



OHIO AUDITOR OF STATE
KEITH FABER



**COLUMBIANA EXEMPTED VILLAGE SCHOOL DISTRICT
COLUMBIANA COUNTY
JUNE 30, 2021**

TABLE OF CONTENTS

TITLE	PAGE
Independent Auditor's Report	1
Prepared by Management:	
Management's Discussion and Analysis	3
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Position	12
Statement of Activities.....	13
Fund Financial Statements:	
Balance Sheet	
Governmental Funds	14
Reconciliation of Total Governmental Fund Balances to Net Position of Governmental Activities	15
Statement of Revenues, Expenditures and Changes in Fund Balances Governmental Funds	16
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	17
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget (Non-GAAP Basis) and Actual General Fund.....	18
Statement of Fund Net Position	
Internal Service Fund	19
Statement of Revenues, Expenses and Changes in Fund Net Position Internal Service Fund	20
Statement of Cash Flows	
Internal Service Fund	21
Statement of Changes in Fiduciary Net Position	
Custodial Fund	22
Notes to the Basic Financial Statements	23

**COLUMBIANA EXEMPTED VILLAGE SCHOOL DISTRICT
COLUMBIANA COUNTY
JUNE 30, 2021**

**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 (SERS) of Ohio)	66
Schedule of the School District's Proportionate Share of the Net OPEB Liability (School Employees Retirement System (SERS) of Ohio)	68
Schedule of the School District's Proportionate Share of the Net Pension Liability (State Teachers Retirement System (STRS) of Ohio).....	70
Schedule of the School District's Proportionate Share of the Net OPEB (Asset) Liability (State Teachers Retirement System (STRS) of Ohio)	72
Schedule of the School District's Contributions (School Employees Retirement System (SERS) of Ohio).....	74
Schedule of the School District's Contributions (State Teachers Retirement System (STRS) of Ohio).....	76
Notes to 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>	81
Schedule of Findings.....	83

OHIO AUDITOR OF STATE KEITH FABER



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INDEPENDENT AUDITOR'S REPORT

Columbiana Exempted Village School District
Columbiana County
700 Columbiana-Waterford Road
Columbiana, Ohio 44408

To the Board of Education:

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the District, as of June 30, 2021, and the respective changes in financial position and, where applicable, cash flows thereof and the budgetary comparison for the General fund thereof for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 24 to the financial statements, the financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the District. We did not modify our opinion regarding this matter.

Other Matters

Required Supplementary Information

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 11, 2022, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.



Keith Faber
Auditor of State
Columbus, Ohio

March 11, 2022

Columbiana Exempted Village School District

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

As management of the Columbiana Exempted Village School District (the School District), we offer readers of the School District's financial statements this narrative overview and analysis of the financial activities of the School District for the fiscal year ended June 30, 2021. We encourage readers to consider the information presented here in conjunction with financial statements and notes to the basic financial statements to enhance their understanding of the School District's financial performance.

Financial Highlights

- Net position increased in fiscal year 2021 due to a higher cash and cash equivalents balance compared to the prior fiscal year. Other changes factoring into the increase is increases in the major receivable categories like property and income taxes receivable. This increase was offset by an increase in the net pension liability as well as a decrease in capital assets resulting from current year depreciation exceeding current year additions.
- Total program expenses decreased in fiscal year 2021 primarily due to decreases in support services as well as changes in the net pension liability and net OPEB liability (asset) that are the result of the School District's adjusting proportionate share of the total State-wide liabilities (asset) for both pension and OPEB across retirement systems.
- The School District's major capital asset additions include vehicles, several touchless hand wash stations, compressors and a floor scrubber.
- The School District's long-term obligations consist of four certificates of participation issuances, qualified school construction bonds, limited tax general obligation bonds and capital leases for copiers.
- The School District actively pursues grants and controls expenses while still maintaining the high academic standards the residents expect of the School District.

Using this Annual Financial Report

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

Reporting the School District as a Whole

Statement of Net Position and the Statement of Activities

While this document contains all non-fiduciary funds used by the School District to provide programs and activities, the view of the School District as a whole considers all financial transactions and asks the question, "How did we do financially during 2021?" The *Statement of Net Position* and the *Statement of*

Columbiana Exempted Village School District

Management's Discussion and Analysis

For the Fiscal Year Ended June 30, 2021

Unaudited

Activities answers this question. These statements include all *assets and deferred outflows of resources and liabilities and deferred inflows of resources* using the *accrual basis of accounting* similar to the accounting used by most private-sector companies. Accrual accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

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

In the *Statement of Net Position* and the *Statement of Activities*, all non-fiduciary School District's programs and services are reported as governmental activities including instruction, support services, operation and maintenance of plant, pupil transportation, extracurricular activities and food service operations.

Reporting the School District's Most Significant Funds

Fund Financial Statements

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

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

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

Fiduciary Funds Fiduciary funds are used to account for resources held for the benefit of parties outside the School District. Fiduciary funds are not reflected on the government-wide financial statements because the resources from these funds are not available to support the School District's programs. These funds use the accrual basis of accounting. The School District's fiduciary fund is a custodial fund used to account for tournament monies.

Columbiana Exempted Village School District

Management's Discussion and Analysis

For the Fiscal Year Ended June 30, 2021

Unaudited

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. Table 1 provides a comparison of the School District's Net Position for 2021 compared to 2020.

(Table 1)
Net Position
Governmental Activities

	2021	2020	Change
Assets			
Current and Other Assets	\$11,827,970	\$10,115,657	\$1,712,313
Net OPEB Asset	758,532	700,357	58,175
Capital Assets, Net	11,783,822	12,253,796	(469,974)
<i>Total Assets</i>	<u>24,370,324</u>	<u>23,069,810</u>	<u>1,300,514</u>
Deferred Outflows of Resources			
Deferred Charge on Refunding	315,134	369,508	(54,374)
Pension	2,531,060	2,556,015	(24,955)
OPEB	377,077	281,598	95,479
<i>Total Deferred Outflows of Resources</i>	<u>3,223,271</u>	<u>3,207,121</u>	<u>16,150</u>
Liabilities			
Current Liabilities	1,891,371	1,292,969	(598,402)
Long-Term Liabilities			
Due within One Year	797,074	741,079	(55,995)
Due in More than One Year			
Net Pension Liability	12,775,512	11,383,356	(1,392,156)
Net OPEB Liability	791,221	869,778	78,557
Other Amounts	11,595,206	12,327,394	732,188
<i>Total Liabilities</i>	<u>27,850,384</u>	<u>26,614,576</u>	<u>(1,235,808)</u>
Deferred Inflows of Resources			
Property Taxes	4,304,745	4,103,998	(200,747)
Pension	170,942	720,432	549,490
OPEB	1,369,562	1,181,921	(187,641)
<i>Total Deferred Inflows of Resources</i>	<u>5,845,249</u>	<u>6,006,351</u>	<u>161,102</u>
Net Position			
Net Investment in Capital Assets	463,013	387,429	75,584
Restricted for:			
Capital Projects	571,400	611,022	(39,622)
Debt Service	60,969	0	60,969
Other Purposes	194,256	221,377	(27,121)
Unrestricted (Deficit)	<u>(7,391,676)</u>	<u>(7,563,824)</u>	<u>172,148</u>
<i>Total Net Position</i>	<u><u>(\$6,102,038)</u></u>	<u><u>(\$6,343,996)</u></u>	<u><u>\$241,958</u></u>

Columbiana Exempted Village School District

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

The net pension liability (NPL) is one of the most significant liabilities reported by the School District at June 30, 2021. GASB notes that pension and OPEB obligations, whether funded or unfunded, are part of the “employment exchange” – that is, the employee is trading his or her labor in exchange for wages, benefits, and the promise of a future pension and other postemployment benefits. GASB noted that the unfunded portion of this promise is a present obligation of the government, part of a bargained-for benefit to the employee, and should accordingly be reported by the government as a liability since they received the benefit of the exchange. However, the School District is not responsible for certain key factors affecting the balance of these liabilities. In Ohio, the employee shares the obligation of funding pension benefits with the employer. Both employer and employee contribution rates are capped by State statute. A change in these caps requires action of both Houses of the General Assembly and approval of the Governor. Benefit provisions are also determined by State statute. The Ohio Revised Code permits, but does not require the retirement systems to provide healthcare to eligible benefit recipients. The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits.

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.

The School District continues to provide the services that the School District residents expect while maintaining the costs of providing those services. The most dramatic changes were to current assets, capital assets, long-term liabilities and deferred inflows relating to the net pension liability. The increase to current assets was due to a higher cash balances as well as increases in intergovernmental, property taxes and income taxes receivables. The decrease to capital assets was attributable to current year depreciation outpacing current year additions. Deferred inflows of resources related to pension decreased as a result of various changes mentioned above. Long-term liabilities increased due to the increase in net pension liability offset by the continued pay-down of debt issuances.

Unrestricted net position may be used to meet the government’s ongoing obligations to citizens and creditors. An additional portion of the School District’s net position represents resources that are subject to external restrictions on how they may be used.

The remaining balance of net position is investment in capital assets (e.g., land, buildings, equipments, furniture and vehicles); less any related debt used to acquire those assets that is still outstanding. The School District uses these capital assets to provide services to students; consequently, these assets are not available for future spending.

Columbiana Exempted Village School District

Management's Discussion and Analysis

For the Fiscal Year Ended June 30, 2021

Unaudited

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

(Table 2)			
Change in Net Position			
Governmental Activities			
	2021	2020	Change
Revenues			
Program Revenues			
Charges for Services and Sales	\$2,040,056	\$2,351,809	(\$311,753)
Operating Grants, Interest and Contributions	1,587,572	1,457,850	129,722
Capital Grants	113,655	0	113,655
<i>Total Program Revenues</i>	<u>3,741,283</u>	<u>3,809,659</u>	<u>(68,376)</u>
General Revenues			
Property Taxes	4,884,761	4,636,935	247,826
Income Taxes	2,388,358	1,849,102	539,256
Grants and Entitlements not Restricted	3,459,703	3,474,625	(14,922)
Unrestricted Contributions	27,324	15,448	11,876
Investment Earnings	21,693	140,529	(118,836)
Miscellaneous	259,638	19,090	240,548
<i>Total General Revenues</i>	<u>11,041,477</u>	<u>10,135,729</u>	<u>905,748</u>
<i>Total Revenues</i>	<u>14,782,760</u>	<u>13,945,388</u>	<u>837,372</u>
Program Expenses			
Current:			
Instruction	8,895,702	8,887,185	(8,517)
Support Services:			
Pupils and Instructional Staff	944,327	1,078,698	134,371
Board of Education, Administration and Fiscal	1,701,959	1,645,136	(56,823)
Operation and Maintenance of Plant	1,018,564	1,056,093	37,529
Pupil Transportation	395,512	444,372	48,860
Central	21,363	24,839	3,476
Food Service Operations	347,148	313,925	(33,223)
Extracurricular Activities	672,574	736,627	64,053
Interest and Fiscal Charges	543,653	630,520	86,867
<i>Total Program Expenses</i>	<u>14,540,802</u>	<u>14,817,395</u>	<u>276,593</u>
<i>Change in Net Position</i>	241,958	(872,007)	1,113,965
<i>Net Position Beginning of Year</i>	<u>(6,343,996)</u>	<u>(5,471,989)</u>	<u>(872,007)</u>
<i>Net Position End of Year</i>	<u><u>(\$6,102,038)</u></u>	<u><u>(\$6,343,996)</u></u>	<u><u>\$241,958</u></u>

Analysis of overall financial position and results of operations

Revenue is divided into two major components: program revenues and general revenues. Program revenues are defined as fees, restricted grants and charges for services that are program specific. General revenues include taxes and unrestricted grants such as State Foundation support.

