



OHIO AUDITOR OF STATE
KEITH FABER



**CRESTVIEW LOCAL SCHOOL DISTRICT
COLUMBIANA COUNTY
JUNE 30, 2025**

TABLE OF CONTENTS

TITLE	PAGE
Independent Auditor's Report	1
Prepared by Management:	
Management's Discussion and Analysis	5
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Position	13
Statement of Activities.....	14
Fund Financial Statements:	
Balance Sheet	
Governmental Funds	15
Reconciliation of Total Governmental Fund Balances to	
Net Position of Governmental Activities	16
Statement of Revenues, Expenditures and Changes in Fund Balance	
Governmental Funds	17
Reconciliation of the Statement of Revenues, Expenditures	
and Changes in Fund Balances of Governmental Funds	
to the Statement of Activities	18
Statement of Revenue, Expenditures and Changes in	
Fund Balance – Budget (Non-GAAP Basis) and Actual	
General Fund.....	19
Statement of Fund Net Position	
Proprietary Fund.....	20
Statement of Revenues, Expenses and Changes in Fund Net Position	
Proprietary Fund	21
Statement of Cash Flows	
Proprietary Fund	22
Notes to the Basic Financial Statements	23

**CRESTVIEW LOCAL SCHOOL DISTRICT
COLUMBIANA COUNTY
JUNE 30, 2025**

**TABLE OF CONTENTS
(Continued)**

TITLE	PAGE
Required Supplementary Information:	
Schedule of the School District's Proportionate Share of the Net Pension Liability (School Employees Retirement System of Ohio (SERS)).....	64
Schedule of the School District's Proportionate Share of the Net Pension Liability (State Teacher Retirement System of Ohio (STRS)).....	66
Schedule of the School District's Pension Contributions (School Employees Retirement System of Ohio (SERS)).....	68
Schedule of the School District's Pension Contributions (State Teacher Retirement System of Ohio (STRS))	70
Schedule of the School District's Proportionate Share of the Net OPEB Liability (School Employees Retirement System (SERS) of Ohio)	72
Schedule of the School District's Proportionate Share of the Net OPEB Liability (Asset) (State Teachers Retirement System (STRS) of Ohio)	73
Schedule of the School District's OPEB Contributions (School Employees Retirement System (SERS) of Ohio)	74
Schedule of the School District's OPEB Contributions (State Teachers Retirement System (STRS) of Ohio).....	76
Notes to the Required Supplementary Information	78
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i>	87
Schedule of Findings.....	89

OHIO AUDITOR OF STATE KEITH FABER



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INDEPENDENT AUDITOR'S REPORT

Crestview Local School District
Columbiana County
44100 Crestview Rd Suite A
Columbiana, Ohio 44408

To the Board of Education:

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Crestview Local School District, Columbiana County, Ohio (the District), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Crestview Local School District, Columbiana County, Ohio as of June 30, 2025, and the respective changes in financial position and, where applicable, cash flows thereof and respective budgetary comparison for the General Fund for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter

As discussed in Note 3 to the financial statements, during 2025, the District adopted new accounting guidance in Governmental Accounting Standards Board (GASB) Statement No. 101, *Compensated Absences*. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and schedules of net pension and other post-employment benefit liabilities and pension and other post-employment benefit contributions be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be

an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 27, 2026, 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. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's 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
Ohio Auditor of State



Tiffany L. Ridenbaugh, CPA, CFE, CGFM
Chief Deputy Auditor

March 27, 2026

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Crestview Local School District
Columbiana County, Ohio

Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2025

The discussion and analysis of the financial performance of Crestview Local School District (the District) provides an overall review of the District's financial activities for the fiscal year ended June 30, 2025. The intent of this discussion and analysis is to look at the District's financial performance as a whole; readers should also review the basic financial statements and notes to enhance their understanding of the District's financial performance.

Financial Highlights

Key financial highlights for fiscal year 2025 are as follows:

In total, net position increased \$10,629,411 from fiscal year 2024, due to an overall increase in capital assets. The effects of GASB 68 and 75 distort the comparative analysis to follow in this MD&A due to the significant change in total expenses on a full accrual basis.

General revenues accounted for \$28,241,442, or approximately 93 percent of all revenues. Program specific revenues in the form of charges for services and operating grants and contributions accounted for \$2,139,026 or 7 percent of total revenues of \$30,380,468.

The District's major funds included the General Fund, and the Permanent Improvement, Building, and Classroom Facilities Capital Projects Funds. On the modified accrual basis, the General Fund had \$16,811,112 in revenues and \$18,190,366 in expenditures. The General Fund's balance decreased \$1,447,933 from the prior fiscal year.

The Permanent Improvement Capital Projects Fund had \$1,124,697 in revenues and \$1,696,866 in expenditures. The Permanent Improvement Capital Projects Fund balance decreased \$572,169 from the previous fiscal year.

The Building Capital Projects Fund balance decreased \$794,754 from the previous fiscal year due to expenditures outpacing revenues during the fiscal year.

The Classroom Facilities Capital Projects Fund balance decreased \$5,201,245 due to a decrease in intergovernmental revenue and increase in capital outlay related to the Ohio School Facilities new building project.

The District's total net pension liability decreased to \$11,837,635 from \$13,275,279 and the OPEB liability decreased to \$483,207 from \$756,604, or a combined net decrease of \$1,711,041. For more information on this liability see Notes 14 and 15 to the basic financial statements.

Using the Basic Financial Statements

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

The *Statement of Net Position* and *Statement of Activities* provide information about the activities of the whole District, presenting both an aggregate view of the District's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term and what remains for future spending. The fund financial statements also look at the District's most significant funds with all other non-major funds presented in total in one column. In the case of Crestview Local School District, the General Fund and the Permanent Improvement, Building and Classroom Facilities Capital Projects Funds are the four major funds of the District and are the most significant.

Crestview Local School District
Columbiana County, Ohio

Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2025

Reporting the District as a Whole

Statement of Net Position and Statement of Activities

The statement of net position and the statement of activities reflect how the District did financially during fiscal year 2025. These statements include all assets, deferred outflows of resources, liabilities and deferred inflows of resources using the accrual basis of accounting similar to which is used by most private-sector companies. This basis of accounting considers all of the current fiscal year's revenues and expenses regardless of when cash is received or paid.

These statements report the District's net position and changes in that position. This change in net position is important because it tells the reader whether the financial position of the District as a whole has increased or decreased from the prior fiscal year. Over time, these increases and/or decreases are one indicator of whether the financial position is improving or deteriorating. Causes for these changes may be the result of many factors, some financial, some not. Non-financial factors include the District's property tax base, current property tax laws in Ohio restricting revenue growth, facility conditions, required educational programs, and other factors.

In the statement of net position and statement of activities, the District discloses a single type of activity:

Governmental Activities - All of the District's programs and services are reported here including instruction, support services, non-instructional services, and extracurricular activities. These services are primarily funded by property tax revenues and from intergovernmental revenues, including federal and state grants and other shared revenues.

Reporting the District's Most Significant Funds

Fund Financial Statements

Fund financial statements provide detailed information about the District's major funds. While the District uses many funds to account for its multitude of financial transactions, the fund financial statements focus on the District's most significant funds. The District's major governmental funds are the General Fund and the Permanent Improvement, Building, and Classroom Facilities Capital Projects Funds. While the District uses many funds to account for its financial transactions, these four are the most significant.

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

Because the focus of the governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities on the government-wide financial statements. By doing so, readers may better understand the long-term impact of the District's short-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to help make this comparison between governmental funds and governmental activities.

Crestview Local School District
Columbiana County, Ohio

Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2025

Proprietary Funds - The District maintains a proprietary fund. Internal service funds are an accounting device used to accumulate and allocate costs internally among the District's various functions. The District's internal service fund accounts for insurance benefits.

The District as a Whole

Table 1 provides a summary of net position for fiscal year 2025 compared to fiscal year 2024.

Net Position (Table 1)			
Governmental Activities			
	2025	(Restated) 2024	Change
Assets			
Current and Other Assets	\$32,642,082	\$39,548,785	(\$6,906,703)
Capital Assets, Net	33,678,991	16,400,115	17,278,876
<i>Total Assets</i>	<u>66,321,073</u>	<u>55,948,900</u>	<u>10,372,173</u>
Deferred Outflows of Resources			
Pension	3,018,698	3,339,262	(320,564)
OPEB	464,388	481,475	(17,087)
<i>Total Deferred Outflows of Resources</i>	<u>3,483,086</u>	<u>3,820,737</u>	<u>(337,651)</u>
Liabilities			
Current Liabilities	4,333,192	3,202,379	(1,130,813)
Long-Term Liabilities			
Due within One Year	950,436	448,117	(502,319)
Due in More than One Year:			
Net Pension Liability	11,837,635	13,275,279	1,437,644
Net OPEB Liability	483,207	756,604	273,397
Other Amounts	17,468,547	18,533,781	1,065,234
<i>Total Liabilities</i>	<u>35,073,017</u>	<u>36,216,160</u>	<u>1,143,143</u>
Deferred Inflows of Resources			
Property Taxes	4,332,060	4,268,305	(63,755)
Pension	1,536,145	937,639	(598,506)
OPEB	1,373,828	1,487,835	114,007
<i>Total Deferred Inflows of Resources</i>	<u>7,242,033</u>	<u>6,693,779</u>	<u>(548,254)</u>
Net Position			
Net Investment in Capital Assets	25,170,614	10,207,490	14,963,124
Restricted	10,332,230	16,681,624	(6,349,394)
Unrestricted (Deficit)	(8,013,735)	(10,029,416)	2,015,681
<i>Total Net Position</i>	<u>\$27,489,109</u>	<u>\$16,859,698</u>	<u>\$10,629,411</u>

The net pension liability (NPL) is one of the largest liabilities reported by the School District at June 30, 2025 and is reported pursuant to GASB Statement 68, "Accounting and Financial Reporting for Pensions—an Amendment of GASB Statement 27." The other postemployment benefits (OPEB) liability is also a significant liability reported by the School District. 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

Crestview Local School District
Columbiana County, Ohio

Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2025

OPEB liability/(asset) to the reported net position and subtracting deferred outflows related to pension and OPEB.

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

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

By comparing assets, deferred outflows of resources, liabilities, and deferred inflows of resources, the overall position of the District has increased as evidenced by the increase in net position of \$10,629,411.

Crestview Local School District
Columbiana County, Ohio

*Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2025*

Table 2 reflects the changes in net position for fiscal year 2025 compared to fiscal year 2024.

Table 2			
Change in Net Position Governmental Activities			
	2025	(Restated) 2024	Increase (Decrease)
Revenues			
Program Revenues			
Charges for Services and Sales	\$1,347,033	\$1,311,483	\$35,550
Operating Grants and Contributions	780,493	1,892,713	(1,112,220)
Capital Grants and Contributions	11,500	34,900	(23,400)
<i>Total Program Revenues</i>	<u>2,139,026</u>	<u>3,239,096</u>	<u>(1,100,070)</u>
General Revenues			
Property Taxes	4,370,052	4,435,260	(65,208)
Income Tax	1,824,980	1,856,736	(31,756)
Intergovernmental	20,476,862	20,781,926	(305,064)
Investment Earnings	1,502,288	1,545,312	(43,024)
Miscellaneous	67,260	113,599	(46,339)
Gain on Sale of Capital Assets	0	5,071	(5,071)
<i>Total General Revenues</i>	<u>28,241,442</u>	<u>28,737,904</u>	<u>(496,462)</u>
<i>Total Revenues</i>	<u>\$30,380,468</u>	<u>\$31,977,000</u>	<u>(\$1,596,532)</u>
Program Expenses			
Instruction	10,103,722	9,158,516	(945,206)
Support Services	7,301,716	6,554,671	(747,045)
Operation of Non-Instructional/Food Services	850,531	884,569	34,038
Extracurricular Activities	788,261	810,232	21,971
Interest and Fiscal Charges	706,827	714,736	7,909
<i>Total Program Expenses</i>	<u>19,751,057</u>	<u>18,122,724</u>	<u>(1,628,333)</u>
<i>Increase (Decrease) in Net Position</i>	<u>10,629,411</u>	<u>13,854,276</u>	<u>24,483,687</u>
Net Position Beginning of Year	<u>16,859,698</u>	<u>3,005,422</u>	<u>(13,854,276)</u>
<i>Net Position End of Year</i>	<u><u>\$27,489,109</u></u>	<u><u>\$16,859,698</u></u>	<u><u>\$10,629,411</u></u>

The primary sources of general revenue for governmental activities are derived from grants and entitlements and property and income taxes. These revenue sources represent approximately 88 percent of total governmental revenue. Real estate property is reappraised every six years.

The largest expense of the District is for instruction, which totaled \$10,103,722 or 51 percent of total governmental expenses. Support service expenses totaled \$7,301,716, or 37 percent of total governmental expenses for fiscal year 2025. The effects of GASB 68 and 75 distort this comparative analysis due to the significant impact changes made to cost of living adjustments enacted by the state pension board had on the District's share of the total pension/OPEB liability/(asset).

The increase in net position of \$10,629,411 is due mostly to the increase in capital assets during the fiscal year. Expenses of \$18,010,532 related to the Ohio School Facilities Construction project were capitalized as part of construction in progress, leading to the large increase in capital assets.

Crestview Local School District
Columbiana County, Ohio

Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2025

Governmental Activities

Table 3 indicates the total cost of services and the net cost of services for governmental activities. The statement of activities reflects the cost of program services and the charges for services and sales, grants, and contributions offsetting those services. The net cost of services identifies the cost of those services supported by tax revenues and unrestricted state entitlements.

Table 3
Total and Net Cost of Program Services

	2025		2024	
	Total Cost of Services	Net Cost of Services	Total Cost of Services	Net Cost of Services
Program Expenses				
Instruction	\$10,103,722	\$9,073,376	\$9,158,516	\$7,338,828
Support Services	7,301,716	7,242,071	6,554,671	6,246,038
Operation of Non-Instructional/Food Services	850,531	177,504	884,569	180,081
Extracurricular Activities	788,261	412,253	810,232	403,945
Interest and Fiscal Charges	706,827	706,827	714,736	714,736
<i>Total Expenditures</i>	<u>\$19,751,057</u>	<u>\$17,612,031</u>	<u>\$18,122,724</u>	<u>\$14,883,628</u>

The table above reflects how the District funds its programs through program revenues. Instructional services, support services, co-curricular activities, and interest charges rely heavily on general revenues, while non-instructional and food services were largely funded by program revenues during the fiscal year. The changes in instructional expenses are mostly the byproduct of GASB 68 and 75, as previously discussed, coupled with step and wage increases for instructional staff. To gain a better understanding of operations, please refer to the fund analysis on the following pages.

The dependence upon property tax, income tax, and unrestricted state entitlements for governmental activities is apparent. 100 percent of all District expenses are supported through income and property taxes and unrestricted grants and entitlements this year. Program revenues supported 11 percent of total expenses, while interest and miscellaneous revenues supported 8 percent.

The District's Funds

The District's governmental funds are accounted for using the modified accrual basis of accounting. The District's major governmental funds are the General Fund and the Permanent Improvement, Building, and Classroom Facilities Capital Projects Funds. The fund balance of these funds decreased by \$1,447,933, \$572,169, \$794,754, and \$5,201,245, respectively, due to expenditures outpacing revenues for the fiscal year, including wage and related benefit increases in the general fund, and the Ohio School Facilities grant money being spent within the capital projects funds.

Total governmental funds had revenues of \$30,337,608 and expenditures of \$38,205,602. The net overall decrease in fund balance was \$7,849,673 for the year.

General Fund Budgeting Highlights

The District's budget is prepared according to Ohio law and is based on accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The most significant budgeted fund is the General Fund. During the course of fiscal year 2025, the District amended its General Fund budget as needed.

Crestview Local School District
Columbiana County, Ohio

Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2025

Final budgeted revenues equaled actual revenues. The variance between original and final budgeted revenues was \$659,455 and was due to a conservative original estimate for collections of property tax and intergovernmental revenues. The variance between original budgeted and actual revenues was also \$659,455 and was due mostly to original conservative estimated for most revenues. The District uses a conservative or "worst case scenario" approach applied to the original budget.

Final expenditures and other financing sources were budgeted at \$19,220,473 while actual expenditures and other financing uses were \$17,656,254. The \$1,564,219 difference is primarily due to a conservative "worst case scenario" approach and is less than 9 percent of the total budget. The original budgeted expenditures of \$16,535,473 increased to \$19,220,473 in the final budget for anticipated increases in total instruction and support service costs. The District over-appropriates in case significant, unexpected expenditures arise during the fiscal year.

