportionate Share of the Net OPEB Liability/(Asset)	\$ (1,175,432)	\$ (1,134,988)	\$ (1,199,712)	\$ 2,971,951	\$ 4,230,999
School District's Covered Payroll	\$ 8,064,271	\$ 7,969,857	\$ 8,487,957	\$ 8,370,686	\$ 8,039,021
School District's Proportionate Share of the Net OPEB Liability/(Asset) as a Percentage of its Covered Payroll	-14.58%	-14.24%	-14.13%	35.50%	52.63%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	182.10%	174.70%	176.00%	47.10%	37.30%

(1) Information prior to 2017 is not available.

The amounts presented for each fiscal year were determined as of the measurement date, which is the prior fiscal year.

**Crestwood School District**  
**Portage, County, Ohio**  
*Required Supplementary Information*  
*Schedule of School District Contributions - OPEB*  
*Last Ten Fiscal Years*

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
<b><i>School Employees Retirement System (SERS)</i></b>				
Contractually Required Contribution	\$ 61,487	\$ 50,737	\$ 58,721	\$ 58,695
Contributions in Relation to the Contractually Required Contribution	<u>(61,487)</u>	<u>(50,737)</u>	<u>(58,721)</u>	<u>(58,695)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
School District's Covered Payroll	\$ 3,043,736	\$ 3,218,257	\$ 3,344,170	\$ 3,335,979
OPEB Contributions as a Percentage of Covered Payroll	2.02%	1.58%	1.76%	1.76%
<b><i>State Teachers Retirement System (STRS)</i></b>				
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>
School District's Covered Payroll	\$ 6,692,979	\$ 8,064,271	\$ 7,969,857	\$ 8,487,957
OPEB Contributions as a Percentage of Covered Payroll	0.00%	0.00%	0.00%	0.00%

<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
\$ 56,328	\$ 54,217	\$ 85,850	\$ 56,230	\$ 55,142	\$ 68,443
<u>(56,328)</u>	<u>(54,217)</u>	<u>(85,850)</u>	<u>(56,230)</u>	<u>(55,142)</u>	<u>(68,443)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 3,352,786	\$ 3,529,407	\$ 4,011,965	\$ 3,443,153	\$ 3,307,269	\$ 3,367,926
1.68%	1.54%	2.14%	1.63%	1.67%	2.03%
\$ -	\$ -	\$ -	\$ 88,839	\$ 88,149	\$ 95,489
<u>-</u>	<u>-</u>	<u>-</u>	<u>(88,839)</u>	<u>(88,149)</u>	<u>(95,489)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 8,370,686	\$ 8,039,021	\$ 7,971,093	\$ 8,883,946	\$ 8,814,854	\$ 9,548,869
0.00%	0.00%	0.00%	1.00%	1.00%	1.00%

**Crestwood Local School District**  
**Portage County, Ohio**  
*Notes to the Required Supplementary Information*  
*For the Fiscal Year Ended June 30, 2021*

---

**NOTE 1 - NET PENSION LIABILITY**

***Changes in Assumptions - SERS***

Beginning in fiscal year 2018, an assumption of 2.5 percent was used for COLA or Ad Hoc COLA. Prior to 2018, an assumption of 3.0 percent was used.

For fiscal year 2017, the SERS Board adopted the following assumption changes:

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

***Changes in Assumptions – STRS***

For fiscal year 2018, the Retirement Board approved several changes to the actuarial assumptions in 2017. The long term expected rate of return was reduced from 7.75 percent to 7.45 percent, the inflation assumption was lowered from 2.75 percent to 2.50 percent, the payroll growth assumption was lowered to 3.00 percent, and total salary increases rate was lowered by decreasing the merit component of the individual salary increases, in addition to a decrease of 0.25 percent due to lower inflation. The healthy and disabled mortality assumptions were updated to the RP-2014 mortality tables with generational improvement scale MP-2016. Rates of retirement, termination and disability were modified to better reflect anticipated future experience.

***Changes in Benefit Terms - SERS***

With the authority granted to the Board under SB 8, the Board enacted a three-year COLA delay for future benefit recipients commencing on or after April 1, 2018.

For fiscal year 2018, the cost-of-living adjustment was changed from a fixed 3.00 percent to a cost-of-living adjustment that is indexed to CPI-W not greater than 2.50 percent with a floor of zero percent beginning January 1, 2018. In addition, with the authority granted the Board under HB 49, the Board has enacted a three-year COLA suspension for benefit recipients in calendar years 2018, 2019 and 2020.

***Changes in Benefit Terms - STRS***

For fiscal year 2018, the cost-of-living adjustment (COLA) was reduced to zero.