Columbiana Exempted Village School District

Management's Discussion and Analysis

For the Fiscal Year Ended June 30, 2021

Unaudited

Program revenues decreased for governmental activities in fiscal year 2021 due to decreases in charges for services. Charges for services went down due to lower tuition and fees and extracurricular revenues. Operating grants increased due to increases in current year restricted grants. General revenues increased from changes to property taxes and income taxes. The increase in income taxes and property taxes can be attributed to the improvement in the economy due to COVID in the prior year. Grants not restricted decreased due to a reduction in State Foundation monies. The increase in general revenues was partially offset by a decrease in investment earnings due to the lower market condition due to the pandemic.

Program expenses decreased in fiscal year 2021 primarily decreases in support services which was offset by changes in the net pension liability and net OPEB liability. As mentioned previously, changes in the net pension liability, net OPEB liability (asset) and associated deferred outflows/inflows are the result of the School District's adjusting proportionate share of the total State-wide liabilities (assets) for both pension and OPEB across retirement systems. The decrease in support services is due to lower purchased service and materials and supplies costs during fiscal year 2021.

The School District relies heavily upon property taxes, income taxes and the State School Foundation Program to support its operations. The School District also actively solicits and receives additional grant and entitlement funds to help offset operating costs. The grants and entitlements not restricted can be partially attributed to the School District actively seeking out additional sources of Federal and State funding to ensure the programs important to the community are maintained.

The statement of activities shows the cost of program services and the charges for services and grants offsetting those services. Table 3 shows, for governmental activities, the total cost of services and the net cost of services for 2021 compared to 2020.

Table 3
Cost of Services

	Total Cost of Services 2021	Net Cost of Services 2021	Total Cost of Services 2020	Net Cost of Services 2020
Instruction	\$8,895,702	(\$6,616,365)	\$8,887,185	(\$6,620,572)
Support Services:				
Pupil and Instructional Staff	944,327	(685,975)	1,078,698	(816,360)
Board of Education, Administration and Fiscal	1,701,959	(1,428,202)	1,645,136	(1,376,220)
Operation and Maintenance of Plant	1,018,564	(774,061)	1,056,093	(863,413)
Pupil Transportation	395,512	(340,595)	444,372	(381,417)
Central	21,363	27,331	24,839	(20,778)
Food Service Operations	347,148	(28,370)	313,925	(40,407)
Extracurricular Activities	672,574	(409,629)	736,627	(258,049)
Interest and Fiscal Charges	543,653	(543,653)	630,520	(630,520)
<i>Total</i>	<u>\$14,540,802</u>	<u>(\$10,799,519)</u>	<u>\$14,817,395</u>	<u>(\$11,007,736)</u>

The dependence upon general revenues for governmental activities is apparent as they account for a majority of the total cost of services in fiscal year 2021. The community, as a whole, is by far the primary support for the School District.

Columbiana Exempted Village School District

Management's Discussion and Analysis

For the Fiscal Year Ended June 30, 2021

Unaudited

Financial Analysis of the Government's Funds

Governmental Fund Information about the School District's major funds begins with the balance sheet. These funds are accounted for using the modified accrual basis of accounting. The general fund had an increase in fund balance due to an increase in property and income taxes as well as a drop in instructional costs resulting from careful spending. The increase in income taxes can be attributed to the economy improving compared to the prior year due to COVID. The permanent improvement fund balance decreased from the prior fiscal year. This decrease was much lower than last year's decrease due to lower debt service expenditures as well as an increase in property taxes due to higher collections.

General Fund Budgeting Highlights

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

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

For the general fund, the final budget basis revenue estimate was higher than the original budget estimate. This was mainly due to increases in property and income taxes as well as intergovernmental revenues relating to State Foundation. Actual revenue came in above final budgeted due to an uptick in intergovernmental revenues. The final budget appropriations increased slightly from the original budget appropriations due to an increase in instruction expenditures as funding needs became finalized. Actual expenditures and other financing uses were lower than final budget appropriations due to the School District keeping spending in control while ensuring the programs important to the community are maintained.

Capital Assets and Long-term Liabilities

Capital Assets

During fiscal year 2021, the School District's capital asset additions included vehicles, several touchless hand wash stations, compressors and a floor scrubber. Please refer to Note 11 within the Notes to the Basic Financial Statements for further information on capital assets.

Debt

Debt outstanding as of June 30, 2021 included certificates of participation, qualified school construction bonds, limited tax general obligation bonds and a capital lease for copiers. The School District's overall legal debt margin was \$19,774,540 with an unvoted debt margin of \$223,060. The debt is well within permissible limits. The School District maintains an A bond rating from Standard and Poors. More detailed information is presented in Note 15 of the notes to the basic financial statements.

Columbiana Exempted Village School District

Management's Discussion and Analysis

For the Fiscal Year Ended June 30, 2021

Unaudited

Current Financial Related Activities

Columbiana Exempted Village School District has continued to maintain the highest standards of services to our students, parents and community at one of the lowest costs in Columbiana County. As with all school districts in the State of Ohio, State funding issues are constantly monitored to determine the impact on the School District. As the preceding information shows, the School District is heavily reliant on property and income taxes and State aid to provide the funds necessary to maintain its educational programs.

Management must continue to diligently plan expenses, staying carefully within the School District's financial forecast. Additional revenues must not be treated as a windfall to expand programs but as an opportunity to extend the time horizon on the life of the levies. All of the School Districts' financial abilities will be needed to meet the challenges of the future.

The Columbiana School District continues to be a top rated district in Columbiana County and Northeastern Ohio. The Columbiana South Side Middle School was named a National Blue Ribbon School in 2015-2016 and the Columbiana High School shared that same status in 2008-2009. The District's annual test scores are among the highest in Columbiana, Mahoning and Trumbull counties year in and year out. The School District takes pride in the achievements of our students and staff while striving to provide the best academic and extra-curricular opportunities for students.

Contacting the School District's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the School District's finances and to show the School District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Kathy Davies, Treasurer, Columbiana Exempted Village School District, 700 Columbiana-Waterford Road, Columbiana, Ohio 44408.

Basic Financial Statements

Columbiana Exempted Village School District

Statement of Net Position

June 30, 2021

	<u>Governmental Activities</u>
Assets	
Equity in Pooled Cash and Cash Equivalents	\$5,900,534
Cash and Cash Equivalents with Fiscal Agents	100,837
Accrued Interest Receivable	1,188
Accounts Receivable	231
Intergovernmental Receivable	419,728
Prepaid Items	17,100
Property Taxes Receivable	4,515,031
Income Taxes Receivable	873,321
Net OPEB Asset (See Note 13)	758,532
Nondepreciable Capital Assets	177,777
Depreciable Capital Assets, Net	<u>11,606,045</u>
<i>Total Assets</i>	<u>24,370,324</u>
Deferred Outflows of Resources	
Deferred Charge on Refunding	315,134
Pension	2,531,060
OPEB	<u>377,077</u>
<i>Total Deferred Outflows of Resources</i>	<u>3,223,271</u>
Liabilities	
Accounts Payable	28,325
Accrued Wages and Benefits	1,203,068
Intergovernmental Payable	171,190
Matured Certificates of Participation Payable	430,000
Matured Interest Payable	17,200
Accrued Interest Payable	41,588
Long-Term Liabilities:	
Due Within One Year	797,074
Due In More Than One Year:	
Net Pension Liability (See Note 12)	12,775,512
Net OPEB Liability (See Note 13)	791,221
Other Amounts	<u>11,595,206</u>
<i>Total Liabilities</i>	<u>27,850,384</u>
Deferred Inflows of Resources	
Property Taxes	4,304,745
Pension	170,942
OPEB	<u>1,369,562</u>
<i>Total Deferred Inflows of Resources</i>	<u>5,845,249</u>
Net Position	
Net Investment in Capital Assets	463,013
Restricted for:	
Capital Projects	571,400
Debt Service	60,969
Other Purposes	194,256
Unrestricted (Deficit)	<u>(7,391,676)</u>
<i>Total Net Position</i>	<u>(\$6,102,038)</u>

See accompanying notes to the basic financial statements

Columbiana Exempted Village School District

Statement of Activities

For the Fiscal Year Ended June 30, 2021

	Program Revenues			Capital Grants	Net (Expense) Revenue and Changes in Net Position
	Expenses	Charges for Services and Sales	Operating Grants, Interest and Contributions		
Governmental Activities					
Instruction:					
Regular	\$6,767,607	\$872,366	\$428,361	\$113,655	(\$5,353,225)
Special	2,032,878	274,773	572,712	0	(1,185,393)
Vocational	95,217	13,657	3,813	0	(77,747)
Support Services:					
Pupil	678,217	80,856	129,590	0	(467,771)
Instructional Staff	266,110	38,877	9,029	0	(218,204)
Board of Education	32,155	5,068		0	(27,087)
Administration	1,185,787	172,757		0	(1,013,030)
Fiscal	484,017	67,536	28,396	0	(388,085)
Operation and Maintenance of Plant	1,018,564	153,542	90,961	0	(774,061)
Pupil Transportation	395,512	54,917		0	(340,595)
Central	21,363	48,694		0	27,331
Operation of Non-Instructional Services:					
Food Service Operations	347,148	18,853	299,925	0	(28,370)
Extracurricular Activities	672,574	238,160	24,785	0	(409,629)
Interest and Fiscal Charges	543,653	0	0	0	(543,653)
<i>Total Primary Government</i>	<u>\$14,540,802</u>	<u>\$2,040,056</u>	<u>\$1,587,572</u>	<u>\$113,655</u>	<u>(10,799,519)</u>
General Revenues					
Property Taxes Levied for:					
General Purposes					3,989,738
Capital Projects					895,023
Income Taxes Levied for General Purposes					
					2,388,358
Grants and Entitlements not Restricted to Specific Programs					
					3,459,703
Unrestricted Contributions					
					27,324
Investment Earnings					
					21,693
Miscellaneous					
					259,638
<i>Total General Revenues</i>					<u>11,041,477</u>
Change in Net Position					241,958
<i>Net Position Beginning of Year</i>					<u>(6,343,996)</u>
<i>Net Position End of Year</i>					<u><u>(\$6,102,038)</u></u>