Capital Assets and Debt Administration

Capital Assets

At the end of fiscal year 2025, the District had \$33,678,991 invested in capital assets (net of accumulated depreciation/amortization) for governmental activities. Table 4 shows fiscal year 2025 balances compared to fiscal year 2024:

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

	2025	2024
Land	\$457,370	\$457,370
Construction in Progress	22,056,150	4,045,618
Land Improvements	186,717	198,275
Buildings and Improvements	9,221,677	10,143,572
Furniture, Fixtures and Equipment	1,057,176	907,956
Vehicles	698,305	644,816
Intangible Right to Use Lease	1,596	2,508
<i>Total</i>	<u>\$33,678,991</u>	<u>\$16,400,115</u>

All capital assets, except land and construction in progress, are reported net of depreciation/amortization. As one can see, the District had an overall increase in capital assets of \$17,278,876. This increase is due to the current year capital asset additions of \$18,429,427 exceeding depreciation/amortization expense of \$842,942 and net deletions of \$307,609. The large increase in capital assets is directly related to the Ohio School Facilities Construction project.

For further information regarding the District's capital assets, see Note 9 to the basic financial statements.

Crestview Local School District
Columbiana County, Ohio

Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2025

Long-Term Obligations

The following is a summary of the outstanding long-term obligations of the District.

Table 5 - Outstanding Long-Term Obligations

		(Restated)
	2025	2024
School Improvement Bonds	\$4,145,000	\$4,270,000
Unamortized Issuance Premium on Bonds	99,393	103,098
Certificates of Participation	8,000,000	8,000,000
Unamortized Issuance Premium on Certificates	1,051,599	1,091,282
Qualified School Construction Bonds	1,510,000	1,745,000
Unamortized Original Issue Discount	(3,497)	(4,163)
Financed Purchase Agreements	135,800	174,961
Leases	1,737	2,664
Compensated Absences	3,478,951	3,599,056
Net Pension Liability	11,837,635	13,275,279
Net OPEB Liability	483,207	756,604
Totals	<u>\$30,739,825</u>	<u>\$33,013,781</u>

The District implemented GASB Statement 101 during the fiscal year, which resulted in a significant increase in the compensated absences liability from the prior accounting standard.

Pursuant to Section 133.06 of the Ohio Revised Code, the obligations of the certificates of participation, qualified school construction bonds and financed purchase agreements will not be construed as net indebtedness of the District. For more information about the District's long-term obligations, see Note 16 to the basic financial statements.

Current Issues

The District is a small rural community in Northeast Ohio. The District's 2020 population was 5,791. It has a number of small and medium businesses with agriculture having a contributing influence on the economy.

The District is holding its own in the state of uncertainty in State funding. As the preceding information shows, the District relies heavily upon property taxes, school district income tax, the state foundation program and open enrollment.

The District believes it can eliminate any future deficits through managing costs without seeking approval of additional operating funds from its voters.

Contacting the District's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the District's finances and to reflect the District's accountability for the monies it receives. Questions concerning any of the information in this report or requests for additional information should be directed to Charlene Mercure, Treasurer, Crestview Local School District, 44100 Crestview Road, Suite A, Columbiana, Ohio 44408.

Crestview Local School District

Columbiana County, Ohio

*Statement of Net Position**June 30, 2025*

	Governmental Activities
Assets	
Equity in Pooled Cash and Cash Equivalents	\$25,968,910
Cash and Cash Equivalents:	
With Fiscal Agents	112,699
Accrued Interest Receivable	21,149
Accounts Receivable	6,180
Intergovernmental Receivable	117,651
Income Taxes Receivable	914,908
Property Taxes Receivable	4,549,068
Inventory Held for Resale	545
Materials and Supplies Inventory	17,906
Net Other Postemployment Benefits Asset	933,066
Nondepreciable Capital Assets	22,513,520
Depreciable Capital Assets, Net	11,165,471
<i>Total Assets</i>	<u>66,321,073</u>
Deferred Outflows of Resources	
Pension	3,018,698
Other Postemployment Benefits	464,388
<i>Total Deferred Outflows of Resources</i>	<u>3,483,086</u>
Liabilities	
Accounts Payable	153,567
Accrued Wages and Benefits Payable	1,617,141
Contracts Payable	1,828,013
Intergovernmental Payable	398,532
Accrued Interest Payable	117,530
Claims Payable	218,409
Long-Term Liabilities:	
Due Within One Year	950,436
Due In More Than One Year:	
Net Pension Liability	11,837,635
Other Postemployment Benefits Liability	483,207
Other Amounts Due in More Than One Year	17,468,547
<i>Total Liabilities</i>	<u>35,073,017</u>
Deferred Inflows of Resources	
Property Taxes	4,332,060
Pension	1,536,145
Other Postemployment Benefits	1,373,828
<i>Total Deferred Inflows of Resources</i>	<u>7,242,033</u>
Net Position	
Net Investment in Capital Assets	25,170,614
Restricted for:	
Capital Projects	9,434,261
Debt Service	347,026
Other Purposes	550,943
Unrestricted (Deficit)	(8,013,735)
<i>Total Net Position</i>	<u>\$27,489,109</u>

See accompanying notes to the basic financial statements

Columbiana County, Ohio

		Program Revenues			Net (Expense) Revenue and Changes in Net Position
	Expenses	Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Governmental Activities					
Current:					
Instruction:					
Regular	\$7,890,321	\$71,847	\$38,000	\$0	(\$7,780,474)
Special	2,062,465	619,923	300,576	0	(1,141,966)
Vocational	110,039	0	0	0	(110,039)
Other	40,897	0	0	0	(40,897)
Support Services:					
Pupils	1,282,073	0	10,268	0	(1,271,805)
Instructional Staff	793,680	17,961	0	0	(775,719)
Board of Education	28,961	0	0	0	(28,961)
Administration	1,579,537	0	0	0	(1,579,537)
Fiscal	697,075	0	0	0	(697,075)
Business	856	0	0	0	(856)
Operation and Maintenance of Plant	1,838,433	5,172	15,470	0	(1,817,791)
Pupil Transportation	1,015,562	5,751	4,998	0	(1,004,813)
Central	65,539	0	25	0	(65,514)
Operation of Food Services	850,531	279,276	393,751	0	(177,504)
Extracurricular Activities	788,261	347,103	17,405	11,500	(412,253)
Interest and Fiscal Charges	706,827	0	0	0	(706,827)
Total Governmental Activities	\$19,751,057	\$1,347,033	\$780,493	\$11,500	(17,612,031)
General Revenues					
Property Taxes Levied for:					
General Purposes					3,140,938
Debt Service					368,755
Capital Outlay					793,727
Other Purposes					66,632
Income Taxes Levied for:					
General Purposes					1,824,980
Grants and Entitlements not					
Restricted to Specific Programs					20,476,862
Investment Earnings					1,502,288
Miscellaneous					67,260
Total General Revenues					28,241,442
Change in Net Position					10,629,411
Net Position Beginning of Year, as Previously Presented					19,830,452
Change in Accounting Principle					
GASB 101 - Compensated Absences					(2,970,754)
Net Position Beginning of Year, as Adjusted					16,859,698
Net Position End of Year					\$27,489,109

See accompanying notes to the basic financial statements

Crestview Local School District
Columbiana County, Ohio

*Balance Sheet
Governmental Funds
June 30, 2025*

	General	Permanent Improvement	Building Fund	Classroom Facilities Fund	Other Governmental Funds	Total Governmental Funds
Assets						
Equity in Pooled Cash and Cash Equivalents	\$4,618,862	\$2,289,412	\$4,602,707	\$13,595,922	\$862,007	\$25,968,910
Accrued Interest Receivable	20,571	0	0	0	578	21,149
Accounts Receivable	1,644	2,500	0	0	2,036	6,180
Interfund Receivable	224,931	0	0	0	0	224,931
Intergovernmental Receivable	117,651	0	0	0	0	117,651
Income Taxes Receivable	914,908	0	0	0	0	914,908
Property Taxes Receivable	3,282,596	818,775	0	0	447,697	4,549,068
Inventory Held for Resale	0	0	0	0	545	545
Materials and Supplies Inventory	16,086	0	0	0	1,820	17,906
<i>Total Assets</i>	<u>\$9,197,249</u>	<u>\$3,110,687</u>	<u>\$4,602,707</u>	<u>\$13,595,922</u>	<u>\$1,314,683</u>	<u>\$31,821,248</u>
Liabilities						
Accounts Payable	\$137,467	\$0	\$0	\$0	\$16,100	\$153,567
Accrued Wages and Benefits Payable	1,566,875	0	0	0	50,266	1,617,141
Contracts Payable	0	0	73,217	1,754,796	0	1,828,013
Intergovernmental Payable	368,629	0	0	0	29,903	398,532
Interfund Payable	0	0	0	0	224,931	224,931
<i>Total Liabilities</i>	<u>2,072,971</u>	<u>0</u>	<u>73,217</u>	<u>1,754,796</u>	<u>321,200</u>	<u>4,222,184</u>
Deferred Inflows of Resources						
Property Taxes	3,140,600	782,017	0	0	409,443	4,332,060
Unavailable Revenue - Property Taxes	45,607	11,779	0	0	5,836	63,222
Unavailable Revenue - Income Tax	132,615	0	0	0	0	132,615
<i>Total Deferred Inflows of Resources</i>	<u>3,318,822</u>	<u>793,796</u>	<u>73,217</u>	<u>1,754,796</u>	<u>415,279</u>	<u>4,527,897</u>
Fund Balances						
Nonspendable	16,086	0	0	0	1,820	17,906
Restricted	0	2,316,891	4,529,490	11,841,126	781,136	19,468,643
Committed	257,861	0	0	0	110,997	368,858
Assigned	349,676	0	0	0	0	349,676
Unassigned (Deficit)	3,181,833	0	0	0	(315,749)	2,866,084
<i>Total Fund Balances</i>	<u>3,805,456</u>	<u>2,316,891</u>	<u>4,529,490</u>	<u>11,841,126</u>	<u>578,204</u>	<u>23,071,167</u>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i>	<u>\$9,197,249</u>	<u>\$3,110,687</u>	<u>\$4,602,707</u>	<u>\$13,595,922</u>	<u>\$1,314,683</u>	<u>\$31,821,248</u>

See accompanying notes to the basic financial statements

Crestview Local School District
Columbiana County, Ohio

*Reconciliation of Total Governmental Fund Balances to
Net Position of Governmental Activities
For the Fiscal Year Ended June 30, 2025*

Total Governmental Fund Balances		\$23,071,167
<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.		33,678,991
Other long-term assets are not available to pay for current- period expenditures and therefore are reported as unavailable revenue in the funds.		
Property Taxes	63,222	
Income Taxes	<u>132,615</u>	
Total		195,837
An internal service fund is used by management to charge the costs of insurance to individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the statement of net position.		(105,710)
In the statement of activities, interest is accrued on outstanding general obligation bonds, COP's and financed purchases, whereas in governmental funds, an interest expenditure is reported when due.		(117,530)
The net pension and OPEB liabilities are not due and payable in the current period and, therefore, are not reported in the funds.		
Deferred Outflows - Pension	3,018,698	
Deferred Inflows - Pension	(1,536,145)	
Net Pension Liability	(11,837,635)	
Deferred Outflows - OPEB	464,388	
Deferred Inflows - OPEB	(1,373,828)	
Net OPEB Liability	(483,207)	
Net OPEB Asset	<u>933,066</u>	
Total		(10,814,663)
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:		
Qualified School Construction Bonds	(1,510,000)	
Unamortized Discount	3,497	
School Improvement Bonds	(4,145,000)	
Unamortized Premium	(99,393)	
Certificates of Participation	(8,000,000)	
Unamortized Premium	(1,051,599)	
Financed Purchase Agreement	(135,800)	
Leases	(1,737)	
Compensated Absences	<u>(3,478,951)</u>	
Total		<u>(18,418,983)</u>
<i>Net Position of Governmental Activities</i>		<u><u>\$27,489,109</u></u>
See accompanying notes to the basic financial statements		

Crestview Local School District
Columbiana County, Ohio

Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended June 30, 2025

	General	Permanent Improvement	Building Fund	Classroom Facilities Fund	Other Governmental Funds	Total Governmental Funds
Revenues						
Property Taxes	\$3,176,772	\$791,259	\$0	\$0	\$434,160	\$4,402,191
Income Taxes	1,941,014	0	0	0	0	1,941,014
Tuition and Fees	673,669	0	0	0	22,573	696,242
Interest	413,377	0	247,701	824,971	3,428	1,489,477
Charges for Services	0	0	0	0	279,276	279,276
Extracurricular Activities	96,071	0	0	0	232,692	328,763
Rentals	5,172	37,445	0	0	135	42,752
Contributions and Donations	129,295	11,500	0	0	18,530	159,325
Intergovernmental	10,317,010	284,493	0	9,676,175	653,630	20,931,308
Miscellaneous	58,732	0	0	0	8,528	67,260
Total Revenues	16,811,112	1,124,697	247,701	10,501,146	1,652,952	30,337,608
Expenditures						
Current:						
Instruction:						
Regular	8,005,649	0	0	0	69,289	8,074,938
Special	1,990,203	0	0	0	40,854	2,031,057
Vocational	93,435	0	0	0	0	93,435
Other	41,368	0	0	0	755	42,123
Support Services:						
Pupils	1,309,636	0	0	0	5,973	1,315,609
Instructional Staff	780,032	0	0	0	767	780,799
Board of Education	28,562	0	0	0	0	28,562
Administration	1,582,225	0	0	0	0	1,582,225
Fiscal	566,676	17,059	5,413	7,938	8,340	605,426
Operation and Maintenance of Plant	1,775,673	8,131	0	0	14,030	1,797,834
Pupil Transportation	1,053,642	0	0	0	0	1,053,642
Central	66,199	0	0	0	25	66,224
Operation of Non-Instructional Services	9,545	0	0	0	832,109	841,654
Extracurricular Activities	443,106	0	0	0	308,582	751,688
Capital Outlay	443,376	1,024,524	827,702	15,694,453	0	17,990,055
Debt Service:						
Principal Retirement	927	274,161	0	0	125,000	400,088
Interest and Fiscal Charges	112	372,991	209,340	0	167,800	750,243
Total Expenditures	18,190,366	1,696,866	1,042,455	15,702,391	1,573,524	38,205,602
Excess of Revenues Over (Under) Expenditures	(1,379,254)	(572,169)	(794,754)	(5,201,245)	79,428	(7,867,994)
Other Financing Sources (Uses)						
Proceeds from Sale of Capital Assets	18,321	0	0	0	0	18,321
Transfers In	0	0	0	0	87,000	87,000
Transfers Out	(87,000)	0	0	0	0	(87,000)
Total Other Financing Sources (Uses)	(68,679)	0	0	0	87,000	18,321
Net Change in Fund Balances	(1,447,933)	(572,169)	(794,754)	(5,201,245)	166,428	(7,849,673)
Fund Balances Beginning of Year	5,253,389	2,889,060	5,324,244	17,042,371	411,776	30,920,840
Fund Balances End of Year	\$3,805,456	\$2,316,891	\$4,529,490	\$11,841,126	\$578,204	\$23,071,167

See accompanying notes to the basic financial statements

Crestview Local School District
Columbiana 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, 2025*

Net Change in Fund Balances - Total Governmental Funds	(\$7,849,673)
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**Amounts reported for governmental activities in the
statement of activities are different because**

Governmental funds report capital outlays as expenditures.

However, in the statement of activities, the cost of those assets are allocated over their estimated useful lives as depreciation/amortization expense.

This is the amount by which capital outlay exceeded depreciation/amortization in the current period.

Capital Outlay	18,429,427
Current Year Depreciation/Amortization	<u>(842,942)</u>

Total	17,586,485
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The net effect of various transactions involving capital assets

(i.e.; disposals, sales and donations) is a reduction in net position.

Assets Disposed	(886,214)
Accumulated Depreciation on Disposals	<u>578,605</u>

Total	(307,609)
-------	-----------

Revenues in the statement of activities that do not provide current

financial resources are not reported as revenues in the funds.

Property Taxes	13,468
Income Taxes	<u>16,581</u>

Total	30,049
-------	--------

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

400,088

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

Accrued Interest on Debt	694
Amortization of Discount	(666)
Amortization of Note Premium	<u>43,388</u>

Total	43,416
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Contractually required contributions are reported as expenditures in governmental funds; however, the statement of net position reports these amounts as deferred outflows.

Pension	1,288,416
OPEB	<u>37,830</u>

Total	1,326,246
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Except for amounts reported as deferred inflows/outflows, changes in the net pension/OPEB liability are reported as pension/OPEB expense in the statement of activities.

Pension	(769,848)
OPEB	<u>288,848</u>

Total	(481,000)
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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.

Compensated Absences	120,105
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The internal service fund used by management to charge the costs of insurance to individual funds are not reported in the district-wide statement of activities. Governmental fund expenditures and related internal service fund revenues are eliminated. The net revenue (expense) of the internal service fund is allocated among the governmental activities.