**Crestwood Local School District**  
**Portage County, Ohio**  
*Notes to the Required Supplementary Information*  
*For the Fiscal Year Ended June 30, 2021*

---

**NOTE 2 - NET OPEB LIABILITY (ASSET)**

***Changes in Assumptions – SERS***

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

Municipal Bond Index Rate:

Fiscal year 2021	2.45 percent
Fiscal year 2020	3.13 percent
Fiscal year 2019	3.62 percent
Fiscal year 2018	3.56 percent
Fiscal year 2017	2.92 percent

Single Equivalent Interest Rate, net of plan investment expense, including price inflation:

Fiscal year 2021	2.63 percent
Fiscal year 2020	3.22 percent
Fiscal year 2019	3.70 percent
Fiscal year 2018	3.63 percent
Fiscal year 2017	2.98 percent

Pre-Medicare

Fiscal year 2021	7.00 percent initially, decreasing to 4.75 percent
Fiscal year 2020	7.00 percent initially, decreasing to 4.75 percent
Fiscal year 2019	7.25 percent initially, decreasing to 4.75 percent
Fiscal year 2018	7.50 percent initially, decreasing to 4.00 percent

Medicare

Fiscal year 2021	5.25 percent initially, decreasing to 4.75 percent
Fiscal year 2020	5.25 percent initially, decreasing to 4.75 percent
Fiscal year 2019	5.375 percent initially, decreasing to 4.75 percent
Fiscal year 2018	5.50 percent initially, decreasing to 5.00 percent

***Changes in Assumptions – STRS***

For fiscal year 2021, valuation year per capita health care costs were updated. Health care cost trend rates ranged from -5.20 percent to 9.60 percent initially for fiscal year 2020 and changed for fiscal year 2021 to a range of -6.69 percent to 11.87 percent, initially.

For fiscal year 2019, the discount rate was increased from the blended rate of 4.13 percent to the long-term expected rate of return of 7.45 percent. Valuation year per capita health care costs were updated. Health care cost trend rates ranged from 6.00 percent to 11 percent initially and a 4.50 percent ultimate rate for fiscal year 2018 and changed for fiscal year 2019 to a range of -5.20 percent to 9.60 percent, initially and a 4.00 ultimate rate.

For fiscal year 2018, the blended discount rate was increased from 3.26 percent to 4.13 percent. Valuation year per capita health care costs were updated, and the salary scale was modified. The percentage of future

**Crestwood Local School District**  
**Portage County, Ohio**  
*Notes to the Required Supplementary Information*  
*For the Fiscal Year Ended June 30, 2021*

---

retirees electing each option was updated based on current data and the percentage of future disabled retirees and terminated vested participants electing health coverage were decreased. The assumed mortality, disability, retirement, withdrawal and future health care cost trend rates were modified along with the portion of rebated prescription drug costs.

***Changes in Benefit Terms - SERS***

There have been no changes to the benefit provisions.

***Changes in Benefit Terms – STRS***

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

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

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

For fiscal year 2018, the subsidy multiplier for non-Medicare benefit recipients was reduced from 2.1 percent to 1.9 percent per year of service. Medicare Part B premium reimbursements were discontinued for certain survivors and beneficiaries and all remaining Medicare Part B premium reimbursements will be discontinued beginning January 2019. This was subsequently extended, see above paragraph.



**CRESTWOOD LOCAL SCHOOL DISTRICT  
PORTAGE COUNTY**

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

<b>FEDERAL GRANTOR Pass Through Grantor Program / Cluster Title</b>	<b>Federal CFDA Number</b>	<b>Pass Through Entity Identifying Number</b>	<b>Total Federal Expenditures</b>
<b>U.S. DEPARTMENT OF EDUCATION</b>			
<i>Passed Through Ohio Department of Education</i>			
Title I Grants to Local Educational Agencies	84.010	049189-3M00-2020	\$ 50,780
Title I Grants to Local Educational Agencies - Delinquent	84.010	049189-3M00-2020	21,765
Title I Grants to Local Educational Agencies	84.010	049189-3M00-2021	166,678
Title I Grants to Local Educational Agencies - Delinquent	84.010	049189-3M00-2021	17,097
Total Title I Grants to Local Education Agencies			256,320
Special Education—Grants to States (IDEA, Part B)	84.027	049189-3M20-2020	15,206
Special Education—Grants to States (IDEA, Part B)	84.027	049189-3M20-2021	211,663
Special Education—Preschool Grants (IDEA Preschool)	84.173	049189-3C50-2021	4,897
Special Education—Preschool Grants (IDEA Preschool)	84.173	049189-3C50-2021	447
Total Special Education Cluster			232,213
Improving Teacher Quality Grants	84.367	049189-3Y60-2020	5,396
Improving Teacher Quality Grants	84.367	049189-3Y60-2021	37,079
Total Improving Teacher Quality State Grants			42,475
Student Support and Academic Enrichment Program	84.424	049189-3HI0-2021	16,358
COVID-19 Education Stabilization Fund	84.425D	N/A	3,074
COVID-19 Education Stabilization Fund	84.425D	N/A	176,870
Total COVID-19 Education Stabilization Fund			179,944
Total U.S. Department of Education			<b>727,310</b>
<b>U.S. DEPARTMENT OF AGRICULTURE</b>			
<i>Passed Through Ohio Department of Education</i>			
Child Nutrition Cluster: Non-Cash Assistance: National School Lunch Program	10.555	N/A	56,163
Cash Assistance: School Breakfast Program	10.553	049189-3L70-2021	295,132
COVID-19 School Breakfast Program	10.553	049189-3L70-2021	66,386
National School Lunch Program	10.555	049189-3L60-2021	168,503
COVID-19 National School Lunch Program	10.555	049189-3L60-2021	101,014
Total Child Nutrition Cluster			687,198
Total U.S. Department of Agriculture			<b>687,198</b>
<b>U.S. DEPARTMENT OF THE TREASURY</b>			
<i>Passed Through Ohio Department of Education</i>			
Coronavirus Relief Fund (BroadbandOhio Connectivity)	21.019	049189-5CV1-2021	20,000
COVID-19 Coronavirus Relief Fund (CRF)	21.019	049189-5CV1-2021	93,588
Total Coronavirus Relief Fund			113,588
Total U.S. Department of the Treasury			<b>113,588</b>
<b>Total Expenditures of Federal Awards</b>			<b>1,528,096</b>