See accompanying notes to the basic financial statements

Columbiana Exempted Village School District

Balance Sheet

Governmental Funds

June 30, 2021

	General	Permanent Improvement	Other Governmental Funds	Total Governmental Funds
Assets				
Equity in Pooled Cash and Cash Equivalents	\$4,608,447	\$984,072	\$203,376	\$5,795,895
Cash and Cash Equivalents				
with Fiscal Agents	0	0	100,837	100,837
Accrued Interest Receivable	1,188	0	0	1,188
Accounts Receivable	93	0	138	231
Intergovernmental Receivable	11,993	0	407,735	419,728
Prepaid Items	16,409	0	691	17,100
Interfund Receivable	259,167	0	0	259,167
Property Taxes Receivable	3,691,114	823,917	0	4,515,031
Income Taxes Receivable	873,321	0	0	873,321
<i>Total Assets</i>	<u>\$9,461,732</u>	<u>\$1,807,989</u>	<u>\$712,777</u>	<u>\$11,982,498</u>
Liabilities				
Accounts Payable	\$1,501	\$0	\$26,824	\$28,325
Accrued Wages and Benefits	1,094,503	0	108,565	1,203,068
Intergovernmental Payable	157,826	0	13,364	171,190
Interfund Payable	0	0	259,167	259,167
Matured Certificates of Participation Payable	0	430,000	0	430,000
Matured Interest Payable	0	17,200	0	17,200
Accrued Interest Payable	0	1,720	0	1,720
<i>Total Liabilities</i>	<u>1,253,830</u>	<u>448,920</u>	<u>407,920</u>	<u>2,110,670</u>
Deferred Inflows of Resources				
Property Taxes	3,517,076	787,669	0	4,304,745
Unavailable Revenue	103,825	19,232	223,417	346,474
<i>Total Deferred Inflows of Resources</i>	<u>3,620,901</u>	<u>806,901</u>	<u>223,417</u>	<u>4,651,219</u>
Fund Balances				
Nonspendable	16,409	0	691	17,100
Restricted	0	552,168	271,618	823,786
Committed	7,100	0	0	7,100
Assigned	928,539	0	0	928,539
Unassigned (Deficit)	3,634,953	0	(190,869)	3,444,084
<i>Total Fund Balances</i>	<u>4,587,001</u>	<u>552,168</u>	<u>81,440</u>	<u>5,220,609</u>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i>	<u>\$9,461,732</u>	<u>\$1,807,989</u>	<u>\$712,777</u>	<u>\$11,982,498</u>

See accompanying notes to the basic financial statements

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

Total Governmental Fund Balances	\$5,220,609
 <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.	11,783,822
Other long-term assets are not available to pay for current-period expenditures and therefore are reported as unavailable revenue in the funds:	
Delinquent Property Taxes	119,030
Grants	223,417
Tuition	4,027
<hr/>	
Total	346,474
An internal service fund is used by management to charge the cost of insurance to individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the statement of activities.	104,639
In the statement of activities, interest is accrued on outstanding bonds, where as in governmental funds, an interest expenditure is reported when due.	(39,868)
The net pension liability and net OPEB liability (asset) is not due and payable in the current period; therefore, the liability (asset) and related deferred inflows/outflows are not reported in governmental funds:	
Net OPEB Asset	758,532
Deferred Outflows - Pension	2,531,060
Deferred Outflows - OPEB	377,077
Net Pension Liability	(12,775,512)
Net OPEB Liability	(791,221)
Deferred Inflows - Pension	(170,942)
Deferred Inflows - OPEB	(1,369,562)
<hr/>	
Total	(11,440,568)
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:	
Certificates of Participation	(11,175,480)
Qualified School Construction Bonds	(321,670)
Limited Tax General Obligation Bonds	(80,000)
Capital Leases	(58,793)
Compensated Absences	(756,337)
Deferred Charge on Refunding	315,134
<hr/>	
Total	(12,077,146)
 <i>Net Position of Governmental Activities</i>	 <u><u>(\$6,102,038)</u></u>

See accompanying notes to the basic financial statements

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

	General	Permanent Improvement	Other Governmental Funds	Total Governmental Funds
Revenues				
Property Taxes	\$3,999,117	\$897,097	\$0	\$4,896,214
Income Taxes	2,388,358	0	0	2,388,358
Intergovernmental	3,838,304	113,655	1,021,544	4,973,503
Interest	21,676	0	1,100	22,776
Tuition and Fees	1,784,735	0	0	1,784,735
Rentals	592	0	0	592
Extracurricular Activities	42,399	0	192,331	234,730
Contributions and Donations	27,324	0	26,265	53,589
Charges for Services	0	0	18,853	18,853
Miscellaneous	259,638	0	0	259,638
<i>Total Revenues</i>	<u>12,362,143</u>	<u>1,010,752</u>	<u>1,260,093</u>	<u>14,632,988</u>
Expenditures				
Current:				
Instruction:				
Regular	5,422,848	0	460,538	5,883,386
Special	1,705,493	0	193,098	1,898,591
Vocational	84,189	0	0	84,189
Support Services:				
Pupil	499,402	0	135,737	635,139
Instructional Staff	239,653	0	8,419	248,072
Board of Education	31,517	0	0	31,517
Administration	1,063,958	0	0	1,063,958
Fiscal	417,324	16,848	30,648	464,820
Operation and Maintenance of Plant	956,211	0	56,710	1,012,921
Pupil Transportation	340,295	0	0	340,295
Central	21,333	0	0	21,333
Operation of Non-instructional Services:				
Food Service Operations	0	0	340,461	340,461
Extracurricular Activities	346,403	735	289,047	636,185
Debt Service:				
Principal Retirement	92,417	610,000	0	702,417
Interest and Fiscal Charges	67,414	420,717	0	488,131
<i>Total Expenditures</i>	<u>11,288,457</u>	<u>1,048,300</u>	<u>1,514,658</u>	<u>13,851,415</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>1,073,686</u>	<u>(37,548)</u>	<u>(254,565)</u>	<u>781,573</u>
Other Financing Sources (Uses)				
Transfers In	0	0	80,000	80,000
Transfers Out	(80,000)	0	0	(80,000)
<i>Total Other Financing Sources (Uses)</i>	<u>(80,000)</u>	<u>0</u>	<u>80,000</u>	<u>0</u>
<i>Net Change in Fund Balances</i>	993,686	(37,548)	(174,565)	781,573
<i>Fund Balances Beginning of Year</i>	<u>3,593,315</u>	<u>589,716</u>	<u>256,005</u>	<u>4,439,036</u>
<i>Fund Balances End of Year</i>	<u>\$4,587,001</u>	<u>\$552,168</u>	<u>\$81,440</u>	<u>\$5,220,609</u>

See accompanying notes to the basic financial statements

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

Net Change in Fund Balances -Total Governmental Funds \$781,573

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

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.

This is the amount by which depreciation exceeded capital outlay in the current period:

Capital Asset Additions	121,769	
Current Year Depreciation	(591,743)	
Total		(469,974)

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

Delinquent Property Taxes	(11,453)	
Grants	160,079	
Tuition	1,146	
Total		149,772

Repayment of principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. 702,417

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

Accrued Interest	517	
Amortization of Premium on Bonds	1,601	
Amortization of Discount on Bonds	(3,266)	
Amortization of Deferred Charge on Refunding	(54,374)	
Total		(55,522)

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

Pension	895,482	
OPEB	23,076	
Total		918,558

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

Pension	(1,763,103)	
OPEB	21,494	
Total		(1,741,609)

Some expenses reported in the statement of activities, such as compensated absences, do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. (24,559)

The internal service fund used by management to charge the individual funds is reported in the district-wide statement of activities. Governmental fund expenditures and related internal service fund revenues are eliminated. (18,698)

Change in Net Position of Governmental Activities \$241,958

See accompanying notes to the basic financial statements

Columbiana Exempted Village School District
Statement of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund
For the Fiscal Year Ended June 30, 2021

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget		
Revenues				
Property Taxes	\$3,788,330	\$4,034,170	\$4,034,214	\$44
Income Taxes	2,076,049	2,104,749	2,104,749	0
Intergovernmental	3,736,891	3,747,541	3,855,573	108,032
Interest	30,805	43,909	49,156	5,247
Tuition and Fees	1,749,920	1,760,754	1,784,735	23,981
Rentals	2,163	2,163	592	(1,571)
Contributions and Donations	1,717	11,700	11,700	0
Charges for Services	85,334	0	0	0
Miscellaneous	83,780	265,014	258,951	(6,063)
<i>Total Revenues</i>	11,554,989	11,970,000	12,099,670	129,670
Expenditures				
Current:				
Instruction:				
Regular	5,699,971	5,770,285	5,659,547	110,738
Special	1,515,602	1,501,387	1,690,910	(189,523)
Vocational	77,766	77,766	81,225	(3,459)
Support Services:				
Pupil	595,806	622,365	494,185	128,180
Instructional Staff	243,918	243,918	286,045	(42,127)
Board of Education	35,593	35,593	31,495	4,098
Administration	1,017,052	1,017,052	1,043,771	(26,719)
Fiscal	371,249	371,122	405,925	(34,803)
Operation and Maintenance of Plant	1,568,962	1,561,275	967,252	594,023
Pupil Transportation	528,409	528,409	435,747	92,662
Central	12,012	12,012	22,266	(10,254)
Extracurricular Activities	309,897	309,897	307,382	2,515
Capital Outlay	6,800	6,800	0	6,800
Debt Service:				
Principal Retirement	67,603	67,603	64,333	3,270
Interest and Fiscal Charges	63,378	63,378	60,313	3,065
<i>Total Expenditures</i>	12,114,018	12,188,862	11,550,396	638,466
<i>Excess of Revenues Over (Under) Expenditures</i>	(559,029)	(218,862)	549,274	768,136
Other Financing Sources (Uses)				
Advances Out	0	(125,156)	(125,156)	0
Transfers Out	(18,360)	(18,360)	(80,000)	(61,640)
<i>Total Other Financing Sources (Uses)</i>	(18,360)	(143,516)	(205,156)	(61,640)
<i>Net Change in Fund Balance</i>	(577,389)	(362,378)	344,118	706,496
<i>Fund Balance Beginning of Year</i>	3,788,303	3,788,303	3,788,303	0
Prior Year Encumbrances Appropriated	32,378	32,378	32,378	0
<i>Fund Balance End of Year</i>	\$3,243,292	\$3,458,303	\$4,164,799	\$706,496

See accompanying notes to the basic financial statements

Columbiana Exempted Village School District

Statement of Fund Net Position

Internal Service Fund

June 30, 2021

	<u>Self Insurance</u>
Assets	
Equity in Pooled Cash and Cash Equivalents	<u>\$104,639</u>
Liabilities	
	<u>0</u>
Net Position	
Unrestricted	<u><u>\$104,639</u></u>

See accompanying notes to the basic financial statements

Columbiana Exempted Village School District

*Statement of Revenues,
Expenses and Changes in Fund Net Position
Internal Service Fund
For the Fiscal Year Ended June 30, 2021*

	<u>Self Insurance</u>
Operating Revenues	<u>\$0</u>
Operating Expenses	
Salaries	17,000
Fringe Benefits	15
Materials and Supplies	<u>1,683</u>
<i>Total Operating Expenses</i>	<u>18,698</u>
<i>Operating Income (Loss)</i>	(18,698)
<i>Net Position Beginning of Year</i>	<u>123,337</u>
<i>Net Position End of Year</i>	<u><u>\$104,639</u></u>

See accompanying notes to the basic financial statement

Columbiana Exempted Village School District

Statement of Cash Flows

Internal Service Fund

For the Fiscal Year Ended June 30, 2021

	<u>Self Insurance</u>
Increase (Decrease) in Cash and Cash Equivalents	
Cash Flows from Operating Activities	
Cash Payments to Employees for Services	(\$17,000)
Cash Payments for Employee Benefits	(15)
Cash Payments for Goods and Services	<u>1,851</u>
<i>Net Cash Provided by (Used for) Operating Activities</i>	(15,164)
<i>Cash and Cash Equivalents Beginning of Year</i>	<u>119,803</u>
<i>Cash and Cash Equivalents End of Year</i>	<u><u>\$104,639</u></u>
 Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:	
Operating Income (Loss)	(\$18,698)
Adjustments:	
(Increase) Decrease in Assets:	
Accounts Receivable	<u>3,534</u>
<i>Net Cash Provided by (Used for) Operating Activities</i>	<u><u>(\$15,164)</u></u>
 See accompanying notes to the basic financial statement	

Columbiana Exempted Village School District

Statement of Changes in Fiduciary Net Position

Custodial Fund

For the Fiscal Year Ended June 30, 2021

	<u>District Tournament</u>
Additions	
Collections for Other Organizations	\$2,008
Deductions	
Distributions to Other Organizations	<u>2,008</u>
<i>Net Increase (Decrease) in Fiduciary Net Position</i>	0
<i>Net Position Beginning of Year</i>	<u>0</u>
<i>Net Position End of Year</i>	<u><u>\$0</u></u>

See accompanying notes to the basic financial statements

Columbiana Exempted Village School District

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

Note 1 - Description of the School District and Reporting Entity

Columbiana Exempted Village School District (the "School District") is organized under Article VI, Sections 2 and 3 of the Constitution of the State of Ohio. The School District operates under a locally-elected Board form of government consisting of five members elected at-large for staggered four-year terms. The School District provides educational services as authorized by State statute and federal guidelines.