(238,696)

Change in Net Position of Governmental Activities	<u><u>\$10,629,411</u></u>
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See accompanying notes to the basic financial statements

Crestview Local School District
Columbiana County, Ohio

*Statement of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund
For the Fiscal Year Ended June 30, 2025*

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Property Taxes	\$3,106,526	\$3,236,989	\$3,236,989	\$0
Income Taxes	1,805,530	1,881,356	1,881,356	0
Tuition and Fees	646,619	673,775	673,775	0
Interest	392,040	408,504	408,504	0
Rentals	4,964	5,172	5,172	0
Contributions and Donations	119,962	125,000	125,000	0
Intergovernmental	9,544,065	9,944,880	9,944,880	0
Miscellaneous	82,985	86,470	86,470	0
Total Revenues	15,702,691	16,362,146	16,362,146	0
Expenditures				
Current:				
Instruction:				
Regular	6,672,179	8,593,686	7,605,428	988,258
Special	1,414,960	1,771,635	1,740,780	30,855
Vocational	65,661	19,504	80,849	(61,345)
Other	35,377	5,296	37,403	(32,107)
Support Services:				
Pupils	910,689	1,146,435	1,100,978	45,457
Instructional Staff	614,522	556,152	755,435	(199,283)
Board of Education	24,552	28,251	28,541	(290)
Administration	1,283,635	1,384,057	1,572,057	(188,000)
Fiscal	530,060	580,000	599,132	(19,132)
Operation and Maintenance of Plant	1,938,319	2,051,979	1,965,704	86,275
Pupil Transportation	1,080,001	1,055,422	1,050,838	4,584
Central	53,452	62,146	64,931	(2,785)
Operation of Non-Instructional Services	7,752	0	9,545	(9,545)
Extracurricular Activities	361,787	423,383	445,471	(22,088)
Capital Outlay	1,392,527	1,392,527	512,162	880,365
Total Expenditures	16,385,473	19,070,473	17,569,254	1,501,219
Excess of Revenues Over (Under) Expenditures	(682,782)	(2,708,327)	(1,207,108)	1,501,219
Other Financing Sources (Uses)				
Proceeds from Sale of Capital Assets	0	18,321	18,321	0
Transfers Out	(150,000)	(150,000)	(87,000)	63,000
Total Other Financing Sources (Uses)	(150,000)	(131,679)	(68,679)	63,000
Net Change in Fund Balance	(832,782)	(2,840,006)	(1,275,787)	1,564,219
Fund Balance Beginning of Year	3,259,395	3,259,395	3,259,395	0
Prior Year Encumbrances Appropriated	2,116,701	2,116,701	2,116,701	0
Fund Balance End of Year	\$4,543,314	\$2,536,090	\$4,100,309	\$1,564,219

See accompanying notes to the basic financial statements

Crestview Local School District

Columbiana County, Ohio

Statement of Fund Net Position

Proprietary Fund

June 30, 2025

	<u>Internal Service</u>
Assets	
Cash and Cash Equivalents:	
With Fiscal Agents	\$112,699
Liabilities	
Claims Payable	<u>218,409</u>
Net Position	
Unrestricted (Deficit)	<u><u>(\$105,710)</u></u>

See accompanying notes to the basic financial statements

Crestview Local School District

Columbiana County, Ohio

*Statement of Revenues,
Expenses and Changes in Fund Net Position
Proprietary Fund
For the Fiscal Year Ended June 30, 2025*

	<u>Internal Service</u>
Operating Revenues	
Charges for Services	<u>\$2,114,898</u>
Operating Expenses	
Purchased Services	697,153
Claims	1,669,252
<i>Total Operating Expenses</i>	<u>2,366,405</u>
<i>Operating Loss</i>	(251,507)
Non-Operating Revenues	
Interest	<u>12,811</u>
<i>Change in Net Position</i>	(238,696)
<i>Net Position Beginning of Year</i>	<u>132,986</u>
<i>Net Position End of Year</i>	<u><u>(\$105,710)</u></u>
See accompanying notes to the basic financial statements	

Crestview Local School District

Columbiana County, Ohio

Statement of Cash Flows
Proprietary Fund
For the Fiscal Year Ended June 30, 2025

	<u>Internal Service</u>
<i>Increase in Cash and Cash Equivalents</i>	
Cash Flows from Operating Activities	
Cash Received from Charges for Services	\$2,114,898
Cash Payments for Goods and Services	(697,153)
Cash Payments for Claims	<u>(1,635,388)</u>
<i>Net Cash Provided by Operating Activities</i>	(217,643)
Cash Flows from Investing Activities	
Interest on Investments	<u>12,811</u>
<i>Net Increase in Cash and Cash Equivalents</i>	(204,832)
<i>Cash and Cash Equivalents Beginning of Year</i>	<u>317,531</u>
<i>Cash and Cash Equivalents End of Year</i>	<u><u>\$112,699</u></u>
 Reconciliation of Operating Income to Net Cash Provided by Operating Activities	
Operating Loss	(\$251,507)
Adjustments:	
Increase in Claims Payable	<u>33,864</u>
<i>Net Cash Provided by Operating Activities</i>	<u><u>(\$217,643)</u></u>
 See accompanying notes to the basic financial statements	

Crestview Local School District
Columbiana County, Ohio

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2025

Note 1 – Description of the School District and Reporting Entity

Crestview Local School District (the District) is a body politic and corporate established for the purpose of exercising the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. Crestview Local School District is a local school district as defined by §3311.22 of the Ohio Revised Code. The District operates under an elected Board of Education (5 members) and is responsible for the provision of public education to residents of the District. The Board oversees the operations of the District's three instructional/support facilities staffed by 50 non-certified and 98 certified full-time teaching personnel who provide services to approximately 1,111 students and other community members.

The Reporting Entity

The reporting entity is comprised of the primary government, component units, and other organizations that are included to ensure that the financial statements of the District are not misleading. The primary government consists of all funds, departments, boards, and agencies that are not legally separate from the District. This includes general operations, food service, and student related activities of the District.

Component units are legally separate organizations for which the District is financially accountable. The District is financially accountable for an organization if the District appoints a voting majority of the organization's governing board and (1) the District is able to significantly influence the programs or services performed or provided by the organization; or (2) the District is legally entitled to or can otherwise access the organization's resources; the District is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the District is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the District in that the District approves the budget, the issuance of debt, or the levying of taxes. The District does not have any component units.

The District is associated with organizations, which are defined as jointly governed organizations and group purchasing pools. These organizations include the Area Cooperative Computerized Educational Service System, Columbiana County Career Center, The Jefferson Health Plan, and the Ohio Association of School Business Officials Workers' Compensation Group Rating Program. These organizations are presented in Notes 19 and 20 to the basic financial statements.

Note 2 – Summary of Significant Accounting Policies

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

A. Basis of Presentation

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

Government-Wide Financial Statements

The statement of net position and the statement of activities display information about the District as a whole. These statements include the financial activities of the primary government. The activity of the internal service fund is eliminated to avoid "doubling up" revenues and expenses.

Crestview Local School District
Columbiana County, Ohio

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2025

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

Fund Financial Statements

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

B. Fund Accounting

The District uses funds to maintain its financial records during the fiscal year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. There are three categories of funds: governmental, proprietary and fiduciary.

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 District's major governmental funds:

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

Permanent Improvement Capital Projects Fund - The Permanent Improvement Capital Projects Fund accounts for all transactions related to the acquiring, constructing, or improving of such permanent improvements as are authorized by Chapter 5705, Ohio Revised Code.

Building Capital Projects Fund - The Building Capital Projects Fund accounts for transactions related to the acquiring, constructing, or improving of such permanent improvements related to the District's new school building project and related debt issuances.

Classroom Facilities Capital Projects Fund - The Classroom Facilities Capital Projects Fund was established pursuant to Sections 3318.080 and 3318.15, Ohio Revised Code, and accounts for monies received and expended in connection with contracts entered into by the School District and the Ohio Department of Education for the construction and equipping of classroom facilities.

Crestview Local School District
Columbiana County, Ohio

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2025

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

Proprietary Funds

Proprietary fund reporting focuses on the determination of operating income, changes in net position, financial position and cash flows. Proprietary funds are classified as enterprise or internal service. The School District has no enterprise funds. The following is a description of the District's internal service fund.

Internal Service Fund - The internal service fund accounts for the financing of services provided by one department or agency to other departments or agencies of the District on a cost reimbursement basis. The District's only internal service fund is a self-insurance fund that accounts for medical, prescription drug, dental and vision claims of the District's employees.

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 have certain characteristics. The School District has no private purpose trust funds. Custodial funds are used to report fiduciary activities that are not required to be reported in a trust fund. The School District has no fiduciary funds.

C. Measurement Focus

Government-Wide Financial Statements

The statement of net position and the statement of activities display information about the District as a whole. These statements include the financial activities of the primary government. Internal service fund activity is eliminated to avoid "doubling up" of revenues and expenses.

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

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

Fund Financial Statements

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

All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets, deferred outflows of resources, 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

Crestview Local School District
Columbiana County, Ohio

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2025

sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include reconciliations with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

Like the government-wide statements, the internal service fund is accounted for on a flow of economic resources measurement focus. All assets, deferred outflows of resources, liabilities, and deferred inflows associated with the operation of the funds are included on the statement of fund net position. The statement of changes in fund net position presents increases (i.e., revenues) and decreases (i.e., expenses) in net total position. The statement of cash flows provides information about how the District finances and meets the cash flow needs of its proprietary activity.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operation. The principal operating revenue of the District's internal service fund is charges for services. Operating expenses for the internal service fund include the cost of goods and services and claims expenses. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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 and the statements for the proprietary fund is prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Differences in the accrual and modified accrual bases of accounting arise in the recognition of revenue, the recording of unavailable revenue and in the presentation of expenses versus expenditures.

Revenues - Exchange and Non-exchange Transactions

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

Nonexchange transactions, in which the District receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied (See Note 8). Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted, matching requirements, in which the District must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the District on a reimbursement basis. On a modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

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

Crestview Local School District
Columbiana County, Ohio

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2025

Deferred Outflows/Inflows of Resources

In addition to assets, the statements of net position and balance sheets will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources, represents a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. For the District, deferred outflows of resources included pension and OPEB related amounts reported on the government-wide statement of net position. The deferred outflows of resources related to pension and OPEB are explained in Notes 14 and 15.

In addition to liabilities, the statements of net position and balance sheets report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. For the District, deferred inflows of resources include property taxes, leases, pension, OPEB and unavailable revenue. Property taxes represent amounts for which there is an enforceable legal claim as of June 30, 2025, but which were levied to finance fiscal year 2026 operations. These amounts have been recorded as a deferred inflow on both the government-wide statement of net position and the governmental fund financial statements. Unavailable revenue is reported only on the governmental funds balance sheet, and represents receivables which will not be collected within the available period. For the District unavailable revenue includes delinquent property taxes and income taxes. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available. Deferred inflows of resources related to pension and OPEB plans are reported on the government-wide statement of net position (see Notes 14 and 15).

Expenditures/Expenses

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

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

E. Budgetary Data

All funds are legally required to be budgeted and appropriated. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriations resolution, all of which are prepared on the budgetary basis of accounting. The tax budget demonstrates a need for existing or increased tax rates. The certificate of estimated resources establishes a limit on the amount the Board of Education may appropriate. The appropriations resolution is the Board's authorization to spend resources and sets annual limits on expenditures plus encumbrances at the level of control selected by the Board. The primary level of budgetary control is at the fund level for the general fund and all other funds. Any budgetary modifications at this level may only be made by the Board of Education. Budgetary allocations at the function or object level within the General Fund and all other funds are made by the Treasurer.

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

Crestview Local School District
Columbiana County, Ohio

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2025

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

F. Cash and Investments

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

During fiscal year 2025, investments were limited to STAR Ohio, United States Treasury Notes and Bills, Commercial Paper, Municipal bonds and money market mutual funds. Investments in nonparticipating investment contracts, such as repurchase agreements, are reported at cost.

STAR 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 Authority 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 a NAV per share that approximates fair value.

For fiscal year 2025, 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 \$100 million. STAR Ohio reserves the right to limit the transaction to \$250 million, requiring the excess amount to be transacted the following business day(s), but only to the \$250 million limit. All accounts of the participant will be combined for these purposes.

As authorized by Ohio statutes, the Board of Education has, by resolution, specified the funds to receive an allocation of interest earnings. Interest revenue credited to the General Fund during fiscal year 2025 amounted to \$413,377, \$139,428 of which was assigned from other District funds.

For presentation of the financial statements, investments of the cash management pool and investments with original maturities of three months or less at the time they are purchased by the District are considered to be cash equivalents. Investments with an initial maturity of more than three months that are not purchased from the pool are reported as investments. Except for nonparticipating investment contracts, investments are reported at fair value, which is based on quoted market prices. Nonparticipating investment contracts such as repurchase agreements are reported at cost.

G. Prepaid Items

Payments made to vendors for services that will benefit periods beyond June 30, 2025, are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of the purchase and an expenditure/expense is reported in the year in which services are consumed. There were no prepaids reported for fiscal year 2025.

H. Inventory

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

Crestview Local School District
Columbiana County, Ohio

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2025

On the fund financial statements, inventories of governmental funds are stated at the lower of cost or market. For all funds, cost is determined on a first-in, first-out basis. The cost of inventory items is recorded as expenditures in the governmental fund types when purchased. Inventories for governmental funds are accounted for using the consumption method on both the fund financial statements and the government-wide financial statements.

On the fund financial statements, reported material and supplies inventory is equally offset by a nonspendable classification in the governmental funds which indicates that it does now constitute available spendable resources even though it is a component of net current assets.

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

I. Restricted Net Position

Assets are reported as restricted net position when limitations on their use change the normal understanding of the availability of the asset. Such constraints are either imposed by creditors, contributor's grantors, or laws of other government or imposed by enabling legislation. See Note 18 for additional information regarding set asides.

J. Capital Assets

General capital assets are those assets not specifically related to activities. 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 on the fund financial statements.

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

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

Description	Estimated Lives
Land Improvements	15 - 30 years
Buildings and Building Improvements	30 - 50 years
Furniture, Fixtures and Equipment	5 - 20 years
Vehicles	5 - 15 years
Intangible - Right to Use Lease	5 - 10 years

K. Interfund Balances

On the 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 columns of the statement of net position.

Crestview Local School District
Columbiana County, Ohio

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2025

L. Compensated Absences

The Districts policy permits employees to accumulate earned but unused vacation, and sick pay benefits, which are collectively referred to as compensated absences. The liability for compensated absences is recognized and measured under the provision of GASB Statement No. 101, Compensated Absences. Compensated absences liabilities are accrued when incurred in the Government-wide statements. In governmental funds, liabilities are reported only if they are due and payable as a result of employees who have terminated or retired.

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

M. Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities and long-term obligations are reported on 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, and are reported as obligations of the funds. However, claims and judgments and compensated absences are reported as a liability in the fund financial statements only to the extent that they are due for payment during the current fiscal year. Bonds are recognized as a liability on the fund financial statements when due. Net pension/OPEB liability should be recognized in the governmental funds to the extent that benefit payments are due and payable and the pension/OPEB plan's fiduciary net position is not sufficient for payment of those benefits.

N. Net Position

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

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

O. Fund Balance

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

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

Crestview Local School District
Columbiana County, Ohio

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2025

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

Assigned Amounts in the assigned fund balance classification are intended to be used by the District for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the general fund, assigned amounts represent intended uses established by the District Board of Education.

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

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

P. Internal Activity

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

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

Q. Bond Issuance Discount

On the government-wide financial statements, bond discounts are deferred and amortized over the term of the bonds using the straight line method. On the government-wide financial statements, bond discounts are presented as a decrease of the face amount of the bonds payable. On the fund financial statements, bond discounts are expended in the year the bonds are issued.

Crestview Local School District
Columbiana County, Ohio

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2025

R. Bond Issuance Premium

On the government wide financial statements, bond premiums are deferred and amortized over the term of the bonds using the straight-line method. Bond premiums are presented as an increase of the face amount of the bonds payable. On governmental fund statements, bond premiums are receipted in the year the bonds are issued.

S. Pensions/Other Postemployment Benefits (OPEB)

For purposes of measuring the net pension/OPEB liability/(asset), deferred outflows of resources and deferred inflows of resources related to pensions, and pension 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 systems. 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 systems report investments at fair value.

T. Operating Revenues and Expenses

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

U. Estimates

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

V. Fair Value

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

Note 3 – Change in Accounting Principle & Restatement of Prior Year Net Position

Change in Accounting Principles

For fiscal year 2025, the District has implemented Governmental Accounting Standards Board (GASB) Statement No. 101, “Compensated Absences” and Statement No. 102 “Certain Risk Disclosures”.