The accompanying notes are an integral part of this schedule.

**CRESTWOOD LOCAL SCHOOL DISTRICT  
PORTAGE COUNTY**

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

**NOTE A – BASIS OF PRESENTATION**

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

**NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

**NOTE C – INDIRECT COST RATE**

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

**NOTE D - CHILD NUTRITION CLUSTER**

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

**NOTE E – FOOD DONATION PROGRAM**

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

**NOTE F - TRANSFERS BETWEEN PROGRAM YEARS**

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

<u>Program Title</u>	<u>CFDA Number</u>	<u>Amt. Transferred</u>
Title I Grants to Local Educational Agencies	84.010	\$ 811
Expanding Opportunities to Each Child	84.010	\$ 1,403

# OHIO AUDITOR OF STATE KEITH FABER



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

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

Crestwood Local School District  
Portage County  
10880 John Edward Drive  
Mantua, Ohio 44255

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 Crestwood Local School District, Portage County, (the District) as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated March 18, 2022 wherein we noted the District adopted Governmental Accounting Standards Board (GASB) Statement No. 84, *Fiduciary Activities*. We also noted the District referred to the financial impact of COVID-19 and the continuing emergency measures that may impact subsequent periods.

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

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

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

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

***Compliance and Other Matters***

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

***Purpose of this Report***

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



Keith Faber  
Auditor of State  
Columbus, Ohio

March 18, 2022

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

Crestwood Local School District  
Portage County  
10880 John Edward Drive  
Mantua, Ohio 44255

To the Board of Education:

***Report on Compliance for the Major Federal Program***

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

***Management's Responsibility***

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

***Auditor's Responsibility***

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

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

***Opinion on the Major Federal Program***

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

***Report on Internal Control Over Compliance***

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

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

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

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



Keith Faber  
Auditor of State  
Columbus, Ohio

March 18, 2022

**CRESTWOOD LOCAL SCHOOL DISTRICT  
PORTAGE COUNTY**

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

**1. SUMMARY OF AUDITOR'S RESULTS**

<b>(d)(1)(i)</b>	<b>Type of Financial Statement Opinion</b>	Unmodified
<b>(d)(1)(ii)</b>	<b>Were there any material weaknesses in internal control reported at the financial statement level (GAGAS)?</b>	No
<b>(d)(1)(ii)</b>	<b>Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?</b>	No
<b>(d)(1)(iii)</b>	<b>Was there any reported material noncompliance at the financial statement level (GAGAS)?</b>	No
<b>(d)(1)(iv)</b>	<b>Were there any material weaknesses in internal control reported for major federal programs?</b>	No
<b>(d)(1)(iv)</b>	<b>Were there any significant deficiencies in internal control reported for major federal programs?</b>	No
<b>(d)(1)(v)</b>	<b>Type of Major Programs' Compliance Opinion</b>	Unmodified
<b>(d)(1)(vi)</b>	<b>Are there any reportable findings under 2 CFR § 200.516(a)?</b>	No
<b>(d)(1)(vii)</b>	<b>Major Programs (list):</b>	Child Nutrition Cluster
<b>(d)(1)(viii)</b>	<b>Dollar Threshold: Type A/B Programs</b>	Type A: > \$ 750,000 Type B: all others
<b>(d)(1)(ix)</b>	<b>Low Risk Auditee under 2 CFR § 200.520?</b>	Yes

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

None

**3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS**

None

**This page intentionally left blank.**



# OHIO AUDITOR OF STATE KEITH FABER



**CRESTWOOD LOCAL SCHOOL DISTRICT**

**PORTAGE 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 4/5/2022**

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

This report is a matter of public record and is available online at  
[www.ohioauditor.gov](http://www.ohioauditor.gov)