The School District was established in 1890 through the consolidation of existing land areas and school districts. The School District serves an area of approximately 18 square miles. It is located in Columbiana and Mahoning Counties, and includes all of the City of Columbiana and portions of Fairfield, Beaver and Springfield Townships. The School District is staffed by 42 non-certificated employees, 73 certificated full-time teaching personnel, 10 administrative employees and 7 non-bargaining employees who provide services to 958 students. The School District currently operates 3 instructional buildings and 1 bus garage.

Reporting Entity

A reporting entity is comprised of the primary government, component units, and other organizations that are included to ensure that the financial statements are not misleading. The primary government of the School District consists of all funds, agencies, departments and offices that are not legally separate from the School District. For the School District, the agencies and departments provide the following services: general operations, food service, and student related activities of the School District.

Non-public Schools – With the School District boundaries, there are various non-public schools. Current State legislature provides funding to these non-public schools. These monies are received and disbursed on behalf of the non-public school by the Treasurer of the School District, as directed by the non-public school. These transactions are reported in a special revenue fund and as a governmental activity of the School District.

Component units are legally separate organizations for which the School District is financially accountable. The School District is financially accountable for an organization if the School District appoints a voting majority of the organization's governing board and (1) the School District is able to significantly influence the programs or services performed or provided by the organization; or (2) the School District is legally entitled to or can otherwise access the organization's resources; the School District is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the School District is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the School District in that the School District approves the budget, the issuance of debt or the levying of taxes. The School District does have a blended component unit.

Columbiana Exempted Village School District Lease Corporation – During fiscal year 1999, the Columbiana Exempted Village School District Leasing Corporation (Corporation) was formed to issue Certificates of Participation for the purpose of constructing a new high school in accordance with Ohio Revised Code Section 3313.375. The School District will make lease payments to the Corporation for the life of the issuance, after which time it will take ownership of the building. The Corporation is governed by a three member Board appointed by the School District. Although the Corporation is a separate legal entity, the School District's financial statements include activity pertaining to the Certificates of Participation since the debt was issued on behalf of the School District. This activity is reflected in the bond retirement debt service fund. The Corporation has assigned its duties to a Trustee to handle the finances.

Columbiana Exempted Village School District

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

The School District participates in two jointly governed organizations, one insurance purchasing pool, one risk sharing pool and a related organization. These organizations are the Columbiana County Career and Technical Center, the Access Council of Governments, the Better Business Bureau Workers' Compensation Group Rating Program, the Portage Area School Consortium, and the Columbiana Public Library. These organizations are presented in Notes 17, 18 and 19 of the basic financial statements.

Note 2 - Summary of Significant Accounting Policies

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

Basis of Presentation

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

Government-wide Financial Statements The statement of net position and the statement of activities display information about the School District as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The activity of the internal service fund is eliminated to avoid "doubling up" revenues and expenses. These statements usually distinguish between those activities of the School District that are governmental and those that are considered business-type. The School District, however, has no business-type activities.

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

Fund Financial Statements During the year, the School District segregates transactions related to certain School District functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the School District at this more detailed level. The focus of governmental fund financial statements is on major funds. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column. The internal service fund is presented in a single column on the face of the proprietary fund statements. The fiduciary fund is reported by type.

Columbiana Exempted Village School District

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

Fund Accounting

The School District uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self balancing set of accounts. The funds of the School District are divided into three categories: 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 deferred outflows and liabilities and deferred inflows of resources is reported as fund balance. The following are the School District's major governmental funds:

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

Permanent Improvement Capital Projects Fund The permanent improvement fund receives property taxes for transactions restricted for acquiring, constructing or improving capital facilities.

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

Proprietary Fund Type Proprietary funds focus on the determination of operating income, changes in net position, financial position and cash flows and are classified as either enterprise or internal service. The School District only has an internal service fund.

Internal Service Fund This fund is used to account for the financing of services provided by one department or agency to other departments or agencies of the School District on a cost-reimbursement basis. The School District utilizes an internal service fund to account for any unanticipated run-off claims not covered by their Shared Risk Pool's reserve as well as monies paid to employees who opt out of the School District's insurance program. Any left over money is used for health and wellness related activities.

Fiduciary Fund Type Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds and custodial funds. Trust funds are distinguished from custodial funds by the existence of a trust agreement or equivalent arrangements that has certain characteristics. The School District has no trust funds. Custodial funds are used to report fiduciary activities that are not required to be reported in a trust fund. The School District's custodial fund accounts for tournament monies.

Measurement Focus

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

Columbiana Exempted Village School District

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

Fund Financial Statements All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and deferred outflows of resources and all liabilities and deferred inflows of resources generally are included on the balance sheet. The statement of revenues, expenditures and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include 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 and all liabilities associated with the operation of this fund are included on the statement of net position. The statement of revenues, expenses and 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 School District finances and meets the cash flow needs of its internal service fund activity.

Basis of Accounting

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

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

Nonexchange transactions, in which the School District receives value without directly giving equal value in return, include income taxes, property taxes, grants, entitlements and donations. On an accrual basis, revenue from income taxes is recognized in the fiscal year in which the income is earned and revenue from property taxes is recognized in the fiscal year for which the taxes are levied (See Note 7). Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the School District must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the School District on a reimbursement basis. On a modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

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

Columbiana Exempted Village School District

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

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

In addition to liabilities, the statements of financial position report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized until that time. For the School District, deferred inflows of resources include property taxes, pension, OPEB plans and unavailable revenue. Property taxes represent amounts for which there is an enforceable legal claim as of June 30, 2021, but which were levied to finance fiscal year 2022 operations. These amounts have been recorded as a deferred inflow on both the government-wide statement of net position and governmental fund financial statements. Unavailable revenue is reported only on the governmental funds balance sheet, and represents receivables which will not be collected within the available period. For the School District, unavailable revenue includes delinquent property taxes, intergovernmental revenues and tuition. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available. The details of these unavailable revenues are identified on the Reconciliation of Total Governmental Fund Balances to Net Position of Governmental Activities fund on page 17. Deferred inflows of resources related to pension and OPEB plans are reported on the government-wide statement of net position. (See Notes 12 and 13)

Expenses/Expenditures On the accrual basis of accounting, expenses are recognized at the time they are incurred.

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

Budgetary Data

All funds, except custodial funds, are legally required to be budgeted and appropriated. The major documents prepared are the tax budget, the appropriation resolution and the certificate of estimated resources, 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 amounts that the Board of Education may appropriate. The appropriation resolution is the Board's authorization to spend resources and set annual limits on expenditures plus encumbrances at a level of control selected by the Board. The legal level of control has been established by the Board of Education at the fund level. The Treasurer has been given the authority to allocate appropriations to the function and object level within each fund. Budgetary statements are presented beyond that legal level of control for information purposes only.

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

Columbiana Exempted Village School District

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

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

Cash and Cash Equivalents

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

Investments are reported at fair value which is based on quoted market prices. During fiscal year 2021, investments were limited to federated treasury government obligations fund and negotiable certificates of deposit.

Except for the federated treasury government obligations fund, investments are reported at fair value.

The School District utilizes a financial institution to service bonded debt as principal and interest payments come due. The balance in this account is presented on the financial statements as "cash and cash equivalents with fiscal agents."

The School District measures its investment in the federated treasury government obligations fund at the net asset value (NAV) per share provided by Federated Hermes Funds. The NAV per share is calculated on an amortized cost basis that provides an NAV per share that approximates fair value.

Following Ohio statutes, the Board of Education has, by resolution, identified the funds to receive an allocation of interest earnings. Interest revenue credited to the general fund during fiscal year 2021 amounted to \$21,676 which includes \$4,186 assigned from other School District funds.

Investments of the cash management pool and investments with an original maturity of three months or less at the time they are purchased by the School District are presented on the financial statements as cash equivalents. Investments with an initial maturity of more than three months not purchased from the pool are reported as investments.

Prepaid Items

Payments made to vendors for services that will benefit periods beyond June 30, 2021, are recorded as prepaid items using the consumption method by recording a current asset for the prepaid amount at the time of purchase and reflecting the expenditure/expense in the fiscal year which services are consumed.

Capital Assets

All capital assets of the School District are classified as general capital assets. These assets generally result from expenditures in the governmental funds. They are reported in the governmental activities column of the governmental-wide statement of net position but are not reported in the fund financial statements.

Capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. The School District was able to estimate the historical cost for the initial reporting of capital assets by back trending (i.e., estimating the current replacement cost of the capital assets to be capitalized and

Columbiana Exempted Village School District

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

using an appropriate price-level index to deflate the cost of the acquisition year or estimated acquisition year). Donated capital assets are recorded at their acquisition values as of the date received. The School District maintains a capitalization threshold of five thousand dollars. The School District does not possess any infrastructure. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not.

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

<u>Description</u>	<u>Estimated Lives</u>
Buildings and Improvements	5 - 50 years
Furniture and Equipment	5 - 20 years
Vehicles	5 - 15 years

Bond Premiums and Discounts

On the government-wide financial statements, bond premiums and discounts 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 general obligation bonds payable. On the fund financial statements, bond premiums are received in the year the bonds are issued. Under Ohio law, premiums on the original issuance of debt are to be deposited to the bond retirement fund to be used for debt retirement and are precluded from being applied to the project fund. Ohio law does allow premiums on refunding debt to be used as part of the payment to the bond escrow agent. On the governmental-wide financial statements, bond discounts are presented as a decrease of the face amount of the general obligation bonds payable. On the fund financial statements, bond discounts are expended in the year the bonds are issued.

Deferred Charge on Refunding

On the government-wide financial statements, the difference between the reacquisition price (funds required to refund the old debt) and the net carrying amount of the old debt, the gain/loss on refunding, is being amortized as a component of interest expense. This deferred amount is amortized over the life of the old or new debt, whichever is shorter, using the effective interest method and is presented as deferred outflows of resources on the statement of net position.

Compensated Absences

Vacation benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is probable that the employer will compensate the employees for the benefits through paid time off or some other means. The School District records a liability for accumulated unused vacation time when earned for all employees with more than one year of service.

Sick leave benefits are accrued as a liability using the termination method. The liability includes the employees who are currently eligible to receive termination benefits and those the School District has identified as probable of receiving payment in the future. The amount is based on accumulated sick leave and employees' wage rates at fiscal year end, taking into consideration any limits specified in the School District's termination policy.

Columbiana Exempted Village School District

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

Pensions/Other Postemployment Benefits (OPEB)

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

Accrued Liabilities and Long-Term Obligations

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

Net Position

Net position represents the difference between all other elements in a statement of financial position. 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 through external restrictions imposed by creditors, grantors or laws or regulations of other governments. Net position restricted for other purposes include resources restricted for food service operations, instruction, support services and extracurricular activities.

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

Fund Balance

Fund balance is divided into five classifications based primarily on the extent to which the School 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.