GASB Statement No. 101 provides guidance on the accounting and financial reporting for compensated absences. The implementation of GASB Statement No. 101 had an effect on beginning net position of the District as presented below.

GASB Statement No. 102 aims to improve transparency by providing users with more information about risks that could significantly affect the District's financial stability or ability to provide services. The implementation of GASB Statement No. 102 could require certain note disclosure but did not have an effect on beginning net position of the District.

Crestview Local School District
Columbiana County, Ohio

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2025

Restatement of Prior Year Net Position

The implementation of GASB Statement No. 101 had the following effect on beginning net position of the District, as previously reported.

	<u>Governmental Activities</u>
Net Position at 6/30/24, as Previously Reported	\$19,830,452
Implementation of GASB Statement No. 101	<u>(2,970,754)</u>
Adjusted Net Position at 6/30/24	<u><u>\$16,859,698</u></u>

Note 4 – Accountability

Fund balances at June 30, 2025 included the following individual fund deficits:

<u>Nonmajor Governmental Funds:</u>	<u>Deficit</u>
Food Service Fund	\$298,256
Improving Teacher Quality Fund	15,673

The deficit fund balances in these funds are the result of adjustments for accrued liabilities, except for the Food Service fund, which had negative cash balances at fiscal year-end. The general fund is liable for any deficits in these funds and provides transfers when cash is required, not when accruals occur.

The Food Service special revenue fund did not comply with Ohio state law, which does not permit a cash basis deficit at year-end. The general fund is liable for the deficit in this fund and provides a transfer when cash is required.

Note 5 – Budgetary Basis of Accounting

While the District is reporting financial position, results of operations, and changes in fund balances on the basis of generally accepted accounting principles (GAAP), the budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget (Non-GAAP Basis) and Actual presented for the General Fund is presented on the budgetary basis to provide a meaningful comparison of actual results with the budget. The major differences between the budget basis and fund financial statements are the following:

1. Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis).
2. Expenditures are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis).
3. Encumbrances are treated as expenditures (budget basis) rather than restricted, committed or assigned fund balances (GAAP basis).
4. Advances-In and Advances-Out are operating transactions (budget) as opposed to balance sheet transactions.

Crestview Local School District
Columbiana County, Ohio

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2025

5. Budgetary revenues and expenditures of the public school support fund are reclassified to the general fund for GAAP reporting.

The following table summarizes the adjustments necessary to reconcile the GAAP basis statements to the budgetary basis statements for the general fund.

Net Change in Fund Balance	
GAAP Basis	(\$1,447,933)
Net Adjustment for Revenue Accruals	(369,321)
Net Adjustment for Expenditure Accruals	1,074,444
Net Adjustment for Funds Budgeted as Special Revenue	(79,645)
Adjustment for Encumbrances	<u>(453,332)</u>
Budget Basis	<u><u>(\$1,275,787)</u></u>

Note 6 – Deposits and Investments

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

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

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

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

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

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

Crestview Local School District
Columbiana County, Ohio

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2025

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

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

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

Investments may only be made through specified dealers and institutions. Payment for investments may be made only upon delivery of the securities representing the investments to the treasurer or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

Cash on Hand

At fiscal year end, the District had \$400 in undeposited cash on hand which is included as part of "Equity in Pooled Cash and Cash Equivalents."

At June 30, 2025, the District's internal service fund had a balance of \$112,699 with the Jefferson Health Plan, a claims servicing pool (See Note 12). The balance is held by the claims administrator in a pooled account, which is representative of numerous entities and therefore cannot be included in the risk disclosures reported by the District. Disclosures for the Jefferson Health Plan Self-Insurance Plan as a whole may be obtained from the Plan's fiscal agent, the Jefferson County Educational Service Center. To obtain financial information, write to the Jefferson Health Plan, Treasurer, Jefferson County ESC, 2023 Sunset Blvd. Steubenville, Ohio 43952.

Crestview Local School District
Columbiana County, Ohio

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2025

Deposits

At June 30, 2025, the carrying amount of all District deposits was \$12,356,158. Based on the criteria described in GASB Statement No. 40, "Deposits And Investment Risk Disclosures", as of June 30, 2025, none of the District's bank balance of \$15,515,136 was exposed to custodial risk as described below, meaning all of it was covered by the Federal Deposit Insurance Corporation (FDIC) and the OPCS.

Custodial credit risk is the risk that, in the event of bank failure, the District's deposits may not be returned. All deposits are collateralized with eligible securities in amounts equal to at least 105 percent of the carrying value of the deposits. Such collateral, as permitted by the Ohio Revised Code, is held in single financial institution collateral pools at Federal Reserve Banks, or at member banks of the federal reserve system, in the name of the respective depository bank and pledged as a pool of collateral against all of the public deposits it holds or as specific collateral held at the Federal Reserve Bank in the name of the District. The District has no deposit policy for custodial credit risk beyond the requirements of State statute. Although the securities were held by the pledging institutions' trust department and all statutory requirements for the deposit of money had been followed, noncompliance with federal requirements could potentially subject the District to a successful claim by the FDIC.

Investments

As of June 30, 2025, the District had the following investment. All investments are in an internal investment pool.

	Fair Value	Maturity
STAROhio	\$2,471,799	Less than One Year
Municipal Bonds	1,239,606	Less than One Year
Money Market Mutual Funds	3,261,916	Less than One Year
Commercial Paper	4,649,071	Less than One Year
United States Treasury Bills	1,989,960	Less than One Year
Total Portfolio	<u>\$13,612,352</u>	

Interest Rate Risk - The District has no investment policy that addresses interest rate risk. State statute requires that an investment mature within five years from the date of purchase, unless matched to a specific obligation or debt of the District, and that an investment must be purchased with the expectation that it will be held to maturity. State statute limits investments in commercial paper to a maximum maturity of 180 days from the date of purchase. Repurchase agreements are limited to 30 days and the market value of the securities must exceed the principal value of the agreement by at least 2 percent and be marked to market daily.

Credit Risk. As of June 30, 2025, the District's investments in Mutual Funds were not rated, STAROhio was rated AAAM. Commercial Paper, and Municipal Bonds were rated AA+ by Standard and Poors and Aaa by Moody's. The District's investment policy does not specifically address credit risk beyond adherence to all relevant sections of the Ohio Revised Code.

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

Crestview Local School District
Columbiana County, Ohio

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2025

Concentration of Credit Risk - The District places no limit on the amount it may invest in any one issuer. The following is the School District's allocation as of June 30, 2025:

Investment	Percent of Total
Commercial Paper	34.15%
U. S. Treasury Bills	14.62%
Municipal Bonds	9.11%
STAR Ohio	18.16%
Money Market Mutual Funds	23.96%
Total	100.00%

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets. Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The above chart identifies the District's recurring fair value measurements as of June 30, 2025. The 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).

Reconciliation of Cash and Investments to the Statement of Net Position

The following is a reconciliation of cash and investments as reported in the footnote above to cash and investments as reported on the Statement of Net Position as of June 30, 2025:

Cash and Investments per Note Disclosure

Carrying amount of deposits	\$12,356,158
Investments	13,612,352
Cash with fiscal agent	112,699
Cash on hand	400
Total	\$26,081,609

Cash and Investments per Statement of Net Position

Governmental Activities	\$26,081,609
	\$26,081,609

Crestview Local School District
Columbiana County, Ohio

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2025

Note 7 – Fund Balances

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

Fund Balances	General	Permanent Improvement	Building	Classroom Facilities	Nonmajor Governmental	Total
<i>Nonspendable</i>						
Inventory	\$16,086	\$0	\$0	\$0	\$1,820	\$17,906
<i>Restricted for</i>						
Technology Improvements	0	0	0	0	208	208
E-Tech Podcast Grant	0	0	0	0	5,082	5,082
Classroom Facilities	0	0	0	11,841,126	242,890	12,084,016
Extracurricular Activities	0	0	0	0	190,891	190,891
Debt Service Payments	0	0	0	0	342,065	342,065
Capital Improvements	0	2,316,891	4,529,490	0	0	6,846,381
<i>Total Restricted</i>	0	2,316,891	4,529,490	11,841,126	781,136	19,468,643
<i>Committed to</i>						
College Scholarships	0	0	0	0	110,997	110,997
Termination Benefits	257,861	0	0	0	0	257,861
<i>Total Committed</i>	257,861	0	0	0	110,997	368,858
<i>Assigned to</i>						
Encumbrances	317,385	0	0	0	0	317,385
Other Purposes	32,291	0	0	0	0	32,291
<i>Total Assigned</i>	349,676	0	0	0	0	349,676
<i>Unassigned (Deficit)</i>	3,181,833	0	0	0	(315,749)	2,866,084
<i>Total Fund Balances</i>	\$3,805,456	\$2,316,891	\$4,529,490	\$11,841,126	\$578,204	\$23,071,167

Note 8 – Property Taxes

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

Property taxes include amounts levied against all real, public utility, and tangible personal (used in business) property located in the District. Real and public utility property tax revenues received in calendar year 2025 represent the collection of calendar year 2025 taxes. Real property taxes for 2025 were levied after April 1, 2024, on the assessed values as of January 1, 2025, the lien date. Assessed values for real property taxes are established by State statute at 35 percent of appraised market value. Real property taxes are payable annually or semiannually. If paid annually, payment is due December 31; if paid semiannually, the first payment is due December 31, with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established.

Crestview Local School District
Columbiana County, Ohio

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2025

Public utility property tax revenue received in calendar 2025 represents collections of calendar year 2024 taxes. Public utility real and tangible personal property taxes received in calendar year 2025 became a lien December 31, 2023, were levied after April 1, 2024 and are collected in 2025 with real property taxes. Public utility real property is assessed at thirty-five percent of true value; public utility tangible personal property currently is assessed at varying percentages of true value.

The District receives property taxes from Columbiana County. The County Auditor periodically advances to the District its portion of the taxes collected. Second-half real property tax payments collected by the County by June 30, 2025, are available to finance fiscal year 2025 operations. The amount available to be advanced can vary based on the date the tax bills are sent.

Accrued property taxes receivable includes real property and public utility property taxes which are measurable as of June 30, 2025 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 to deferred inflows of resources – property taxes.

The amount available as an advance at June 30, 2025 was \$96,389 in the general fund, \$27,588 in the bond retirement debt service fund and \$24,979 in the permanent improvement capital projects fund and \$4,830 in the Classroom Facilities Maintenance special revenue fund. The amount available as an advance at June 30, 2024 was \$156,606 in the general fund, \$34,145 in the bond retirement debt service fund and \$40,717 in the permanent improvement capital projects fund and \$5,975 in the Classroom Facilities Maintenance special revenue fund. The difference was in timing and collection by the County Auditor.

The assessed values upon which the fiscal year 2025 taxes were collected are:

	2024 Second Half Collections		2025 First Half Collections	
	Amount	Percent	Amount	Percent
Agricultural/Residential and Other Real Estate	\$157,867,890	90.55 %	\$154,992,250	89.59 %
Public Utility Personal	16,466,910	9.45	18,000,710	10.41
Total	<u>\$174,334,800</u>	<u>100.00 %</u>	<u>\$172,992,960</u>	<u>100.00 %</u>
Tax rate per \$1,000 of assessed valuation	\$35.39		\$35.39	

Crestview Local School District
Columbiana County, Ohio

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2025

Note 9 – Capital Assets

Capital asset activity for the fiscal year ended June 30, 2025, was as follows:

	Balance 6/30/2024	Additions	Deletions	Balance 6/30/2025
Governmental Activities				
<i>Capital Assets, not being depreciated:</i>				
Land	\$457,370	\$0	\$0	\$457,370
Construction in Progress	4,045,618	18,010,532	0	22,056,150
<i>Total Capital Assets, not being depreciated:</i>	4,502,988	18,010,532	0	22,513,520
<i>Capital Assets, being depreciated/amortized:</i>				
Land Improvements	284,868	0	(5,370)	279,498
Buildings and Building Improvements	23,964,014	8,131	(874,344)	23,097,801
Furniture, Fixtures and Equipment	1,986,758	253,730	0	2,240,488
Vehicles	1,399,351	157,034	(6,500)	1,549,885
Intangible - Right to Use Lease**	103,029	0	0	103,029
<i>Total Capital Assets, being depreciated/amortized:</i>	27,738,020	418,895	(886,214)	27,270,701
<i>Less Accumulated Depreciation/Amortization:</i>				
Land Improvements	(86,593)	(8,649)	2,461	(92,781)
Buildings and Building Improvements	(13,820,442)	(625,326)	569,644	(13,876,124)
Furniture, Fixtures and Equipment	(1,078,802)	(104,510)	0	(1,183,312)
Vehicles	(754,535)	(103,545)	6,500	(851,580)
Intangible - Right to Use Lease**	(100,521)	(912)	0	(101,433)
<i>Total Accumulated Depreciation/Amortization</i>	(15,840,893)	(842,942)	578,605	(16,105,230)
<i>Total Capital Assets being depreciated, net</i>	11,897,127	(424,047)	(307,609)	11,165,471
Governmental Activities Capital Assets, Net	\$16,400,115	\$17,586,485	(\$307,609)	\$33,678,991

Depreciation/amortization expense was charged to governmental functions as follows:

Instruction:	
Regular	\$284,035
Special	44,223
Vocational	8,040
Support Services:	
Pupil	12,061
Instructional Staff	36,182
Administration	43,220
Fiscal	2,837
Business	856
Operation and Maintenance of Plant	206,797
Pupil Transportation	132,798
Operation of Food Services	15,798
Extracurricular Activities	56,095
Total Depreciation/Amortization Expense	\$842,942

Crestview Local School District
Columbiana County, Ohio

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2025

**Of the current year depreciation total of \$842,942, \$912 is presented as Support Services-Fiscal on the Statement of Activities related to the District's intangible asset of a postage meter, which is included in the table above as an Intangible Right to Use Lease. With the implementation of GASB Statement No. 87, *Leases*, a lease meeting the criteria of this statement requires the lessee to recognize the lease liability and an intangible right to use asset.

Note 10 – School District Income Tax

The voters of the District passed a 1 percent permanent school district income tax in the November 1989 election that became effective January 1, 1990. School district income tax revenue received by the General Fund during fiscal year 2025 was \$1,941,014 on a modified accrual basis.

Note 11 - Receivables

Receivables at June 30, 2025, consisted of property taxes, income taxes, accounts, and accrued interest. All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes, the stable condition of State programs, and the current year guarantee of federal funds.

A summary of the principal items of receivables follows:

Property Taxes Receivable	\$4,549,068
Income Taxes Receivable	914,908
Intergovernmental Receivable	117,651
Accounts Receivable	6,180
Accrued Interest Receivable	21,149
Total	<u><u>\$5,608,956</u></u>

Note 12 – Risk Management

A. Comprehensive

The District is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During fiscal year 2025, the District has contracted with the following insurance companies to provide coverage in the following amounts:

Crestview Local School District
Columbiana County, Ohio

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2025*

Type of Coverage	Coverage	Deductible
Liberty Mutual		
General Liability:		
Each Occurrence	\$1,000,000	\$0
Aggregate	2,000,000	0
Umbrella Liability:		
Each Occurrence	3,000,000	0
Aggregate	3,000,000	0
Liberty Mutual		
Fleet:		
Comprehensive	1,000,000	1,000
Collision	1,000,000	1,000
Liberty Mutual		
Building and Contents	50,393,608	5,000

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

B. Health and Dental Insurance

The District belongs to the Jefferson Health Plan to self-insure its medical claims. Contributions are determined by the consortium's board of directors and are remitted monthly to the consortium's fiscal agent, Jefferson County Educational Service Center, who then pays all incurred claims. Thus actual cash "reserves" are held by the fiscal agent. Settlements have never exceeded insurance coverage.

Professional Risk Management (PRM), a Meritain company and third party administrator, services all health/medical claims submitted by employees. An excess coverage insurance policy covers individual claims in excess of \$50,000 per employee consortium wide.

The School District uses an internal service fund to record and report its self-funded health care insurance program. The claims liability of \$218,409, reported in the fund at year end was estimated by the third party administrator and is based on the requirements of GASB Statement No. 10, which requires that a liability for unpaid claims costs, including estimates of costs relating to incurred but not reported claims, be reported.

Claims in the fund's claims liability during fiscal years 2024 and 2025 were:

Fiscal Year	Beginning Balance	Claims Incurred	Claims Payments	Ending Balance
2024	\$227,249	1,352,397	1,395,101	\$184,545
2025	184,545	1,669,252	1,635,388	218,409

Postemployment health care is provided to plan participants or their beneficiaries through the respective retirement systems discussed in Note 15. As such, no funding provisions are required by the District.

Crestview Local School District
Columbiana County, Ohio

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2025

C. OASBO Group Rating Program

The District participates in the Ohio Association of School Business Officials Workers' Compensation Group Rating Program (GRP), an insurance purchasing pool, which was established under Section 4123.29 of the Ohio Revised Code. The Ohio Association of School business Officials Workers' Compensation Group Rating Program (the Program) was established through the Ohio Association of School Business Officials (OASBO) as a group purchasing pool.

The Executive Director of the OASBO, or his designee, serves as coordinator of the Program. Each year, the participating school districts pay an enrollment fee to the Program to cover the costs of administering the Program.

The intent of the GRP is to achieve the benefit of a reduced premium for the District by virtue of its grouping and representation with other participants in the GRP. The workers' compensation experience of the participating districts is calculated as one experience and a common premium rate is applied to all districts in the GRP. Each participant pays its workers' compensation premium to the State based on the rate for the GRP rather than its individual rate. Total savings are then calculated and each participant's individual performance is compared to the overall savings percentage of the GRP. A participant will then either receive money from or be required to contribute to the "Equity Pooling Fund." This "equity pooling" arrangement ensures that each participant shares equally in the overall performance of the GRP. Participation in the GRP is limited to school districts that can meet the GRP's selection criteria. The firm of Sheakley UniService, Inc. provides administrative, cost control and actuarial services to the GRP.

The District continues to carry commercial insurance for all other risks of loss including liability insurance for all District employees. Settled claims resulting from these risks have not exceeded the commercial insurance coverage in any of the past three fiscal years.

Note 13 – Interfund Activity

A. Interfund Transfers

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 expend them and to use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorization. Transfers are also used to close out the funds that are no longer required. During fiscal year 2025, the general fund transferred \$6,000 to the Student Managed Activities fund and \$81,000 to the District Managed student activity non-major special revenue funds.

B. Interfund Receivable/Payable

At June 30, 2025, interfund receivables/payables consisted of an outstanding GAAP-basis advance made from the general fund to the food service non-major special revenue fund in the amount of \$224,931, which was made to cover a deficit cash balance at fiscal year-end.

Note 14 – Defined Benefit Pension Plans

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

Crestview Local School District
Columbiana County, Ohio

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2025

A. Net Pension Liability/Net OPEB Liability/(Asset)

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

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

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

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

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

The remainder of this note includes the required pension disclosures. See Note 15 for the required OPEB disclosures.

B. School Employees Retirement System

Plan Description - District non-teaching employees participate in SERS, a cost-sharing multiple-employer defined benefit pension plan administered by SERS. Established in 1937, SERS provides retirement, disability, and survivor benefits to non-teaching employees of Ohio's public K-12 school districts. Authority to establish and amend benefits is provided by Ohio Revised Code Chapter 3309. SERS issues a publicly available, stand-alone financial report that includes financial statements, required supplementary information and detailed information about SERS' fiduciary net position. That report can be obtained by visiting the SERS website at www.ohsers.org under Employers/Audit Resources.

Crestview Local School District
Columbiana County, Ohio

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2025

Age and service requirements for retirement are as follows:

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

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

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

An individual whose benefit effective date is before April 1, 2018, is eligible for a cost-of-living adjustment (COLA) on the first anniversary date of the benefit. 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. The COLA, is indexed to the percentage increase in the CPI-W, not to exceed 2.5 percent and with a floor of 0 percent.

Funding Policy – Plan members are required to contribute 10 percent of their annual covered salary and the 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, 2025, the allocation to pension, death benefits, and Medicare B was 14.0 percent. For fiscal year 2025, the Retirement Board did not allocate any employer contribution to the Health Care Fund.

The District's contractually required contribution to SERS was \$298,329 for fiscal year 2025. Of this amount \$156,264 is reported as an intergovernmental payable.

C. State Teachers Retirement System

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

New members have a choice of three retirement plans; a Defined Benefit (DB) Plan, a Defined Contribution (DC) Plan, and a Combined (CO) 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. The calculation is 2.2 percent of final average salary for the five highest years of earnings multiplied by all years of credited service. Effective August 1, 2023, any member can retire with unreduced benefits with 34 years of services credit at any age; or five years of service credit

Crestview Local School District
Columbiana County, Ohio

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2025

and age 65. Effective June 1, 2025 - July 1, 2027, any member can retire with unreduced benefits with 33 years of service credit at any age; or five years of service credit and age 65. Effective on or after Aug. 1, 2027, any member can retire with unreduced benefits with 34 years of service credit at any age; or five years of service credit and age 65.

Eligibility changes for DB Plan members who retire with actuarially reduced benefits effective August 1, 2023, can retire with 29 years of service credit at any age; or five years of service credit and age 60. Effective June 1, 2025 - July 1, 2027, retirement eligibility for reduced benefits is 28 years of service credit at any age; or five years of service credit and age 60. Effective on or after August 1, 2027, retirement eligibility for reduced benefits is 29 years of service credit at any age; or five years of service credit and age 60.

The DC Plan allows members to place all of their member contributions and 11.09 percent of the 14 percent employer contributions into an investment account. The member determines how to allocate the member and employer money among various investment choices offered by STRS Ohio. The remaining 2.91 percent of the 14 percent employer rate is allocated to the defined benefit unfunded liability. A member is eligible to receive a retirement benefit at age 50 and termination of employment. The member may elect to receive a lifetime monthly annuity or a lump sum withdrawal.

The CO Plan offers features of both the DB Plan and the DC Plan. In the CO 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 CO 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 CO 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 Ohio plan. The optional annuitization of a member's defined contribution account or the defined contribution portion of a member's CO Plan account to a lifetime benefit results in STRS Ohio bearing the risk of investment gain or loss on the account. STRS Ohio therefore has included all three plan options in the GASB 68 schedules of employer allocations and pension amounts by employer.

A DB or CO Plan member with five or more years of credited service, who is determined to be disabled, may qualify for a disability benefit. New members on or after July 1, 2013 must have at least 10 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 fiscal year 2025 employer and employee contribution rate of 14 percent was equal to the statutory maximum rates. For fiscal year 2025, the full employer contribution was allocated to pension.

The District's contractually required contribution to STRS was \$990,087 for fiscal year 2025. Of this amount \$145,540 is reported as an intergovernmental payable.

Crestview Local School District
Columbiana County, Ohio

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2025

D. Pension Liabilities, Pension Expense and Deferred Outflows of Resources and Deferred inflows of Resources Related to Pensions

The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on the District's share of contributions to the pension plan relative to the projected contributions of all participating entities. Following is information related to the proportionate share and pension expense:

	SERS	STRS	Total
Proportion of the Net Pension Liability			
Prior Measurement Date	0.04452830%	0.05022007%	
Proportion of the Net Pension Liability			
Current Measurement Date	0.04637630%	0.04919135%	
Change in Proportionate Share	0.00184800%	-0.00102872%	
Proportionate Share of the Net Pension Liability	\$2,372,424	\$9,465,211	\$11,837,635
Pension Expense	\$237,185	\$532,663	\$769,848

At June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	SERS	STRS	Total
Deferred Outflows of Resources			
Differences between expected and actual experience	\$90,577	\$596,063	\$686,640
Change of Assumptions	21,222	436,209	457,431
Change in Proportionate Share	72,734	513,477	586,211
District contributions subsequent to the measurement date	298,329	990,087	1,288,416
Total Deferred Outflows of Resources	\$482,862	\$2,535,836	\$3,018,698
Deferred Inflows of Resources			
Differences between expected and actual experience	\$0	\$5,183	\$5,183
Net difference between projected and actual earnings on pension plan investments	148,395	813,815	962,210
Change of Assumptions	0	328,340	328,340
Change in Proportionate Share	30,474	209,938	240,412
Total Deferred Inflows of Resources	\$178,869	\$1,357,276	\$1,536,145

\$1,288,416 reported as deferred outflows of resources related to pension resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Crestview Local School District
Columbiana County, Ohio

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2025*

	SERS	STRS	Total
Fiscal Year Ending June 30:			
2026	(\$108,741)	(\$457,167)	(\$565,908)
2027	159,065	992,675	1,151,740
2028	(1,026)	(116,338)	(117,364)
2029	(43,634)	(230,697)	(274,331)
Total	<u>\$5,664</u>	<u>\$188,473</u>	<u>\$194,137</u>

Actuarial Assumptions - SERS

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

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing benefit costs between the employers and plan members to that point. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations. Future benefits for all current plan members were projected through 2137.

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, 2024, are presented below:

Actuarial Cost Method	Entry Age Normal (Level Percentage of Payroll)
Inflation	2.40 Percent
Future Salary Increases, Including Inflation	3.25 Percent to 13.58 Percent
Investment Rate of Return	7.0 Percent, Net of Investment Expenses, Including Inflation
COLA or Ad hoc COLA	2.0 Percent, on and after April 1, 2018, COLA's for future retirees will be delayed for 3 years following commencement

Mortality rates were based on the PUB-2010 General Employee Amount Weight Below Median Healthy Retiree mortality table projected to 2017 with ages set forward 1 year and adjusted 94.20 percent for males and set forward 2 years and adjusted 81.35 percent for females. Mortality among disabled members were based upon the PUB-2010 General Disabled Retiree mortality table projected to 2017 with ages set forward 5 years and adjusted 103.3 percent for males and set forward 3 years and adjusted 106.8 percent for females. General Contingent Survivor mortality table projected to 2017 with ages set forward 1 year and adjusted 105.5 percent for males and adjusted 122.5 percent for females. Future improvement in mortality rates is reflected by applying the MP-2020 projection scale generationally.

The most recent experience study was completed for the five-year period ended June 30, 2020.

Crestview Local School District
Columbiana County, Ohio

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2025

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash	3.00 %	0.97 %
U.S. Equity	22.00	4.68
Non-U.S. Equity Developed	12.00	4.96
Non-U.S. Equity Emerging	6.00	5.66
Fixed Income/Global Bond	18.00	2.38
Private Equity	14.00	7.10
Real Estate/Real Assets	13.00	3.64
Infrastructure	7.00	4.80
Private Debt/Private Credit	5.00	5.86
Total	100.00 %	

Discount Rate The total pension liability was calculated using the discount rate of 7.0 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 20-year amortization period of the unfunded actuarial accrued liability. Projected inflows from investment earning were calculated using the long-term assumed investment rate of return (7.0 percent). Based on those assumptions, the plan's fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefits to determine the total pension liability. The annual money-weighted rate of return, calculated as the internal rate of return on pension plan investments for fiscal year 2024, was 9.31 percent.

Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate Net pension liability is sensitive to changes in the discount rate, and to illustrate the potential impact the following table presents the net pension liability calculated using the discount rate of 7.0 percent, as well as what each plan's net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.0 percent), or one percentage point higher (8.0 percent) than the current rate.

	1% Decrease (6.0%)	Current Discount Rate (7.0%)	1% Increase (8.0%)
District's Proportionate Share of the Net Pension Liability	\$3,629,481	\$2,372,424	\$1,314,051

Crestview Local School District
Columbiana County, Ohio

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2025

Actuarial Assumptions - STRS

The total pension liability in the June 30, 2024, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50 Percent
Actuarial Cost Method	Entry Age Normal (Level Percent of Payroll)
Projected Salary Increases	Varies by Service from 2.5% to 8.5%
Investment Rate of Return	7.0 Percent, Net of Investment Expenses, Including Inflation
Payroll Increases	3.00 Percent
Cost of Living Adjustments (COLA)	0 Percent

Post-retirement mortality rates are based on the Pub-2010 Teachers Healthy Annuitant Mortality Table, adjusted 110 percent for males, projected forward generationally using mortality improvement scale MP-2020. Pre-retirement mortality rates are based on Pub-2010 Teachers Employee Table adjusted 95 percent for females, projected forward generationally using mortality improvement scale MP-2020. Post-retirement disabled mortality rates are based on Pub-2010 Teachers Disabled Annuitant Table projected forward generationally using mortality improvement scale MP-2020.

Actuarial assumptions used in the June 30, 2024 valuation are based on the results of the latest available actuarial experience study which is for the period July 1, 2015 through June 30, 2021. An actuarial experience study is done on a quinquennial basis.

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

<u>Asset Class</u>	<u>Target Allocation*</u>	<u>Long-Term Expected Rate of Return**</u>
Domestic Equity	26.00 %	6.90 %
International Equity	22.00	7.70
Fixed Income	22.00	4.50
Alternatives	19.00	9.10
Real Estate	10.00	5.10
Liquidity Reserves	1.00	2.40
Total	<u>100.00 %</u>	<u>7.00 %</u>

*Final target weights reflected at October 1, 2022.

**10-Year annualized geometric nominal returns, which include the real rate of return and inflation of 2.4 percent and is net of investment expenses. Over a 30-year period, STRS Ohio's 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 7.0 percent as of June 30, 2024. The projection of cash flows used to determine the discount rate assumes that member and employer contributions will be made at the statutory contribution rates in accordance with rate increases described above. For this purpose, only employer contributions that are intended to fund benefits of current plan members and their beneficiaries are included. Based on those assumptions, STRS' fiduciary net position was projected to be available to make all projected future benefit payments to current plan members as of June 30, 2024. Therefore, the long-term expected rate of return on pension plan investments of 7.0 percent was

Crestview Local School District
Columbiana County, Ohio

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2025

applied to all periods of projected benefit payment to determine the total pension liability as of June 30, 2024.

Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate The following table presents the District's proportionate share of the net pension liability calculated using the current period discount rate assumption of 7.0 percent, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one-percentage-point lower (6.0 percent) or one-percentage-point higher (8.0 percent) than the current rate:

	1% Decrease (6.0%)	Current Discount Rate (7.0%)	1% Increase (8.0%)
District's Proportionate Share of the Net Pension Liability	\$15,269,043	\$9,465,211	\$4,556,165

Assumption and Benefit Changes Since the Prior Measurement Date The discount rate remained at 7.00 percent for June 30, 2024 valuation.

Retirement rates were extended to younger ages intended to ensure that the ranges in retirement eligibility impacted participants at such ages.

Demographic assumptions were changed based on the actuarial experience study for the period July 1, 2015 through June 30, 2021.

E. Social Security System

Effective, July 1, 1991, all employees not otherwise covered by the School Employees Retirement System or the State Teachers Retirement System of Ohio have an option to choose Social Security or the School Employees Retirement System/State Teachers Retirement System of Ohio. As of June 30, 2025, certain members of the Board of Education have elected Social Security. The District's liability is 6.2 percent of wages paid.

Note 15 – Defined Benefit Other Postemployment Benefit (OPEB) Plans

See note 14 for a description of the net OPEB liability (asset).

Plan Description - School Employees Retirement System (SERS)

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

Crestview Local School District
Columbiana County, Ohio

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2025

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 health care benefits through employer contributions. Each year, after the allocation for statutorily required pensions and benefits, the Retirement Board may allocate the remainder of the employer contribution of 14 percent of covered payroll to the Health Care Fund in accordance with the funding policy. For fiscal year 2025, no allocation was made to health care. An additional health care surcharge on employers is collected for employees earning less than an actuarially determined minimum compensation amount, pro-rated if less than a full year of service credit was earned. For fiscal year 2024, this amount was \$30,000. Statutes provide that no employer shall pay a health care surcharge greater than 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 2025, the District's surcharge obligation was \$37,830.

The surcharge added to the allocated portion of the 14 percent employer contribution rate is the total amount assigned to the Health Care Fund. The District's contractually required contribution to SERS was \$37,830 for fiscal year 2025, all of which was 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 will be continued indefinitely. The Plan is included in the report of STRS which can be obtained by visiting www.strsoh.org or by calling (888) 227-7877.

Funding Policy – Ohio Revised Code Chapter 3307 authorizes STRS to offer the Plan and gives the Retirement Board discretionary authority over how much, if any, of the health care costs will be absorbed by STRS. Active employee members do not contribute to the Health Care Plan. 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, 2025, STRS did not allocate any employer contributions to post-employment health care.