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.

Columbiana Exempted Village School District

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

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

Assigned Amounts in the assigned fund balance classification are intended to be used by the School District for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed. These amounts are assigned by the School District Board of Education. In the general fund, assigned amounts represent intended uses established by policies of the School District Board of Education or a School District official delegated that authority by resolution by State statute. State statute authorizes the Treasurer to assign fund balance purchases on order provided such amounts have been lawfully appropriated. The Board of Education assigned fund balance for extracurricular activities.

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.

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

Operating Revenues and Expenses

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

Interfund Activity

Transfers between governmental funds 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 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.

Columbiana Exempted Village School District

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

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.

Note 3 – Fund Balances

Fund balance is classified as nonspendable, restricted, committed, assigned and/or unassigned based primarily on the extent to which the School District is bound to observe constraints imposed upon the use of resources in the governmental 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	Other Governmental Funds	Total
<i>Nonspendable</i>				
Prepays	\$16,409	\$0	\$691	\$17,100
<i>Restricted for</i>				
Scholarships	0	0	2,173	2,173
Student Activities	0	0	104,152	104,152
Athletics	0	0	5,349	5,349
Non-Public Schools	0	0	59,107	59,107
Debt Service Payments	0	0	100,837	100,837
Capital Improvements	0	552,168	0	552,168
<i>Total Restricted</i>	0	552,168	271,618	823,786
<i>Committed to</i>				
Shared Marketing Services	7,100	0	0	7,100
<i>Assigned to</i>				
Extracurricular Activities	110,069	0	0	110,069
Purchases on Order:				
Instruction	132,294	0	0	132,294
Support Services	156,176	0	0	156,176
Fiscal Year 2022 Appropriations	530,000	0	0	530,000
<i>Total Assigned</i>	928,539	0	0	928,539
<i>Unassigned (Deficit)</i>	3,634,953	0	(190,869)	3,444,084
<i>Total Fund Balances</i>	\$4,587,001	\$552,168	\$81,440	\$5,220,609

Note 4 - Budgetary Basis of Accounting

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

Columbiana Exempted Village School District

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

The Statement of Revenues, Expenditures and Changes in Fund Balance - Budget (Non-GAAP Basis) and Actual for the general fund is presented on the budgetary basis to provide a meaningful comparison of actual results with the budget. The major differences between the budget basis and GAAP basis are that:

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. Investments are reported at cost (budget) rather than fair value (GAAP).
4. Encumbrances are treated as expenditures (budget basis) rather than as restricted, committed or assigned fund balance (GAAP basis).
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 on a fund type basis for the general fund.

Net Change in Fund Balance	
GAAP Basis	\$993,686
Net Adjustment for Revenue Accruals	(229,037)
Beginning Fair Value Adjustment for Investments	63,306
Ending Fair Value Adjustment for Investments	(38,009)
Perspective Difference:	
Public School Support	(14,196)
Net Adjustment for Expenditure Accruals	(9,831)
Advances Out	(125,156)
Adjustment for Encumbrances	(296,645)
Budget Basis	<u>\$344,118</u>

Note 5 – Fund Deficits

At June 30, 2021, the following funds have deficit balances:

Nonmajor Funds:

Special Revenue Funds:

Food Service	\$13,625
Elementary/Secondary School Relief	134,011
Title VI-B	29,225
Title I	8,259
Title II - A	5,749

Columbiana Exempted Village School District

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

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

Note 6 - Deposits and Investments

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

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

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

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

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

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

1. United States Treasury bills, bonds, notes, or any other obligation or security issued by the United States Treasury, or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligation or security issued by any federal government agency or instrumentality including, but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, and Government National Mortgage Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio, and with certain limitations including a requirement for maturity within ten years from the date of settlement, bonds and other obligations of political subdivisions of the State of Ohio, if training requirements have been met;

Columbiana Exempted Village School District

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

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

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

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

Investments

Investments are reported at fair value. As of June 30, 2021, the School District had the following investments:

Measurement/Investment	Measurement Amount	Maturity	Standard and Poor's Rating	Percentage of Total Investments
Net Asset Value (NAV) per Share:				
Federated Treasury Obligations	\$512,901	Less than 1 year	AAAm	N/A
Fair Value - Level Two Inputs				
Negotiable Certificates of Deposit	193,070	Less than 1 year	N/A	9.56 %
Negotiable Certificates of Deposit	<u>1,312,939</u>	More than 1 year	N/A	65.03
Total Investments	<u><u>\$2,018,910</u></u>			

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

Columbiana Exempted Village School District

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

Interest Rate Risk As a means of limiting its exposure to fair value losses caused by rising interest rates, the School District's investment policy requires that operating funds be invested primarily in short-term investments maturing within five years from the date of purchase and that the School District's investment portfolio be structured so that securities mature to meet cash requirements for ongoing operations and/or long-term debt payments. The stated intent of the policy is to avoid the need to sell securities prior to maturity. State statute limits investments in repurchase agreements 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 The Standard and Poor's ratings of the School Districts investments are listed in the table above. The federated treasury obligations fund carries a rating of AAAM and the negotiable certificates of deposit are unrated. The School District has no investment policy that addresses credit risk.

Concentration of Credit Risk The School District places no limit on the amount it may invest in any one issuer.

Note 7 - Property Taxes

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

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

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

The School District receives property taxes from Mahoning and Columbiana Counties. The County Auditor periodically advances to the School District its portion of the taxes collected. Second-half real property tax payments collected by the County by June 30, 2021, are available to finance fiscal year 2021 operations. The amount 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, 2021 and for which there is an enforceable legal claim. Although total property tax collections for the next fiscal year are measurable, only the amount of real property taxes available as an advance at June 30 were levied to finance current fiscal year operations are reported as revenue at fiscal year-end. The portion of the receivable not levied to finance current fiscal year operations is offset by a credit to deferred inflows of resources – property taxes. On the accrual basis, collectible delinquent property taxes have been recorded as a receivable and revenue while on the modified accrual basis the revenue has been reported as deferred inflows of resources – unavailable revenue.

Columbiana Exempted Village School District

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2021

The amount available as an advance at June 30, 2021 was \$74,240 in the general fund and \$17,016 in the permanent improvement capital projects fund. The amount available as an advance at June 30, 2020 was \$109,337 in the general fund and \$24,901 in the permanent improvement capital projects fund.

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

	2020 Second Half Collections		2021 First Half Collections	
	Amount	Percent	Amount	Percent
Agricultural/Residential and Other Real Estate	\$203,436,940	95.33 %	\$211,681,040	94.90 %
Public Utility Personal	9,957,320	4.67	11,378,660	5.10
Total	<u>\$213,394,260</u>	<u>100.00 %</u>	<u>\$223,059,700</u>	<u>100.00 %</u>
Tax rate per \$1,000 of assessed valuation	\$33.50		\$33.50	

Tax Abatements

The School District's property taxes were reduced by \$9,937 for fiscal year 2021 under an enterprise zone agreement entered into by Columbiana County.

Note 8 – Receivables

Receivables at June 30, 2021, consisted of taxes, intergovernmental grants, 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 fiscal year guarantee of federal funds. All receivables, except for delinquent property taxes, are expected to be collected within one year. Property taxes, although ultimately collectible, include some portion of delinquencies that will not be collected within one year. A summary of principal items of intergovernmental receivables follows:

<u>Intergovernmental Receivables</u>	<u>Amounts</u>
Title VI-B Grant	\$141,735
Elementary/Secondary School Relief Grant	134,011
Title I Grant	50,513
Title I-A Grant	40,569
Miscellaneous State Grant	32,520
Preschool Grant	5,676
State Employees Retirement System Refund	4,922
Prior Year State Foundation Adjustments	4,027
Motor Fuel Tax Refund	3,044
Coronavirus Relief Grant	2,711
Total	<u>\$419,728</u>

Columbiana Exempted Village School District

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

Note 9 – Income Tax

The School District levies a voted tax of 1 percent for the general operations on the income of residents and of estates. The tax was effective on November 5, 2002, and is a continuing tax. Employers of residents are required to withhold income tax compensation and remit the tax to the State. Taxpayers are required to file an annual return. The State makes quarterly distributions to the School District after withholding amounts for administrative fees and estimated refunds. Income tax revenue is credited to the general fund.

Note 10 - Risk Management

Property and Liability

The School District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During fiscal year 2021, the School District contracted with Liberty Mutual Insurance for various types of insurance. Coverage is as follows:

Coverage	Amount
Building and Contents - replacement cost (\$1,000 deductible)	\$42,439,950
Inland Marine Coverage (\$500 deductible)	100,000
Commercial Computer Coverage (\$500 deductible)	767,950
Automobile Liability (\$500 deductible)	1,000,000
General Liability:	
Per Occurrence	3,000,000
Aggregate	3,000,000
Commercial Umbrella Liability Policy	3,000,000

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

Employee Medical, Dental and Vision Benefits

The School District is a member of the Portage Area School Consortium (the “Consortium”), a risk sharing pool (see Note 18), through which a cooperative Health Benefit Program was created for the benefits of its members. The Health Benefit Program (the “Program”) is an employee health benefit plan which covers the participating members’ employees. The Consortium acts as a fiscal agent for the cash funds paid into the program by the participating school districts. These funds are pooled together for the purposes of paying health benefit claims of employees and their covered dependents, administrative expenses of the program and premiums for stop-loss insurance coverage. A reserve exists which is to cover any unpaid claims if the School District were to withdraw from the pool. If the reserve would not cover such claims, the School District would be liable for any costs above the reserve.

Worker’s Compensation

For fiscal year 2021, the School District participated in the Better Business Bureau Workers’ Compensation Group Rating Program (GRP), an insurance purchasing pool (Note 18). The intent of the GRP is to achieve the benefit of a reduced premium for the School District by virtue of its grouping and representation with other participants in the GRP. The workers’ compensation experience of the participating school districts is

Columbiana Exempted Village School District

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

calculated as one experience and a common premium rate is applied to all school districts in the GRP. Each participant pays its workers' compensation premium to the State based on the rate for the GRP rather than its individual rate. Participation in the GRP is limited to school districts that can meet the GRP's selection criteria. The firm of Sheakley UniService provides administrative, cost control, and actuarial services to the GRP.

Note 11 - Capital Assets

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

	Balance 6/30/20	Additions	Deletions	Balance 6/30/21
Governmental Activities				
<i>Capital Assets, not being depreciated:</i>				
Land	\$177,777	\$0	\$0	\$177,777
<i>Capital Assets, being depreciated:</i>				
Buildings and Improvements	18,855,243	0	0	18,855,243
Furniture and Equipment	638,241	65,979	0	704,220
Vehicles	750,145	55,790	0	805,935
<i>Total Capital Assets, being depreciated</i>	20,243,629	121,769	0	20,365,398
<i>Less Accumulated Depreciation:</i>				
Buildings and Improvements	(7,329,952)	(507,687)	0	(7,837,639)
Furniture and Equipment	(458,351)	(39,900)	0	(498,251)
Vehicles	(379,307)	(44,156)	0	(423,463)
<i>Total Accumulated Depreciation</i>	(8,167,610)	(591,743) *	0	(8,759,353)
<i>Total Capital Assets, being depreciated, net</i>	12,076,019	(469,974)	0	11,606,045
Governmental Activities Capital Assets, Net	\$12,253,796	(\$469,974)	\$0	\$11,783,822

* Depreciation expense was charged to governmental functions as follows:

Instruction:	
Regular	\$407,535
Special	3,744
Support Services:	
Pupil	4,969
Instructional Staff	7,874
Administration	1,656
Fiscal	1,548
Operation and Maintenance of Plant	101,108
Pupil Transportation	44,156
Operation of Non-Instructional Services:	
Food Service Operations	14,814
Extracurricular Activities	4,339
Total Depreciation Expense	\$591,743

Columbiana Exempted Village School District

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

Note 12 – Defined Benefit Pension Plans

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

Net Pension Liability/Net OPEB Liability (Asset)

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

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

GASB 68/75 assumes the liability is solely the obligation of the employer, because (1) they benefit from employee services; and (2) State statute requires funding to come from these employers. All pension contributions to date have come solely from these employers (which also includes pension costs paid in the form of withholdings from employees). The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits. In addition, health care plan enrollees pay a portion of the health care costs in the form of a monthly premium. State statute requires the retirement systems to amortize unfunded pension liabilities within 30 years. If the pension amortization period exceeds 30 years, each retirement system's board must propose corrective action to the State legislature. Any resulting legislative change to benefits or funding could significantly affect the net pension/OPEB liability (asset). Resulting adjustments to the net pension/OPEB liability (asset) would be effective when the changes are legally enforceable. The Ohio Revised Code permits, but does not require the retirement systems to provide health care 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 13 for the required OPEB disclosures.