OPEB Liabilities/(Asset), OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

The net OPEB liability/(asset) was measured as of June 30, 2024, and the total OPEB liability/(asset) used to calculate the net OPEB liability/(asset) was determined by an actuarial valuation as of that date. The District's proportion of the net OPEB liability/(asset) was based on the District's share of contributions to the respective retirement systems relative to the contributions of all participating entities. Following is information related to the proportionate share and OPEB expense:

Crestview Local School District
Columbiana County, Ohio

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2025

	SERS	STRS	Total
Proportion of the Net OPEB Liability (Asset)			
Prior Measurement Date	0.04592590%	0.05022007%	
Proportion of the Net OPEB Liability (Asset)			
Current Measurement Date	0.04744320%	0.04919135%	
Change in Proportionate Share	0.00151730%	-0.00102872%	
Proportionate Share of the Net OPEB Liability (Asset)	\$483,207	(\$933,066)	(\$449,859)
OPEB Expense	(\$86,260)	(\$202,588)	(\$288,848)

At June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	SERS	STRS	Total
Deferred Outflows of Resources			
Differences between expected and actual experience	\$0	\$40,562	\$40,562
Net difference between projected and actual earnings on OPEB plan investments	2,359	0	2,359
Change of Assumptions	207,389	114,848	322,237
Change in Proportionate Share	55,127	6,273	61,400
District contributions subsequent to the measurement date	37,830	0	37,830
Total Deferred Outflows of Resources	\$302,705	\$161,683	\$464,388
Deferred Inflows of Resources			
Differences between expected and actual experience	\$521,024	\$100,552	\$621,576
Net difference between projected and actual earnings on pension plan investments	0	40,060	40,060
Change of Assumptions	221,967	420,809	642,776
Change in Proportionate Share	50,935	18,481	69,416
Total Deferred Inflows of Resources	\$793,926	\$579,902	\$1,373,828

\$37,830 reported as deferred outflows of resources related to OPEB resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ending June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Crestview Local School District
Columbiana County, Ohio

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2025

	SERS	STRS	Total
Fiscal Year Ending June 30:			
2026	(\$141,086)	(\$145,438)	(\$286,524)
2027	(102,304)	(65,119)	(167,423)
2028	(75,938)	(82,423)	(158,361)
2029	(58,107)	(76,790)	(134,897)
2030	(57,395)	(62,555)	(119,950)
Thereafter	(94,221)	14,106	(80,115)
Total	(\$529,051)	(\$418,219)	(\$947,270)

Actuarial Assumptions - SERS

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

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

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

Key methods and assumptions used in calculating the total OPEB liability in the latest actuarial valuation date of June 30, 2024, are presented below:

Wage Inflation	2.40 percent
Future Salary Increases, including inflation	3.25 percent to 13.58 percent
Investment Rate of Return	7.0 percent net of investment expense, including inflation
Municipal Bond Index Rate:	
Measurement Date	3.93 percent
Prior Measurement Date	3.86 percent
Single Equivalent Interest Rate, net of plan investment expense, including price inflation	
Measurement Date	4.88 percent
Prior Measurement Date	4.27 percent
Medical Trend Assumption	
Medicare	7.00 to 4.40 percent

Crestview Local School District
Columbiana County, Ohio

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2025

Mortality rates were based on the PUB-2010 General Employee Amount Weight Below Median Healthy Retiree mortality table projected to 2017 with ages set forward 1 year and adjusted 94.20 percent for males and set forward 2 years and adjusted 81.35 percent for females. Disabled retirees is based on PUB-2010 General Disabled Retiree mortality table projected to 2017 with ages set forward 5 years and adjusted 103.3 percent for males and set forward 3 years and adjusted 106.8 percent for females. Contingent survivors are based on PUB-2010 General Amount Weighted Below Median Contingent Survivor mortality table projected to 2017 with ages set forward 1 year and adjusted 105.5 percent for males and adjusted 122.5 percent for females

The most recent experience study was completed for the five-year period ended June 30, 2020.

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 2016 through 2020 and was adopted by the Board on April 15, 2021. 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, 7.0 percent, by weighting the expected future real rates of return by the target asset allocation percentage and then adding expected inflation. The assumption is intended to be a long-term assumption and is not expected to change absent a significant change in the asset allocation, a change in the inflation assumption, or a fundamental change in the market that alters expected returns in future years.

The SERS health care plan follows the same asset allocation and long-term expected real rate of return for each major asset class as the pension plan, see Note 14 for details.

Discount Rate The discount rate used to measure the total OPEB liability at June 30, 2024 was 4.88 percent. The discount rate used to measure total OPEB liability prior to June 30, 2024 was 4.27 percent. The projection of cash flows used to determine the discount rate assumed that contributions will be made from members and the System at the state statute contribution rate of 1.50 percent of projected covered employee payroll each year, which includes a 1.50 percent payroll surcharge and no contributions from the basic pension benefits plan. Based on these assumptions, the OPEB plan's fiduciary net position was projected to become insufficient to make all projected future benefit payments of current System members by SERS actuaries. The Municipal Bond Index Rate is used in the determination of the SEIR for both the June 30, 2024, and the June 30, 2023 total OPEB liability. The Municipal Bond Index rate is 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 benefit s after the date of depletion. The Municipal Bond Index Rate is 3.93 percent at June 30, 2024 and 3.86 percent at June 30, 2023.

Crestview Local School District
Columbiana County, Ohio

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2025*

Sensitivity of the District's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate and Changes in the Health Care Cost Trend Rates The net OPEB liability is sensitive to changes in the discount rate and the health care cost trend rate. The following table presents the net OPEB liability of SERS, what SERS' net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (3.88 percent) and higher (5.88 percent) than the current discount rate (4.88 percent). Also shown is what SERS' net OPEB liability would be based on health care cost trend rates that are 1 percentage point lower (6.00 percent decreasing to 3.40 percent) and higher (8.00 percent decreasing to 5.40 percent) than the current rate.

	1% Decrease (3.88%)	Current Discount Rate (4.88%)	1% Increase (5.88%)
District's proportionate share of the net OPEB liability (asset)	\$644,339	\$483,207	\$355,165
	1% Decrease (6.00 % decreasing to 3.40 %)	Current Trend Rate (7.00% decreasing to 4.40 %)	1% Increase (8.00 % decreasing to 5.40 %)
District's proportionate share of the net OPEB liability (asset)	\$326,630	\$483,207	\$689,015

Actuarial Assumptions - STRS

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results used in the June 30, 2024, actuarial valuation are presented below:

Projected salary increases	Varies by Service from 2.5 percent to 8.5 percent
Investment Rate of Return	7.0 percent, net of investment expenses, including inflation
Payroll Increases	3.0 percent
Discount Rate of Return	7.0 percent
Health Care Cost Trends:	
<i>Medical</i>	
Pre-Medicare	7.50 percent initial, 3.94 percent ultimate
Medicare	(112.22) percent initial, 3.94 percent ultimate
<i>Prescription Drug</i>	
Pre-Medicare	8.00 percent initial, 3.94 percent ultimate
Medicare	(15.14) percent initial, 3.94 percent ultimate

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

For healthy retirees the post-retirement mortality rates are based on the Pub-2010 Teachers Healthy Annuitant Mortality Table, adjusted 110 percent for males, projected forward generationally using mortality improvement scale MP-2020; pre-retirement mortality rates are based on Pub-2010 Teachers Employee Table adjusted 95 percent for females, projected forward generationally using mortality improvement scale MP-2020. For disabled retirees, mortality rates are based on the Pub-2010 Teachers Disabled Annuitant Table projected forward generationally using mortality improvement scale MP-2020.

Crestview Local School District
Columbiana County, Ohio

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2025

Actuarial assumptions used in the June 30, 2024, valuation are based on the results of an actuarial experience study for the period July 1, 2015 through June 30, 2021. An actuarial experience study is done on a quinquennial basis.

The STRS health care plan follows the same asset allocation and long-term expected real rate of return for each major asset class as the pension plan, see Note 14.

Discount Rate The discount rate used to measure the total OPEB liability was 7.0 percent as of June 30, 2024. The projection of cash flows used to determine the discount rate assumes STRS continues to allocate no employer contributions to the health care fund. Based on these assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments to current plan members as of June 30, 2024. Therefore, the long-term expected rate of return on health care plan investments of 7.0 percent was applied to all periods of projected health care costs to determine the total OPEB liability as of June 30, 2024.

Sensitivity of the School District's Proportionate Share of the Net OPEB Asset to Changes in the Discount and Health Care Cost Trend Rate The following table represents the net OPEB asset as of June 30, 2024, calculated using the current period discount rate assumption of 7.0 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 (6.0 percent) or one percentage point higher (8.0 percent) than the current assumption. Also shown is the net OPEB asset as if it were calculated using health care cost trend rates that are one percentage point lower or one percentage point higher than the current health care cost trend rates.

	1% Decrease (6.0%)	Current Discount Rate (7.0%)	1% Increase (8.0%)
District's proportionate share of the net OPEB asset	\$758,644	\$933,066	\$1,084,851
	1% Decrease	Current Trend Rate	1% Increase
District's proportionate share of the net OPEB asset	\$1,095,104	\$933,066	\$738,194

Assumption and Benefit Changes Since the Prior Measurement Date The discount rate remained unchanged at 7.00 percent for June 30, 2024, valuation.

Healthcare trends were updated to reflect emerging claims and recoveries experience as well as benefit changes effective January 1, 2025. The larger Medicare trends for 2027 and 2028 reflect the assumed impact of the expiration of current Medicare Advantage contract on December 31, 2028.

Crestview Local School District
Columbiana County, Ohio

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2025

Note 16 - Long-Term Obligations

The changes in the School District's long-term obligations during fiscal year 2025 were as follows:

	(Restated) Outstanding 6/30/24	Additions	Deductions	Outstanding 6/30/25	Amounts due in One Year
General Obligation Bonds:					
<i>2010 Qualified School Construction Bonds</i>					
2010 Series A Bonds - 4.15% - 4.35%	\$800,000	\$0	\$0	\$800,000	\$0
2010 Series B Bonds - 5.67%	945,000	0	(235,000)	710,000	235,000
Unamortized Issuance Discount	(4,163)	0	666	(3,497)	0
Total Qualified School Construction Bonds	1,740,837	0	(234,334)	1,506,503	235,000
<i>2022 School Improvement Bonds</i>					
Current Interest Serial Bonds - 4.0%	650,000	0	(125,000)	525,000	125,000
Current Interest Term Bonds - 4.0%	3,620,000	0	0	3,620,000	0
Unamortized Issuance Premium	103,098	0	(3,705)	99,393	0
Total School Improvement Bonds	4,373,098	0	(128,705)	4,244,393	125,000
Total General Obligation Bonds	6,113,935	0	(363,039)	5,750,896	360,000
<i>2021 Certificates of Participation</i>					
Current Interest Term & Serial	8,000,000	0	0	8,000,000	0
Unamortized Issuance Premium	1,091,282	0	(39,683)	1,051,599	0
Total Certificates of Participation	9,091,282	0	(39,683)	9,051,599	0
Other Long-Term Obligations:					
Leases	2,664	0	(927)	1,737	974
Financed Purchases Payable (Direct Borrowing)	174,961	0	(39,161)	135,800	39,995
Compensated Absences (Restated)	3,599,056	0	(120,105)	3,478,951	549,467
Total Other Long-Term Obligations	3,776,681	0	(160,193)	3,616,488	590,436
Total Before Net Pension & OPEB Liability	18,981,898	0	(562,915)	18,418,983	950,436
Net Pension Liability:					
STRS	10,814,861	0	(1,349,650)	9,465,211	0
SERS	2,460,418	0	(87,994)	2,372,424	0
Total Net Pension Liability	13,275,279	0	(1,437,644)	11,837,635	0
Net OPEB Liability:					
SERS	756,604	0	(273,397)	483,207	0
Total Net OPEB Liability (Asset)	756,604	0	(273,397)	483,207	0
Total Governmental Long-Term Obligations	\$33,013,781	\$0	(\$2,273,956)	\$30,739,825	\$950,436

Qualified School Construction Bonds: On September 29, 2010, the District issued Qualified School Construction Bonds of \$4,800,000 (par value) with interest rates ranging from 4.15 percent to 5.67 percent for the performing arts center project. The Series A bonds mature 9/15/2030 and the Series B bonds mature 9/15/2027. The bonds were issued at a discount of \$13,320 and, after paying issuance costs of \$189,719, the net proceeds were \$4,596,961. The bonds are being repaid from the Permanent Improvement capital projects fund.

Crestview Local School District
Columbiana County, Ohio

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2025

General Obligation School Improvement Bonds: On May 10, 2022, the District issued General Obligation School Improvement Bonds of \$4,600,000 (par value) with an interest rate of 4.0 percent, for the construction of new school buildings. The current interest serial bonds mature 12/1/2029 and the current interest term bonds mature 12/1/2051. The bonds were issued at a premium of \$111,125 (net of discount) and are being repaid from the Building capital projects fund.

Certificates of Participation: On December 23, 2021, the District issued Certificates of Participation of \$8,000,000 (par value) with an interest rate of 4.0 percent, for the construction of new school buildings. The current interest serial and term bonds mature 12/1/2051. The bonds were issued at a premium of \$1,190,489 and are being repaid from the Building capital projects fund.

Pursuant to Section 133.06 of the Ohio Revised Code, the obligations of these certificates of participation will not be construed as net indebtedness of the District.

Financed Purchase Payable from Direct Borrowing On July 9, 2020, the District issued a financed purchase agreement in the amount of \$400,000 and it matures on August 31, 2030. The proceeds of the financed purchase agreement will be used to renovate various District facilities. The proceeds were placed in the Permanent Improvement capital projects fund which will also make the principal and interest payments.

Pursuant to Section 133.06 of the Ohio Revised Code, the obligations of these financed purchase agreements will not be construed as net indebtedness of the District.

Compensated absences will be paid from the general fund and the food service and improving teacher quality special revenue funds.

There is no repayment schedule for the net pension liability and net OPEB liability; however, employer pension and OPEB contributions are made from the General Fund. For additional information related to the net pension liability and net OPEB liability see Notes 14 and 15.

The School District's overall legal debt margin was \$11,766,431 with an unvoted debt margin of \$172,993 at June 30, 2025.

Principal requirements to retire long term obligations outstanding at June 30, 2025, are as follows:

Fiscal Year Ended	Q.S.C.B.'s, Series 2010 A			Q.S.C.B.'s, Series 2010 B		
	Principal	Interest	Total	Principal	***Interest	Total
2026	0	34,025	34,025	235,000	224,680	459,680
2027	0	34,025	34,025	235,000	224,680	459,680
2028	0	34,025	34,025	240,000	112,340	352,340
2029	265,000	28,734	293,734	0	0	0
2030	280,000	17,811	297,811	0	0	0
2031 - 2032	255,000	6,090	261,090	0	0	0
Total	<u>\$800,000</u>	<u>\$154,710</u>	<u>\$954,710</u>	<u>\$710,000</u>	<u>\$561,700</u>	<u>\$1,271,700</u>

Crestview Local School District
Columbiana County, Ohio

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2025*

Fiscal Year Ended	General Obligation Bonds, 2022			Certificates of Participation, 2021		
	Principal	Interest	Total	Principal	Interest	Total
2026	\$125,000	\$162,800	\$287,800	\$0	\$320,000	\$320,000
2027	100,000	158,300	258,300	0	320,000	320,000
2028	100,000	154,550	254,550	0	320,000	320,000
2029	100,000	150,800	250,800	0	320,000	320,000
2030	100,000	146,800	246,800	0	320,000	320,000
2031 - 2035	575,000	668,500	1,243,500	1,060,000	1,517,200	2,577,200
2036 - 2040	700,000	541,000	1,241,000	1,590,000	1,234,000	2,824,000
2041 - 2045	845,000	387,500	1,232,500	1,925,000	883,500	2,808,500
2046 - 2050	1,030,000	200,000	1,230,000	2,350,000	457,200	2,807,200
2051 - 2052	470,000	19,000	489,000	1,075,000	43,500	1,118,500
Total	<u>\$4,145,000</u>	<u>\$2,589,250</u>	<u>\$6,734,250</u>	<u>\$8,000,000</u>	<u>\$5,735,400</u>	<u>\$13,735,400</u>

Fiscal Year Ended	Financed Purchase (Direct Borrowing)		
	Principal	Interest	Total
2026	\$39,995	\$4,687	\$44,682
2027	40,849	3,833	44,682
2028	41,720	2,962	44,682
2029	13,236	2,071	15,307
Total	<u>\$135,800</u>	<u>\$13,553</u>	<u>\$149,353</u>

***Interest payments made on the 2010 Series B Qualified School Construction Bonds are being offset by tax credits receipted from the Federal government in the approximate amount of \$2,883,543 through 2030. These tax credits will reduce the net amount of interest paid by the District over the life of the bonds to \$1,139,978.

Lease Payable – The District had previously entered into a lease agreement for copiers and a postage meter. Due to the implementation of GASB Statement No. 87, these leases have met the criteria of a lease thus requiring it to be recorded by the District. These leases will be amortized over the lease terms since they are shorter than the useful life due to the District not taking ownership of the equipment. A summary of the principal and interest amounts remaining for the leases are as follows:

Fiscal Year Ending June 30,	Lease		
	2022 Postage Machine		
	Principal	Interest	Total
2026	\$974	\$65	\$1,039
2027	763	16	779
Total	<u>\$1,737</u>	<u>\$81</u>	<u>\$1,818</u>

Crestview Local School District
Columbiana County, Ohio

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2025

Note 17 – Compensated Absences

The criteria for determining vacation and sick leave components are derived from negotiated agreements and State laws. Classified employees earn 2 weeks of vacation per year after 1 year of service, 3 weeks of vacation per year after 8 years of service, and 4 weeks of vacation per year after 15 years of service. The 4 principals, special education supervisor, superintendent and Treasurer do not earn vacation; their contracts are for a specific number of days and the rest of the year are non-contract days. The high school principal is contracted for 240 days, the middle school principal for 235 days, the elementary principal for 220 days, and the superintendent for 240 days. The Treasurer is contracted for 240 days, the special education supervisor for 220 days, and the assistant principal 220 days. Accumulated, unused vacation time is not paid to classified employees and administrators upon termination of employment. Certified employees do not earn vacation.

Teachers, administrators, and classified employees earn sick leave at the rate of one and one-quarter days per month. Sick leave may be accumulated up to a maximum of 15 days per year for all personnel. The total lifetime maximum sick leave accumulation for personnel is 235 days for certified employees, and 235 days for classified employees. Upon retirement, payment is made for one-fourth of the accrued, but unused, sick leave balance to a maximum of 47 days for certified employees, and 48 days for classified employees.

Note 18 - Set-Aside Calculation

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

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

	Capital Improvements
Set-Aside Reserve Balance as of June 30, 2024	\$0
Current Year Set-Aside Requirement	276,454
Current year offsets	(905,812)
Total	(\$629,358)
Set-Aside Balance Carried Forward to Future Fiscal Years	\$0
Cash balance as of June 30, 2025	\$0

Although the School District had qualifying offsets during the fiscal year that reduced the set-aside amount to below zero for the capital acquisition set-aside, this amount may not be used to reduce the set-aside requirement for future years. This negative balance is therefore not presented as being carried forward to future years.

Crestview Local School District
Columbiana County, Ohio

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2025

Note 19 – Jointly Governed Organizations

A. Area Cooperative Computerized Educational Service System

The Area Cooperative Computerized Educational Service System/ACCESS Assembly (ACCESS) is a consortium of twenty-six school districts in Mahoning and Columbiana Counties, two educational service centers, nine non-public schools, one Special Education Regional Resource Center and the Public Library of Youngstown and Mahoning County.

The jointly governed organization was formed for the purpose of utilizing computers and other electronic equipment for administrative and instructional functions among member districts. These include educational management information system services, fiscal services, library services, network services and student services.

ACCESS is governed by an Assembly, which makes all decisions regarding programs, fees, budget and policy. The Assembly is composed of the Superintendent of each of the member districts. Assembly members may designate proxy attendees at meetings for voting purposes. The Assembly meets twice per year, once in November and once in May. Budgets and fees are discussed at the fall meeting, while the Board of Directors are chosen at the spring meeting.

While the Assembly has overall governance for ACCESS, the Board of Directors is selected to make the majority of the day-to-day operational decisions. Everything from equipment purchases, contracts, personnel action and financial oversight is handled by the Board. The Board is made up of two superintendents each from both Mahoning and Columbiana counties, and the superintendents from both the Mahoning County and Columbiana County Educational Service Centers. The ACCESS Executive Director and the Treasurer are also part of the Board of Directors but are non-voting members.

All ACCESS revenues are generated from charges for services and State funding. Each of the members supports the ACCESS Assembly based upon a per pupil charge. The School District paid a monthly fee to ACCESS during fiscal year 2025. Financial information can be obtained by contacting the Treasurer, Brian Stidham, at 493 Bev Road, Unit 1, Boardman, Ohio, 44512.

B. Columbiana County Career Center

The Columbiana County Career Center is a jointly governed organization, which provides for the vocational and special education needs for the students of participating school districts. The Board of Education members are appointed by the local boards of education from among one of its elected members. The Career Center Board of Education exercises total control over its operations, including budgeting, appropriating, contracting, and the designation of management. All revenues are generated from tax levies, State funding, and fees. Financial information is available from the Columbiana County Career Center, Treasurer's Office, 9364 State Route 45, Lisbon, Ohio 44432.

Crestview Local School District
Columbiana County, Ohio

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2025

Note 20 – Group Purchasing Pools

A. Jefferson Health Plan

The District is a participant with several other school districts in an insurance purchasing pool to operate the Jefferson Health Plan (the Plan). The Plan was formed for the purpose of providing insurance. The Plan is governed by a board of directors consisting of the superintendents of the member school districts. The degree of control exercised by any participating school district is limited to its representation on the board.

B. Ohio Association of Schools Business Officials Workers' Compensation Group Rating Program

The District participates in a group-rating program for workers' compensation as established under Section 4123.29 of the Ohio Revised Code. The Ohio Association of School business Officials Workers' Compensation Group Rating Program (the Program) was established through the Ohio Association of School Business Officials (OASBO) as a group purchasing pool.

The Executive Director of the OASBO, or his designee, serves as coordinator of the Program. Each year, the participating school districts pay an enrollment fee to the Program to cover the costs of administering the Program.

Note 21 - Contingencies

A. Grants

The District received financial assistance from federal and state agencies in the form of grants. The expenditure of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the general fund or other applicable funds. However, the effect of any such disallowed claims on the overall financial position of the District at June 30, 2025, if applicable, cannot be determined at this time.

B. Litigation

The District is not currently party to any legal proceedings.

C. School District Foundation

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, additional ODE adjustments for fiscal year 2025 have been finalized, which did not result in a material receivable of, or liability to, the District.

Crestview Local School District

Columbiana County, Ohio

*Required Supplementary Information**Schedule of the School District's Proportionate Share of the Net Pension Liability**School Employees Retirement System of Ohio (SERS)**Last Ten Fiscal Years*

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>
School District's Proportion of the Net Pension Liability	0.04637630%	0.04452830%	0.04576820%	0.04475300%
School District's Proportionate Share of the Net Pension Liability	\$2,372,424	\$2,460,418	\$2,475,500	\$1,651,256
School District's Employee Payroll	\$1,943,550	\$1,767,557	\$1,708,700	\$1,544,757
School District's Proportionate Share of the Net Pension Liability as a Percentage of its Employee Payroll	122.07%	139.20%	144.88%	106.89%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	78.52%	76.06%	75.82%	82.86%

Amounts presented as of the District's measurement date which is the prior fiscal year end.

See accompanying notes to the required supplementary information.

2021	2020	2019	2018	2017	2016
0.04679820%	0.04747260%	0.04717150%	0.04746110%	0.04725710%	0.04780640%
\$3,095,332	\$2,840,369	\$2,701,599	\$2,835,696	\$3,458,784	\$2,727,880
\$1,640,644	\$1,783,030	\$1,781,143	\$1,713,429	\$1,480,425	\$1,483,046
188.67%	159.30%	151.68%	165.50%	233.63%	183.94%
68.55%	70.85%	71.36%	69.50%	62.98%	69.16%

Crestview Local School District

Columbiana County, Ohio

*Required Supplementary Information**Schedule of the School District's Proportionate Share of the Net Pension Liability**State Teachers Retirement System of Ohio (STRS)**Last Ten Fiscal Years*

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>
School District's Proportion of the Net Pension Liability	0.049191350%	0.050220070%	0.046065560%	0.046688786%
School District's Proportionate Share of the Net Pension Liability	\$9,465,211	\$10,814,861	\$10,240,432	\$5,969,581
School District's Employee Payroll	\$6,827,514	\$6,783,143	\$5,988,743	\$5,760,950
School District's Proportionate Share of the Net Pension Liability as a Percentage of its Employee Payroll	138.63%	159.44%	170.99%	103.62%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	82.50%	80.00%	78.90%	87.80%

Amounts presented as of the District's measurement date which is the prior fiscal year end.

See accompanying notes to the required supplementary information.

2021	2020	2019	2018	2017	2016
0.046935860%	0.048033550%	0.048599530%	0.047999920%	0.045942410%	0.045690080%
\$11,356,808	\$10,622,331	\$10,684,945	\$11,402,484	\$15,378,309	\$12,627,402
\$5,631,614	\$5,833,029	\$5,691,600	\$5,167,971	\$4,834,029	\$4,942,960
201.66%	182.11%	187.73%	220.64%	318.13%	255.46%
75.48%	77.40%	77.30%	75.30%	66.80%	72.10%

Crestview Local School District

Columbiana County, Ohio

Required Supplementary Information
Schedule of School District's Pension Contributions
School Employees Retirement System of Ohio (SERS)
Last Ten Fiscal Years

	2025	2024	2023	2022
Contractually Required Pension Contribution	\$298,329	\$272,097	\$247,458	\$239,218
Pension Contributions in Relation to the Contractually Required Contribution	(\$298,329)	(\$272,097)	(\$247,458)	(\$239,218)
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
School District Employee Payroll	\$2,130,921	\$1,943,550	\$1,767,557	\$1,708,700
Contributions as a Percentage of Employee Payroll	14.00%	14.00%	14.00%	14.00%

See accompanying notes to the required supplementary information.

2021	2020	2019	2018	2017	2016
\$216,266	\$229,690	\$240,709	\$249,360	\$239,880	\$195,120
(\$216,266)	(\$229,690)	(\$240,709)	(\$249,360)	(\$239,880)	(\$195,120)
\$0	\$0	\$0	\$0	\$0	\$0
\$1,544,757	\$1,640,644	\$1,783,030	\$1,781,143	\$1,713,429	\$1,480,425
14.00%	14.00%	13.50%	14.00%	14.00%	13.18%

Crestview Local School District

Columbiana County, Ohio

Required Supplementary Information
Schedule of School District's Pension Contributions
State Teachers Retirement System of Ohio (STRS)
Last Ten Fiscal Years

	2025	2024	2023	2022
Contractually Required Pension Contribution	\$990,087	\$955,852	\$949,640	\$838,424
Pension Contributions in Relation to the Contractually Required Contribution	(\$990,087)	(\$955,852)	(\$949,640)	(\$838,424)
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
School District Employee Payroll	\$7,072,050	\$6,827,514	\$6,783,143	\$5,988,743
Contributions as a Percentage of Employee Payroll	14.00%	14.00%	14.00%	14.00%

See accompanying notes to the required supplementary information.

2021	2020	2019	2018	2017	2016
\$806,553	\$788,426	\$816,624	\$796,824	\$723,516	\$676,764
(\$806,553)	(\$788,426)	(\$816,624)	(\$796,824)	(\$723,516)	(\$676,764)
\$0	\$0	\$0	\$0	\$0	\$0
\$5,760,950	\$5,631,614	\$5,833,029	\$5,691,600	\$5,167,971	\$4,834,029
14.00%	14.00%	14.00%	14.00%	14.00%	14.00%

Crestview Local School District
Columbiana County, Ohio

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

	2025	2024	2023	2022	2021	2020	2019	2018	2017
School District's Proportion of the Net OPEB Liability	0.04744320%	0.04592590%	0.04697730%	0.04629120%	0.04873230%	0.04722030%	0.04774560%	0.04820010%	0.04820010%
School District's Proportionate Share of the Net OPEB Liability	\$483,207	\$756,604	\$659,566	\$876,099	\$1,059,112	\$1,187,491	\$1,324,592	\$1,293,564	\$1,373,881
School District's Employee Payroll	\$1,943,550	\$1,767,557	\$1,708,700	\$1,544,757	\$1,640,644	\$1,783,030	\$1,781,143	\$1,713,429	\$1,480,425
School District's Proportionate Share of the Net OPEB Liability as a Percentage of its Employee Payroll	24.86%	42.81%	38.60%	56.71%	64.55%	66.60%	74.37%	75.50%	92.80%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	44.50%	30.02%	30.34%	24.06%	18.17%	15.57%	13.57%	12.46%	11.49%

(1) Information prior to 2017 is not available.

Amounts presented as of the District's measurement date which is the prior fiscal year end.

See accompanying notes to the required supplementary information.

Crestview Local School District
Columbiana County, Ohio

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

	2025	2024	2023	2022	2021	2020	2019	2018	2017
School District's Proportion of the Net OPEB Liability (Asset)	0.049191350%	0.050220070%	0.046065560%	0.046688786%	0.046935860%	0.048033550%	0.048599530%	0.047999920%	0.047999920%
School District's Proportionate Share of the Net OPEB Liability (Asset)	(\$933,066)	(\$976,711)	(\$1,192,790)	(\$984,395)	(\$824,897)	(\$795,551)	(\$780,945)	\$1,872,780	\$2,567,048
School District's Employee Payroll	\$6,827,514	\$6,783,143	\$5,988,743	\$5,760,950	\$5,631,614	\$5,833,029	\$5,691,600	\$5,167,971	\$4,834,029
School District's Proportionate Share of the Net OPEB Liability (Asset) as a Percentage of its Employee Payroll	-13.67%	-14.40%	-19.92%	-17.09%	-14.65%	-13.64%	-13.72%	36.24%	53.10%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability (Asset)	158.00%	168.52%	230.73%	174.73%	182.13%	174.74%	176.00%	47.10%	37.30%

(1) Information prior to 2017 is not available.

Amounts presented as of the District's measurement date which is the prior fiscal year end.

See accompanying notes to the required supplementary information.

Crestview Local School District

Columbiana County, Ohio

Required Supplementary Information
Schedule of School District OPEB Contributions
School Employees Retirement System of Ohio (SERS)
Last Ten Fiscal Years

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>
Contractually Required OPEB Contribution	\$37,830	\$35,178	\$34,145	\$31,594
OPEB Contributions in Relation to the Contractually Required Contribution	(\$37,830)	(\$35,178)	(\$34,145)	(\$31,594)
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
School District Employee Payroll	\$2,130,921	\$1,943,550	\$1,767,557	\$1,708,700
Contributions as a Percentage of Employee Payroll	1.78%	1.81%	1.93%	1.85%

See accompanying notes to the required supplementary information.

2021	2020	2019	2018	2017	2016
\$30,408	\$32,110	\$31,036	\$36,110	\$26,446	\$28,956
(\$30,408)	(\$32,110)	(\$31,036)	(\$36,110)	(\$26,446)	(\$28,956)
\$0	\$0	\$0	\$0	\$0	\$0
\$1,544,757	\$1,640,644	\$1,783,030	\$1,781,143	\$1,713,429	\$1,480,425
1.97%	1.96%	1.74%	2.03%	1.54%	1.96%

Crestview Local School District

Columbiana County, Ohio

Required Supplementary Information
Schedule of School District OPEB Contributions
State Teachers Retirement System of Ohio (STRS)
Last Ten Fiscal Years

	2025	2024	2023	2022
Contractually Required OPEB Contribution	\$0	\$0	\$0	\$0
OPEB Contributions in Relation to the Contractually Required Contribution	\$0	\$0	\$0	\$0
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
School District Employee Payroll	\$7,072,050	\$6,827,514	\$6,783,143	\$5,988,743
Contributions as a Percentage of Employee Payroll	0.00%	0.00%	0.00%	0.00%

See accompanying notes to the required supplementary information.

2021	2020	2019	2018	2017	2016
\$0	\$0	\$0	\$0	\$0	\$0
\$0	\$0	\$0	\$0	\$0	\$0
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$5,760,950	\$5,631,614	\$5,833,029	\$5,691,600	\$5,167,971	\$4,834,029
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Crestview Local School District
Columbiana County, Ohio

*Notes to the Required Supplementary Information
For the Fiscal Year Ended June 30, 2025*

Net Pension Liability

Changes in Assumptions – SERS

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

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

	Fiscal Year 2022	Fiscal Year 2017	Fiscal Year 2016 & Prior
Wage inflation	2.40 Percent	3.00 Percent	3.25 Percent
Future Salary Increases, Including Inflation	3.25 to 13.58 Percent	3.50 to 18.20 Percent	4.00 to 22.00 Percent
Investment Rate of Return	7.00 Percent Net of Investment Expense, Including Inflation	7.50 Percent Net of Investment Expense, Including Inflation	7.75 Percent Net of Investment Expense, Including Inflation

Beginning in 2022, amounts reported use mortality rates based on the PUB-2010 General Employee Amount Weight Below Median Healthy Retiree mortality table projected to 2017 with ages set forward 1 year and adjusted 94.20 percent for males and set forward 2 years and adjusted 81.35 percent for females. Mortality among disabled members were based upon the PUB-2010 General Disabled Retiree mortality table projected to 2017 with ages set forward 5 years and adjusted 103.3 percent for males and set forward 3 years and adjusted 106.8 percent for females. Future improvement in mortality rates is reflected by applying the MP-2020 projection scale generationally.

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

Fiscal Year 2022

*Assumed rate of inflation was reduced from 3.00% to 2.40%

*Payroll growth assumption was reduced from 3.50% to 1.75%

*Assumed real wage growth was increased from 0.50% to 0.85%

*Cost-of-Living-Adjustments was reduced from 2.50% to 2.00%

*The discount rate was reduced from 7.50% to 7.00%

*Rates of withdrawal, compensation, participation, spouse coverage assumption, retirement and disability were updated to reflect recent experience.

*Mortality among active members was updated to the following:

PUB-2010 General Amount Weighted Below Median Employee mortality table. Future improvement in mortality rates is reflected by applying the MP-2020 projection scale generationally.