School Employees Retirement System (SERS)

Plan Description – School District non-teaching employees participate in SERS, a cost-sharing multiple-employer defined benefit pension plan administered by SERS. SERS provides retirement, disability and survivor benefits, and death benefits to plan members and beneficiaries. Authority to establish and amend

Columbiana Exempted Village School District

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

benefits is provided by Ohio Revised Code Chapter 3309. SERS issues a publicly available, stand-alone financial report that includes financial statements, required supplementary information and detailed information about SERS’ fiduciary net position. That report can be obtained by visiting the SERS website at www.ohsers.org under Employers/Audit Resources.

Age and service requirements for retirement are as follows:

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

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

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

An individual whose benefit effective date is before April 1, 2018, is eligible for a cost of living adjustment (COLA) on the first anniversary date of the benefit. Beginning April 1, 2018, new benefit recipients must wait until the fourth anniversary of their benefit for COLA eligibility. The COLA is added each year to the base benefit amount on the anniversary date of the benefit. A three-year COLA suspension is in effect for all benefit recipients for the years 2018, 2019, and 2020. Upon resumption of the COLA, it will be indexed to the percentage increase in the CPI-W, not to exceed 2.5 percent and with a floor of 0 percent. In 2020, the Board of Trustees approved a 0.5 percent cost of living adjustment (COLA) for eligible retirees and beneficiaries in 2021.

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

The School District’s contractually required contribution to SERS was \$171,634 for fiscal year 2021. Of this amount \$1,913 is reported as an intergovernmental payable.

State Teachers Retirement System (STRS)

Plan Description – School District licensed teachers and other faculty members participate in STRS Ohio, a cost-sharing multiple employer public employee retirement system administered by STRS. STRS provides retirement and disability benefits to members and death and survivor benefits to beneficiaries. STRS issues a

Columbiana Exempted Village School District

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

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 East Broad Street, Columbus, Ohio 43215-3771, by calling (888) 227-7877, or by visiting the STRS website at www.strsoh.org.

New members have a choice of three retirement plans; a Defined Benefit (DB) Plan, a Defined Contribution (DC) Plan, and a Combined Plan. Benefits are established by Ohio Revised Code Chapter 3307.

The DB plan offers an annual retirement allowance based on final average salary multiplied by a percentage that varies based on years of service. Effective August 1, 2015, the calculation is 2.2 percent of final average salary for the five highest years of earnings multiplied by all years of service. In April 2017, the Retirement Board made the decision to reduce COLA granted on or after July 1, 2017, to 0 percent to preserve the fiscal integrity of the retirement system. Benefit recipients' base benefit and past cost of living increases are not affected by this change. Eligibility changes will be phased in until August 1, 2026, when retirement eligibility for unreduced benefits will be 5 years of service credit and age 65, or 35 years of service credit and at least age 60.

Eligibility changes for DB Plan members who retire with actuarially reduced benefits will be phased in until August 1, 2023, when retirement eligibility will be 5 years of qualifying service credit and age 60, or 30 years of service credit at any age.

The DC Plan allows members to place all their member contributions and 9.53 percent of the 14 percent employer contributions into an investment account. The member determines how to allocate the member and employer money among various investment choices offered by STRS. The remaining 4.47 percent of the 14 percent employer rate is allocated to the defined benefit unfunded liability. A member is eligible to receive a retirement benefit at age 50 and termination of employment. The member may elect to receive a lifetime monthly annuity or a lump sum withdrawal.

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

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

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

Columbiana Exempted Village School District

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

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

The School District’s contractually required contribution to STRS was \$723,848 for fiscal year 2021. Of this amount \$119,912 is reported as an intergovernmental payable.

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

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

	SERS	STRS	Total
Proportion of the Net Pension Liability:			
Current Measurement Date	0.03526360%	0.04315966%	
Prior Measurement Date	0.03396320%	0.04228592%	
Change in Proportionate Share	0.00130040%	0.00087374%	
Proportionate Share of the Net Pension Liability	\$2,332,410	\$10,443,102	\$12,775,512
Pension Expense	\$267,136	\$1,495,967	\$1,763,103

At June 30, 2021, the School 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	\$4,531	\$23,432	\$27,963
Changes of assumptions	0	560,593	560,593
Net difference between projected and actual earnings on pension plan investments	148,061	507,849	655,910
Changes in proportionate share and difference between School District contributions and proportionate share of contributions	47,699	343,413	391,112
School District contributions subsequent to the measurement date	171,634	723,848	895,482
Total Deferred Outflows of Resources	\$371,925	\$2,159,135	\$2,531,060
Deferred Inflows of Resources			
Differences between expected and actual experience	\$0	\$66,776	\$66,776
Changes in proportionate share and difference between School District contributions and proportionate share of contributions	19,469	84,697	104,166
Total Deferred Inflows of Resources	\$19,469	\$151,473	\$170,942

Columbiana Exempted Village School District

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

\$895,482 reported as deferred outflows of resources related to pension resulting from School District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the fiscal year ending June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Fiscal Year Ending June 30:	SERS	STRS	Total
2022	\$10,372	\$518,562	\$528,934
2023	62,378	168,712	231,090
2024	61,715	334,175	395,890
2025	46,357	262,365	308,722
Total	\$180,822	\$1,283,814	\$1,464,636

Actuarial Assumptions – SERS

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

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

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

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

Inflation	3.00 percent
Future Salary Increases, including inflation	3.50 percent to 18.20 percent
COLA or Ad Hoc COLA	2.5 percent
Investment Rate of Return	7.50 percent net of investment expense, including inflation
Actuarial Cost Method	Entry Age Normal (Level Percent of Payroll)

Mortality rates were based on the RP-2014 Blue Collar Mortality Table with fully generational projection and a five year age set-back for both males and females. Mortality among service retired members, and beneficiaries were based upon the RP-2014 Blue Collar Mortality Table with fully generational projection

Columbiana Exempted Village School District

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

with Scale BB, 120 percent of male rates, and 110 percent of female rates. Mortality among disabled members were based upon the RP-2000 Disabled Mortality Table, 90 percent for male rates and 100 percent for female rates, set back five years is used for the period after disability retirement.

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

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

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

Discount Rate The total pension liability was calculated using the discount rate of 7.50 percent. The projection of cash flows used to determine the discount rate assumed the contributions from employers and from the members would be computed based on contribution requirements as stipulated by State statute. Projected inflows from investment earnings were calculated using the long-term assumed investment rate of return (7.50 percent). Based on those assumptions, the plan's fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefits to determine the total pension liability.

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

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
School District's proportionate share of the net pension liability	\$3,195,115	\$2,332,410	\$1,608,582

Columbiana Exempted Village School District

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

Actuarial Assumptions – STRS

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

Inflation	2.50 percent
Projected Salary Increases	12.50 percent at age 20 to 2.50 percent at age 65
Investment Rate of Return	7.45 percent, net of investment expenses, including inflation
Discount Rate of Return	7.45 percent
Payroll Increases	3 percent
Cost of Living Adjustments (COLA)	0.0 percent, effective July 1, 2017

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

Actuarial assumptions used in the July 1, 2020, valuation are based on the results of an actuarial experience study for the period July 1, 2011, through June 30, 2016.

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

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

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

Columbiana Exempted Village School District

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

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

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

	1% Decrease (6.45%)	Current Discount Rate (7.45%)	1% Increase (8.45%)
School District's proportionate share of the net pension liability	\$14,869,159	\$10,443,102	\$6,692,387

Note 13 - Defined Benefit OPEB Plans

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

School Employees Retirement System (SERS)

Health Care Plan Description – The School District contributes to the SERS Health Care Fund, administered by SERS for non-certificated retirees and their beneficiaries. For GASB 75 purposes, this plan is considered a cost-sharing other postemployment benefit (OPEB) plan. SERS' Health Care Plan provides health care 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.

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.

Columbiana Exempted Village School District

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

Funding Policy – State statute permits SERS to fund the health care benefits through employer contributions. Each year, after the allocation for statutorily required pensions and benefits, the Retirement Board may allocate the remainder of the employer contribution of 14 percent of covered payroll to the Health Care Fund in accordance with the funding policy. For fiscal year 2021, no allocation was made to health care. An additional health care surcharge on employers is collected for employees earning less than an actuarially determined minimum compensation amount, pro-rated if less than a full year of service credit was earned. For fiscal year 2021, this amount was \$23,000. Statutes provide that no employer shall pay a health care surcharge greater than 2 percent of that employer’s SERS-covered payroll; nor may SERS collect in aggregate more than 1.5 percent of the total statewide SERS-covered payroll for the health care surcharge. For fiscal year 2021, the School District’s surcharge obligation was \$23,076.

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 School District’s contractually required contribution to SERS was \$23,076 for fiscal year 2021. Of this amount \$23,076 is reported as an intergovernmental payable.

State Teachers Retirement System (STRS)

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

Funding Policy – The Ohio Revised Code Chapter 3307 authorizes STRS to offer the Plan and gives the Retirement Board discretionary authority over how much, if any, of the health care costs will be absorbed by STRS. Active employee members do not contribute to the Health Care Plan. All benefit recipients pay a portion of the health care costs in the form of a monthly premium. Under Ohio law, funding for postemployment health care may be deducted from employer contributions, currently 14 percent of covered payroll. For the fiscal year ended June 30, 2021, STRS did not allocate any employer contributions to postemployment 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, 2020, and the total OPEB liability used to calculate the net OPEB liability (asset) was determined by an actuarial valuation as of that date. The School District's proportion of the net OPEB liability (asset) was based on the School District's share of contributions to the respective retirement systems relative to the contributions of all participating entities. Following is information related to the proportionate share and OPEB expense:

Columbiana Exempted Village School District

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2021

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Proportion of the Net OPEB Liability/Asset:			
Current Measurement Date	0.03640590%	0.04315966%	
Prior Measurement Date	<u>0.03458650%</u>	<u>0.04228592%</u>	
 Change in Proportionate Share	 <u>0.00181940%</u>	 <u>0.00087374%</u>	
 Proportionate Share of the:			
Net OPEB Liability	\$791,221	\$0	\$791,221
Net OPEB (Asset)	\$0	(\$758,532)	(\$758,532)
OPEB Expense	\$6,356	(\$27,850)	(\$21,494)

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

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Deferred Outflows of Resources			
Differences between expected and actual experience	\$10,392	\$48,603	\$58,995
Changes of assumptions	134,875	12,522	147,397
Net difference between projected and actual earnings on OPEB plan investments	8,916	26,583	35,499
Changes in proportionate share and difference between School District contributions and proportionate share of contributions	40,133	71,977	112,110
School District contributions subsequent to the measurement date	<u>23,076</u>	<u>0</u>	<u>23,076</u>
Total Deferred Outflows of Resources	<u>\$217,392</u>	<u>\$159,685</u>	<u>\$377,077</u>
 Deferred Inflows of Resources			
Differences between expected and actual experience	\$402,390	\$151,089	\$553,479
Changes of assumptions	19,929	720,477	740,406
Changes in proportionate share and difference between School District contributions and proportionate share of contributions	<u>50,435</u>	<u>25,242</u>	<u>75,677</u>
Total Deferred Inflows of Resources	<u>\$472,754</u>	<u>\$896,808</u>	<u>\$1,369,562</u>

\$23,076 reported as deferred outflows of resources related to OPEB resulting from School District contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability or an increase to the net OPEB asset in the fiscal year ending June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Columbiana Exempted Village School District

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2021

Fiscal Year Ending June 30:	SERS	STRS	Total
2022	(\$59,319)	(\$178,623)	(\$237,942)
2023	(58,674)	(160,629)	(219,303)
2024	(58,779)	(154,319)	(213,098)
2025	(54,530)	(173,189)	(227,719)
2026	(36,444)	(33,908)	(70,352)
Thereafter	(10,692)	(36,455)	(47,147)
Total	<u>(\$278,438)</u>	<u>(\$737,123)</u>	<u>(\$1,015,561)</u>

Actuarial Assumptions – SERS

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

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

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

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

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

Columbiana Exempted Village School District

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

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

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

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

The 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 12.

Discount Rate The discount rate used to measure the total OPEB liability at June 30, 2020, was 2.63 percent. The discount rate used to measure the total OPEB liability at June 30, 2019, was 3.22 percent. The projection of cash flows used to determine the discount rate assumed that contributions will be made from members and the System at the State statute contribution rate of 2.00 percent of projected covered employee payroll each year, which includes a 1.50 percent payroll surcharge and 0.50 percent of contributions from the basic benefits plan. Based on these assumptions, the OPEB plan's fiduciary net position was projected to become insufficient to make future benefit payments during the fiscal year ending June 30, 2025. Therefore, the long-term expected rate of return on OPEB plan assets was used to present value the projected benefit payments through the fiscal year ending June 30, 2024, and the Fidelity General Obligation 20-year Municipal Bond Index rate of 2.45 percent, as of June 30, 2020 (i.e. municipal bond rate), was used to present value the projected benefit payments for the remaining years in the projection. The total present value of projected benefit payments from all years was then used to determine the single rate of return that was used as the discount rate. The projection of future benefit payments for all current plan members was until the benefit payments ran out.

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

Columbiana Exempted Village School District

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

	1% Decrease (1.63%)	Current Discount Rate (2.63%)	1% Increase (3.63%)								
School District's proportionate share of the net OPEB liability	\$968,433	\$791,221	\$650,335								
<table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 33%;"></th> <th style="text-align: center; border-bottom: 1px solid black;">1% Decrease (6.00 % decreasing to 3.75%)</th> <th style="text-align: center; border-bottom: 1px solid black;">Current Trend Rate (7.00 % decreasing to 4.75%)</th> <th style="text-align: center; border-bottom: 1px solid black;">1% Increase (8.00 % decreasing to 5.75%)</th> </tr> </thead> <tbody> <tr> <td style="padding-top: 10px;">School District's proportionate share of the net OPEB liability</td> <td style="text-align: center; padding-top: 10px;">\$623,025</td> <td style="text-align: center; padding-top: 10px;">\$791,221</td> <td style="text-align: center; padding-top: 10px;">\$1,016,138</td> </tr> </tbody> </table>					1% Decrease (6.00 % decreasing to 3.75%)	Current Trend Rate (7.00 % decreasing to 4.75%)	1% Increase (8.00 % decreasing to 5.75%)	School District's proportionate share of the net OPEB liability	\$623,025	\$791,221	\$1,016,138
	1% Decrease (6.00 % decreasing to 3.75%)	Current Trend Rate (7.00 % decreasing to 4.75%)	1% Increase (8.00 % decreasing to 5.75%)								
School District's proportionate share of the net OPEB liability	\$623,025	\$791,221	\$1,016,138								

Actuarial Assumptions – STRS

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

Projected Salary Increases	12.50 percent at age 20 to 2.50 percent at age 65
Investment Rate of Return	7.45 percent, net of investment expenses, including inflation
Payroll Increases	3 percent
Discount Rate of Return	7.45 percent
Health Care Cost Trends:	
Medical:	
Pre-Medicare	5.00 percent initial, 4 percent ultimate
Medicare	-6.69 percent initial, 4 percent ultimate
Prescription Drug:	
Pre-Medicare	6.50 percent initial, 4 percent ultimate
Medicare	11.87 percent initial, 4 percent ultimate

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

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

Actuarial assumptions used in the June 30, 2020, valuation are based on the results of an actuarial experience study for the period July 1, 2011 through June 30, 2016.

Since the prior measurement date, there was no change to the claims costs process. Claim curves were updated to reflect the projected fiscal year ending June 30, 2021 premium based on June 30, 2020 enrollment distribution. The non-Medicare subsidy percentage was increased effective January 1, 2021 from 1.984 percent to 2.055 percent per year of service. The non-Medicare frozen subsidy base premium was increased effective January 1, 2021. The Medicare subsidy percentages were adjusted effective January 1, 2021, to 2.1 percent for the AMA Medicare plan. The Medicare Part B monthly reimbursement elimination date was postponed indefinitely.

Columbiana Exempted Village School District

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

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 12.

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

Sensitivity of the School District's Proportionate Share of the Net OPEB Asset to Changes in the Discount and Health Care Cost Trend Rate The following table represents the School District's proportionate share of the net OPEB asset as of June 30, 2020, calculated using the current period discount rate assumption of 7.45 percent, as well as what the School District's proportionate share of the net OPEB asset would be if it were calculated using a discount rate that is one percentage point lower (6.45 percent) or one percentage point higher (8.45 percent) than the current assumption. Also shown is the School District's proportionate share of 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 (6.45%)	Current Discount Rate (7.45%)	1% Increase (8.45%)
School District's proportionate share of the net OPEB asset	(\$659,971)	(\$758,532)	(\$842,155)

	1% Decrease	Current Trend Rate	1% Increase
School District's proportionate share of the net OPEB asset	(\$836,964)	(\$758,532)	(\$662,987)

Note 14 - Other Employee Benefits

Compensated Absences

The criteria for determining vacation and sick leave benefits are derived from negotiated agreements and State laws. Classified employees and Administrators earn up to twenty days of vacation per fiscal year, depending upon length of service. Accumulated unused vacation time is paid to classified employees upon termination of employment. Teachers do not earn vacation time.

Teachers, administrators and classified employees earn sick leave at the rate of one and one-fourth days per month. Sick leave may be accumulated up to a maximum of 300 days for all personnel. Upon retirement, payment is made according to negotiated agreements.

Life Insurance

The School District provides life insurance and accidental death and dismemberment insurance to most of its employees. Life insurance is provided through Guardian Life Insurance Company of America.

Columbiana Exempted Village School District

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

Social Security System

Effective July 1, 1991, all employees not otherwise covered by the School Employees Retirement System or the State Teachers Retirement System of Ohio have an option to choose Social Security or the School Employees Retirement System. As of June 30, 2021, three members of the Board of Education have selected Social Security. The Board's liability is 6.2 percent of wages.

Note 15 - Long-Term Obligations

Changes in long-term obligations of the School District during fiscal year 2021 were as follows:

	Principal Outstanding 06/30/20	Additions	Deductions	Principal Outstanding 06/30/21	Amount Due in One Year
Governmental Activities					
Certificates of Participation (COP)					
2010 Refunding COP					
Current Interest Term COP 4.0 - 5.0%	\$430,000	\$0	(\$430,000)	\$0	\$0
Premium on COP	1,601	0	(1,601)	0	0
Total 2010 COP	431,601	0	(431,601)	0	0
2011 COP					
Tax Exempt Serial COP 1.0 - 3.5%	110,000	0	(110,000)	0	0
Tax Exempt Term COP 3.9%	440,000	0	0	440,000	125,000
Discount on COP	(1,281)	0	320	(961)	0
Total 2011 COP	548,719	0	(109,680)	439,039	125,000
2014 Refunding COP					
Current Interest Serial COP 3.125 - 4.00%	1,300,000	0	0	1,300,000	0
Current Interest Term COP 1.00 - 4.50%	4,075,000	0	(20,000)	4,055,000	20,000
Discount on COP	(54,505)	0	2,946	(51,559)	0
Total 2014 COP	5,320,495	0	(17,054)	5,303,441	20,000
2019 Refunding COP					
Current Interest Serial COP 2.97%	5,483,000	0	(50,000)	5,433,000	516,000
Total Certificates of Participation	11,783,815	0	(608,335)	11,175,480	661,000
Other Long-term Obligations					
Net Pension Liability					
STRS	9,351,277	1,091,825	0	10,443,102	0
SERS	2,032,079	300,331	0	2,332,410	0
Total Net Pension Liability	11,383,356	1,392,156	0	12,775,512	0
Net OPEB Liability					
SERS	869,778	0	(78,557)	791,221	0
2011 Qualified School Construction Bonds 6.25%	386,003	0	(64,333)	321,670	64,333
2012 Limited Tax General Obligation Bonds 2.6%	90,000	0	(10,000)	80,000	10,000
Capital Leases	76,877	0	(18,084)	58,793	19,414
Compensated Absences	731,778	63,220	(38,661)	756,337	42,327
Total Other Long-term Obligations	13,537,792	1,455,376	(209,635)	14,783,533	136,074
Total Governmental Activities	\$25,321,607	\$1,455,376	(\$817,970)	\$25,959,013	\$797,074

Columbiana Exempted Village School District

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

2010 Certificates of Participation – On May 7, 2010, the School District issued \$8,390,000 certificates of participation (COPs), to refund the 1999 certificates of participation and for use in upgrading existing facilities. The certificates of participation included serial and term certificates in the amount of \$2,760,000 and \$5,630,000, respectively. The COPs issuance included a premium of \$59,501, which will be amortized over the life of the COPs. The certificates were issued for an 18 year period with a final maturity at December 1, 2028. The certificates will be retired from the debt service fund. The COPs were issued through a series of lease agreements and trust indentures in accordance with Section 3313.375 of the Ohio Revised Code. The COPs have been designated to be “qualified tax exempt obligations” within the meaning of 265(b)(3) of the Ohio Revised Code. In accordance with the lease terms, the project assets are leased to the Columbiana County Business Incubator, and then subleased back to the School District. The COPs were issued through a series of annual leases. To satisfy the trustee requirements, the School District is required to make annual base rent payments, subject to the lease terms and appropriations, semi-annually. The base rent includes an interest component ranging from 2.0 percent to 5.0 percent. The School District has the option to purchase the Project Facilities on any Lease Payment Date by paying \$100 plus the amount necessary to defease the indenture. A portion of these COPs was refunded during fiscal year 2020. As of June 30, 2021, only \$430,000 in term certificates remains outstanding and have been reclassified due to them being due during fiscal year 2021. The non-refunded portion will be fully retired in fiscal year 2021.