*Mortality among service retired members was updated to the following:

PUB-2010 General Employee Weighted Below Median Healthy Retiree mortality table projected to 2017 with ages set forward 1 year and adjusted 94.20% for males and set forward 2 years and adjusted 81.35% for females. Future improvement in mortality rates is reflected by applying the MP-2020 projection scale generationally.

Crestview Local School District
Columbiana County, Ohio

*Notes to the Required Supplementary Information
For the Fiscal Year Ended June 30, 2025*

Net Pension Liability

Changes in Assumptions – SERS (continued)

- *Mortality among contingent survivors was updated to the following:
PUB-2010 General Amount Weighted Below Median Contingent Survivor mortality table projected to 2017 with ages set forward 1 year and adjusted 105.5% for males and adjusted 122.5% for females. Future improvement in mortality rates is reflected by applying the MP-2020 projection scale generationally.
- *Mortality among disabled members was updated to the following:
PUB-2010 General Disabled Retiree mortality table projected to 2017 with ages set forward 5 years and adjusted 103.3% for males and set forward 3 years and adjusted 106.8% for females. Future improvement in mortality rates is reflected by applying the MP-2020 projection scale generationally.

Fiscal Year 2023-2024

- *Cost-of-Living-Adjustments was increased from 2.00% to 2.50%

Fiscal Year 2025

- *None

Changes of Benefit and Funding Terms – SERS

In fiscal year 2019, post-retirement increases in benefits included the following changes:

- *Members, or their survivors, retiring prior to January 1, 2018, receive a COLA increase of 3 percent of their base benefit on the anniversary of their initial date of retirement.
- *Members, or their survivors, retiring on and after January 1, 2018, receive a COLA increase on each anniversary of their initial date of retirement equal to the annual rate of increase in the CPI-W measured as of the June preceding the beginning of the applicable calendar year. The annual rate of increase shall not be less than 0 percent, nor greater than 2.5 percent. COLAs are suspended for calendar years 2018, 2019, and 2020.
- *Members, or their survivors, retiring on and after April 1, 2018, will have their COLA delayed for three years following their initial date of retirement.

Fiscal Year 2022-2025

None

Crestview Local School District
Columbiana County, Ohio

*Notes to the Required Supplementary Information
For the Fiscal Year Ended June 30, 2025*

Net Pension Liability

Changes in Assumptions - STRS

Beginning with fiscal year 2022, amounts reported incorporate changes in assumptions and changes in benefit terms used by STRS in calculating the total pension liability in the latest actuarial valuation. These new assumptions compared with those used in fiscal years 2018-2021 and fiscal year 2017 and prior are presented below:

	<u>Fiscal Year 2022</u>
Inflation	2.50 Percent
Projected Salary Increases	Varies by Service from 2.50 to 8.50 Percent
Investment Rate of Return	7.00 Percent, Net of Expenses, Including Inflation
Payroll Increases	3.00 Percent
Cost of Living Adjustments (COLA)	0 Percent, Effective July 1, 2017
	<u>Fiscal Year 2018</u>
Inflation	2.50 Percent
Projected Salary Increases	12.50 Percent at Age 20 to 2.50 Percent at Age 65
Investment Rate of Return	7.45 Percent, Net of Expenses, Including Inflation
Payroll Increases	3.00 Percent
Cost of Living Adjustments (COLA)	0 Percent, Effective July 1, 2017
	<u>Fiscal Year 2017 & Prior</u>
Inflation	2.75 Percent
Projected Salary Increases	12.25 Percent at Age 20 to 2.75 Percent at Age 70
Investment Rate of Return	7.75 Percent, Net of Expenses, Including Inflation
Payroll Increases	3.50 Percent
Cost of Living Adjustments (COLA)	2 Percent Simple applied as follows: For Members Retiring Before August 1, 2013 3 percent per year. For Members retiring August 1, 2013 or later, 2 percent COLA commences on 5th anniversary date

Beginning with fiscal year 2022, post-retirement mortality rates are based on the Pub-2010 Teachers Healthy Annuitant Mortality Table, adjusted 110 percent for males, projected forward generationally using mortality improvement scale MP-2020. Pre-retirement mortality rates are based on Pub-2010 Teachers Employee Table adjusted 95 percent for females, projected forward generationally using mortality improvement scale MP-2020. Post-retirement disabled mortality rates are based on Pub-2010 Teachers Disable Annuitant Table projected forward generationally using mortality improvement scale MP-2020.

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

Crestview Local School District
Columbiana County, Ohio

*Notes to the Required Supplementary Information
For the Fiscal Year Ended June 30, 2025*

Net Pension Liability

Changes in Assumptions – STRS (continued)

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

Fiscal Year 2022

The investment and discount rate of return changed from 7.45 percent to 7.0 percent.

Fiscal Year 2023-2024

*The investment and discount rate remained at 7.0 percent.

*Demographic assumptions were changed based on the actuarial experience study for the period July 1, 2015 through June 30, 2021.

Fiscal Year 2025

*The investment and discount rate remained at 7.0 percent.

*Demographic assumptions were changed based on the actuarial experience study for the period July 1, 2015 through June 30, 2021.

*Retirement rates were extended to younger ages intended to ensure that the ranges in retirement eligibility impacted participants at such ages.

Changes in Benefit Terms - STRS

There were no changes in benefit terms from the amounts reported for fiscal years 2014 - 2017. For fiscal year 2018, STRS decreased the Cost of Living Adjustment (COLA) to zero. There were no changes in benefit terms from amounts previously reported for fiscal years 2019 - 2022.

Fiscal Year 2023

* For fiscal year 2023, the Board approved a one-time 3 percent COLA effective on the anniversary of a benefit recipient's retirement date for those eligible during fiscal year 2023 and eliminated the age 60 requirement to receive unreduced retirement that was scheduled to go into effect August 1, 2026.

Fiscal Year 2025

*None

Crestview Local School District
Columbiana County, Ohio

*Notes to the Required Supplementary Information
For the Fiscal Year Ended June 30, 2025*

Net OPEB Liability

Changes in Assumptions – SERS

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

Municipal Bond Index Rate:

Fiscal year 2025	3.93 percent
Fiscal year 2024	3.86 percent
Fiscal year 2023	3.69 percent
Fiscal year 2022	1.92 percent
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 2025	4.88 percent
Fiscal year 2024	4.27 percent
Fiscal year 2023	4.08 percent
Fiscal year 2022	2.27 percent
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

Fiscal Year 2022

*The discount rate was changed from 2.63% to 2.27%.

*The investment rate of return was reduced from 7.50% to 7.00%.

*Assumed rate of inflation was reduced from 3.00% to 2.40%

*Payroll Growth Assumption was reduced from 3.50% to 1.75%

*Assumed real wage growth was increased from 0.50% to 0.85%

*Rates of withdrawal, retirement and disability were updated to reflect recent experience.

*Rate of health care participation for future retirees and spouses was updated to reflect recent experience.

*Mortality among active members was updated to the following:

PUB-2010 General Amount Weighted Below Median Employee mortality table.

*Mortality among service retired members was updated to the following:

PUB-2010 General Employee Amount Weighted Below Median Healthy Retiree mortality table projected to 2017 with ages set forward 1 year and adjusted 94.20% for males and set forward 2 years and adjusted 81.35% for females.

*Mortality among beneficiaries was updated to the following:

PUB-2010 General Amount Weighted Below Median Contingent Survivor mortality table projected to 2017 with ages set forward 1 year and adjusted 105.5% for males and adjusted 122.5% for females.

Crestview Local School District
Columbiana County, Ohio

*Notes to the Required Supplementary Information
For the Fiscal Year Ended June 30, 2025*

Net OPEB Liability

*Mortality among disabled member was updated to the following:

PUB-2010 General Disabled Retiree mortality table projected to 2017 with ages set forward 5 years and adjusted 103.3% for males and set forward 3 years and adjusted 106.8% for females.

*Mortality rates are projected using a fully generational projection with Scale MP-2020.

Changes in Assumptions – SERS (continued)

Fiscal Year 2023

*The discount rate was changed from 2.27% to 4.08%.

*The health care trend rates were updated.

Fiscal Year 2024

The Discount rate changed from 4.08% to 4.27%.

Health care trend rates were updated.

Assumption for percentage of pre-Medicare eligible retirees who choose the Wraparound plan was increased from 10% to 20%.

Health care trend assumption on retiree premiums was updated to not apply the trend to the \$35 surcharge.

Assumption was added to assume that 15% of pre-65 retirees who waive health care will elect coverage upon Medicare eligibility.

Morbidity factors were updated based on the society of Actuaries' June 2013 research report, Health Care Costs—From Birth to Death by Dale Yamamoto, and from the Actuarial Standards of Practice (ASOP) 6 practice note developed by the American Academy of Actuaries.

Fiscal Year 2025

The Discount rate changed from 4.27% to 4.88%.

Changes of Benefit and Funding Terms – SERS

In fiscal year 2019, SERS' funding policy allowed a 2.0 percent health care contribution rate to be allocated to the Health Care fund. The 2.0 percent is a combination of 0.5 percent employer contributions and 1.5 percent surcharge.

In fiscal year 2020, SERS' funding policy allowed a 1.5 percent health care contribution rate to be allocated to the Health Care fund. The 1.5 percent is a combination of 0.0 percent employer contributions and 1.5 percent surcharge.

Fiscal Year 2022

SERS changed the Cost of Living Adjustment (COLA) of 2.5% to 2.0%.

Fiscal Year 2023

None

Fiscal Year 2024

Effective January 1, 2024, the non-Medicare disability health care subsidy amounts will change to reflect amounts equal to that of service retirees by years of service.

Fiscal Year 2025

None

Crestview Local School District
Columbiana County, Ohio

*Notes to the Required Supplementary Information
For the Fiscal Year Ended June 30, 2025*

Net OPEB Liability

Changes in Assumptions – STRS OPEB

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

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

Fiscal Year 2022

In 2021 the investment and discount rate of return changed from 7.45 percent to 7.0 percent.

Fiscal Year 2023

Demographic assumptions were reviewed and adopted by the Board on February 17, 2022 as part of an experience study performed (report dated and accepted March 11, 2022) covering the period from July 1, 2015 to June 30, 2021, with changes going into effect June 30, 2022.

From Plan Year Ending June 30, 2022 to Plan Year Ending June 30, 2023, Medicare projected medical cost decreased 42%, the Medicare projected net pharmacy cost increased 6% and the premium charged to Medicare Eligible Retirees dropped 15%. The Non Medicare projected medical, pharmacy and premium charged to retirees increased 3%, slightly less than expected.

Fiscal Year 2024 - 2025

The investment and discount rate of return remained unchanged at 7.0 percent.

Changes in Benefit Terms – STRS OPEB

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

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

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

Crestview Local School District
Columbiana County, Ohio

*Notes to the Required Supplementary Information
For the Fiscal Year Ended June 30, 2025*

Changes in Benefit Terms – STRS OPEB (continued)

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

Fiscal Year 2022

The non-Medicare subsidy percentage was increased effective January 1, 2022 from 2.055 percent to 2.100 percent. The non-Medicare frozen subsidy base was increased effective January 1, 2022. The Medicare Part D subsidy was updated to reflect it is expected to be negative in current year 2022. The Part B monthly reimbursement elimination date was postponed indefinitely.

Fiscal Year 2023

The change in the 2023 subsidy percentage and the base amount for all participants, went from 2.1% per year to 2.2% per year, max 30 years, as well as the changes in Primary Care Physician office visit copays, the PBM network changes for Medicare, and the increase of the Part B premium reimbursement to \$30 per month for all retirees and surviving spouses.

Fiscal Year 2024

Healthcare trends were updated to reflect emerging claims and recoveries experience as well as benefit changes effective January 1, 2024.

Fiscal Year 2025

Healthcare trends were updated to reflect emerging claims and recoveries experience as well as benefit changes effective January 1, 2025. The larger Medicare trends for 2027 and 2028 reflect the assumed impact of the expiration of current Medicare Advantage contract on December 31, 2028.

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OHIO AUDITOR OF STATE KEITH FABER

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

Crestview Local School District
Columbiana County
44100 Crestview Rd Suite A
Columbiana, Ohio 44408

To the Board of Education:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by 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 Crestview Local School District, Columbiana County, Ohio (the District) as of and for the year ended June 30, 2025, 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 27, 2026 wherein we noted the District adopted Government Accounting Standards Board Statement No. 101, *Compensated Absences*.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the District's financial statements will not be prevented, or detected and corrected, on a timely basis. 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 deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified a certain deficiency in internal control, described in the accompanying schedule of findings as item 2025-002 that we consider to be a material weakness.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matter that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings as item 2025-001.

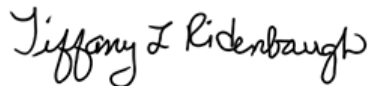
District's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the District's response to the finding identified in our audit and described in the accompanying schedule of findings. The District's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

KEITH FABER
Ohio Auditor of State



Tiffany L. Ridenbaugh, CPA, CFE, CGFM
Chief Deputy Auditor

March 27, 2026

**CRESTVIEW LOCAL SCHOOL DISTRICT
COLUMBIANA COUNTY**

SCHEDULE OF FINDINGS

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS
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1. Negative Fund Balance

FINDING NUMBER 2025-001

Noncompliance

Ohio Rev. Code § 3315.20 provides a school district may have a deficit in any special fund of the school district only if all of the following conditions are satisfied:

- The school district has a request for payment pending with the state sufficient to cover the amount of the deficit;
- There is a reasonable likelihood that the payment will be made; and
- The unspent and unencumbered balance in the school district's general fund is greater than the aggregate of deficit amounts in all of the school district's special funds.

Due to a lack of control procedures, the District had a negative fund balance in the Food Service Fund of (\$224,931) at year end after taking into consideration the conditions noted above.

Negative fund balances could result in the use of restricted receipts for unallowable purposes. A procedure(s) and control(s), such as the Management and/or Board's periodic review of reports that show cash fund balances, and budgeted versus actual receipts and disbursements, should be implemented to help identify those funds that may potentially develop a negative balance.

Advances or transfers from the General Fund could be made to these funds or appropriations modified to prevent the negative cash balances. The district should refer to Ohio Compliance Supplement (OCS) Chapter 1 and/or Auditor of State Bulletin 97-003 for information regarding the accounting treatment and approval process for advances.

Official's Response: The District and Board of Education are aware of the negative fund balance in the Food Service Fund. It is our position that this fund should accurately reflect the true financial performance of cafeteria operations. Recording advances and/or transfers into the fund would distort the actual cost of operating the cafeteria. We regularly review cafeteria operations and implement adjustments as needed to improve efficiency and move toward greater financial sustainability.

2. Financial Reporting

FINDING NUMBER 2025-002

Material Weakness

In our audit engagement letter, as required by AU-C Section 210, Terms of Engagement, paragraph .06, management acknowledged its responsibility for the preparation and fair presentation of their financial statements; this responsibility includes designing, implementing and maintaining internal control relevant to preparing and fairly presenting financial statements free from material misstatement, whether due to fraud or error as discussed in AU-C Section 210 paragraphs .A14 & .A16. Governmental Accounting Standards Board (GASB) Cod. 1100 paragraph .101 states a governmental accounting system must make it possible both: (a) to present fairly and with full disclosure the funds and activities of the governmental unit in conformity with generally accepted accounting principles, and (b) to determine and demonstrate compliance with finance-related legal and contractual provisions.

Due to a lack of controls over financial reporting, the following error was noted and the District's financial statements have been adjusted for this error, as approved by management:

- Net Investment in Capital Assets was overstated by \$2,715,840 and Unrestricted (Deficit) Net Position was understated by \$2,715,840 on the Statement of Net Position due to improperly excluding the Certificate of Participation amounts in the calculation.

Additionally, the following errors were noted but not deemed significant and the financial statements have not been adjusted for these errors:

- Due to errors in the report used by the GAAP Convertor to prepare the compensated absences calculation in accordance with GASB 101, the District's restatement and current year calculations were not correct.
- The District's beginning unrestricted net position required a restatement due to the implementation of GASB 101. Due to errors in the report the unrestricted net position restatement was overstated by \$367,264. Additionally, current year accruals were also overstated. The amount due within one year related to compensated absences was overstated by \$10,445 and amount due within more than one year related to compensated absences was overstated by \$59,191.

The District should review current procedures in place regarding the annual GAAP conversion. This could include but not be limited to reviewing support provided to the Convertor. This may help ensure that the information provide is complete and accurate and help to ensure accurate financial reporting.

Official's Response: We did not receive a response from Officials to this finding.

OHIO AUDITOR OF STATE KEITH FABER



CRESTVIEW LOCAL SCHOOL DISTRICT

COLUMBIANA COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

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



Certified for Release 3/31/2026

65 East State 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