During fiscal year 2021, the School District missed making a payment on their 2010 Certificates of Participation. This was a bank error. The payment has been recorded as Matured COPs Payable and Matured Interest Payable.

2011 Certificates of Participation – On August 10, 2010, the School District issued \$6,250,000 certificates of participation (COPs), for use in upgrading existing facilities. The certificates of participation included serial, term and Build America certificates in the amounts of \$660,000, \$440,000 and \$5,150,000, respectively. The COPs issuance included a discount of \$8,724, which will be amortized over the life of the COPs. The certificates were issued for a 28 year period with a final maturity at December 1, 2038. The certificates will be retired from the debt service fund. The Build America certificates were refunded in full in fiscal year 2014. The COPs were issued through a series of lease agreements and trust indentures in accordance with Section 3313.375 of the Ohio Revised Code. The COPs have been designated to be “qualified tax exempt obligations” within the meaning of 265(b)(3) of the Ohio Revised Code. In accordance with the lease terms, the project assets are leased to the Columbiana County Business Incubator, and then subleased back to the School District. The COPs were issued through a series of annual leases. To satisfy the trustee requirements, the School District is required to make annual base rent payments, subject to the lease terms and appropriations, semi-annually. The base rent includes an interest component ranging from 1.0 percent to 7.3 percent. The School District has the option to purchase the Project Facilities on any Lease Payment Date by paying \$100 plus the amount necessary to defease the indenture.

Optional Redemption The Series 2010A and 2010B certificates maturing on or after December 1, 2021 are subject to prior redemption, on any date on or after December 1, 2020, in whole after exercise by the School District of its option to purchase the Leased Property pursuant to the Lease from the available proceeds from such purchase and in whole or part in connection with the refunding of those Certificates, at a redemption price equal to 100 percent of the principal amount redeemed, plus accrued interest to the redemption date.

The term certificates maturing on December 1, 2023 are subject to mandatory sinking fund redemption at a redemption price of 100 percent of the principal amount to be redeemed, plus accrued interest to the date of redemption, on December 1 in the years and in the respective principal amounts as follows:

Columbiana Exempted Village School District

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2021

Fiscal Year	Issue
	\$440,000
2022	\$125,000
2023	140,000
Total mandatory sinking fund payment	\$265,000
Amount due at stated maturity	175,000
Total	\$440,000
Stated Maturity	12/1/2023

2014 Certificates of Participation – On February 6, 2014, the School District issued \$5,545,000 certificates of participation (COPs), to refund a portion of the 2011 certificates of participation and for use in upgrading existing facilities. The certificates of participation included serial and term certificates in the amount of \$1,300,000 and \$4,245,000, respectively. The COPs issuance included a discount of \$73,410, which will be amortized over the life of the COPs. The certificates were issued with interest rates varying from 2 percent to 3.3 percent and were issued for a 25 year period with final maturity on December 1, 2038. The certificates will be retired through the general obligation bond retirement debt service fund. The COPs were issued through a series of lease agreements and trust indentures in accordance with Section 3313.375 of the Ohio Revised Code. The COPs have been designated to be “qualified tax exempt obligations” within the meaning of 265(b)(3) of the Ohio Revised Code. In accordance with the lease terms, the project assets are leased to the Columbiana County Business Incubator, and then subleased back to the School District. The COPs were issued through a series of annual leases. To satisfy the trustee requirements, the School District is required to make annual base rent payments, subject to the lease terms and appropriations, semi-annually. The base rent includes an interest component ranging from 1.0 percent to 4.5 percent. The School District has the option to purchase the Project Facilities on any Lease Payment Date by paying \$100 plus the amount necessary to defease the indenture.

The term certificates maturing on December 1, 2023, 2030, 2032, 2034, 2036, 2038 are subject to mandatory sinking fund redemption at a redemption price of 100 percent of the principal amount to be redeemed, plus accrued interest to the date of redemption, on December 1 in the years and in the respective principal amounts as follows:

Fiscal Year	Issue					
	\$140,000	\$665,000	\$735,000	\$790,000	\$865,000	\$940,000
2019	\$20,000	\$0	\$0	\$0	\$0	\$0
2020	20,000	0	0	0	0	0
2021	20,000	0	0	0	0	0
2022	20,000	0	0	0	0	0
2023	20,000	0	0	0	0	0
2030	0	325,000	0	0	0	0
2032	0	0	360,000	0	0	0
2034	0	0	0	385,000	0	0
2036	0	0	0	0	425,000	0
2038	0	0	0	0	0	460,000
Total mandatory sinking sinking fund payment	\$120,000	\$325,000	\$360,000	\$385,000	\$425,000	\$460,000
Amount due at stated maturity	20,000	340,000	375,000	405,000	440,000	480,000
Total	\$140,000	\$665,000	\$735,000	\$790,000	\$865,000	\$940,000
<i>Stated Maturity</i>	12/1/2023	12/1/2030	12/1/2032	12/1/2034	12/1/2036	12/1/2038

Columbiana Exempted Village School District

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

2019 Certificates of Participation – On July 26, 2019, the School District issued \$5,530,000 certificates of participation (COPs), to refund a portion of the 2010 certificates of participation. The certificates of participation included serial certificates in the amount of \$5,530,000. The certificates carry an interest rate of 2.97 percent and were issued for a 10 year period with final maturity on December 1, 2028. The certificates will be retired through the permanent improvement capital projects fund. The COPs were issued through a series of lease agreements and trust indentures in accordance with Section 3313.375 of the Ohio Revised Code. The COPs have been designated to be “qualified tax exempt obligations” within the meaning of 265(b)(3) of the Ohio Revised Code. In accordance with the lease terms, the project assets are leased to the Columbiana County Business Incubator, and then subleased back to the School District. The COPs were issued through a series of annual leases. To satisfy the trustee requirements, the School District is required to make annual base rent payments, subject to the lease terms and appropriations, semi-annually. The base rent includes an interest component of 2.97 percent. The School District has the option to purchase the Project Facilities on any Lease Payment Date by paying \$100 plus the amount necessary to defease the indenture.

Net proceeds of \$5,432,043 were deposited in an irrevocable trust with an escrow agent to partially refund the 2010 certificates of participation. As a result, \$5,200,000 of the 2010 certificates of participation are considered defeased and the liability for those bonds has been removed from the School District’s financial statements. Accordingly, the trust account assets and liabilities for the defeased bonds are not included on the School District’s financial statements. As of June 30, 2021, \$5,200,000 of the defeased bonds are still outstanding.

Although the refunding will result in the recognition of an accounting loss of \$396,573 the School District in effect decreased its aggregated debt service payments by \$271,789 over the next ten years and obtained an economic gain (difference between the present values of the old and new debt service payments) of \$240,393.

On February 24, 2011, the School District issued \$965,000 in qualified school construction bonds for the purpose of energy savings upgrades in the School District. The bonds were issued for a 15 year period and are subject to mandatory sinking fund payments. The School District may elect to receive payments directly from the Secretary of the United States Treasury equal to 88 percent of the corresponding interest payable on this issue. The bonds will be repaid from the general fund.

On October 16, 2012, the School District issued \$160,000 in limited tax general obligation bonds for the purpose of acquiring two school busses for the School District. The bonds were issued for a 15 year period. The bonds will be repaid from the general fund.

During fiscal year 2021, the School District missed making a payment on their 2010 Certificates of Participation. This was a bank error. The payment has been recorded as Matured COPs Payable and Matured Interest Payable.

The compensated absences will be paid from the general fund and the food service, auxiliary services, title VI-B and title I special revenue funds. The capital lease will be paid from the general fund. There are no repayment schedules for the net pension liability and net OPEB liability. However, employer pension and OPEB contributions are made from the following funds: general, food service and auxiliary services. For additional information related to the net pension and net OPEB liabilities see Notes 12 and 13.

The overall debt margin of the School District as of June 30, 2021 was \$19,774,540 with an unvoted debt margin of \$223,060. Principal and interest requirements to retire the certificates of participation, the qualified school construction bonds and the limited tax general obligation bonds outstanding at June 30, 2021 are as follows:

Columbiana Exempted Village School District

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2021

Fiscal Year Ending June 30	2019 Refunding Certificates of Participation	
	Current Interest Serial	
	Principal	Interest
2022	\$516,000	\$153,697
2023	553,000	137,822
2024	614,000	120,494
2025	654,000	101,664
2026	698,000	81,585
2027-2029	2,398,000	109,504
Total	\$5,433,000	\$704,766

Fiscal Year Ending June 30	2011 Certificates of Participation		
	Current Interest Term		Total
	Principal	Interest	
2022	\$125,000	\$14,723	\$139,723
2023	140,000	9,556	149,556
2024	175,000	3,413	178,413
Total	\$440,000	\$27,692	\$467,692

Fiscal Year Ending June 30	2014 Certificates of Participation				
	Current Interest Serial		Current Interest Term		Total
	Principal	Interest	Principal	Interest	
2022	\$0	\$46,140	\$20,000	\$173,868	\$240,008
2023	0	46,140	20,000	173,269	239,409
2024	0	46,140	20,000	172,668	238,808
2025	215,000	42,781	0	172,368	430,149
2026	230,000	35,626	0	172,369	437,995
2027-2031	855,000	51,047	665,000	833,901	2,404,948
2032-2036	0	0	1,950,000	525,247	2,475,247
2037-2039	0	0	1,380,000	94,675	1,474,675
Total	\$1,300,000	\$267,874	\$4,055,000	\$2,318,365	\$7,941,239

Fiscal Year Ending June 30	2011 Qualified School Construction Bonds			
	Principal	Interest	Subsidy	Sinking Fund
				Payment
2022	\$0	\$60,313	(\$53,171)	\$64,333
2023	0	60,313	(53,171)	64,334
2024	0	60,313	(53,171)	64,334
2025	0	60,313	(53,171)	64,336
2026	965,000	30,156	(26,586)	(900,667)
Total	\$965,000	\$271,408	(\$239,270)	(\$643,330)

Columbiana Exempted Village School District

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2021

Fiscal Year Ending June 30	General Obligation Bonds	
	Limited Tax	
	Principal	Interest
2022	\$10,000	\$1,950
2023	10,000	1,690
2024	10,000	1,430
2025	10,000	1,170
2026	10,000	910
2027-2028	30,000	780
Total	<u>\$80,000</u>	<u>\$7,930</u>

Note 16 – Capital Lease

In fiscal year 2019, the School District entered into a capital lease for copiers. The lease obligation meets the criteria of a capital lease and has been recorded on the government-wide statements. The original amounts capitalized for the capital lease and the book value as of June 30, 2021 follows:

	Amounts
Asset:	
Furniture and Equipment	\$96,414
Less: Accumulated Depreciation	(57,848)
Current Book Value	<u>\$38,566</u>

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

Year ending June 30,	Capital Lease
2022	\$22,975
2023	22,975
2024	19,146
Total Minimum Lease Payments	65,096
Less: Amount Representing Interest	(6,303)
Present Value of Minimum Lease Payments	<u>\$58,793</u>

Capital lease payments have been reclassified and are reflected as debt service in the fund financial statements. These expenditures are reflected as program expenditures on a budgetary basis.

Note 17 - Jointly Governed Organizations

Columbiana County Career and Technical Center

The Columbiana County Career and Technical Center (the “Center”) is a distinct political subdivision of the State of Ohio. The Center is operated under the direction of a Board, consisting of one representative from each of the eight participating school districts’ elected boards, which possesses its own budgeting and taxing authority. The degree of control exercised by any participating school district is limited to its representation

Columbiana Exempted Village School District

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

on the Board. For fiscal year 2021, the School District did not make any contribution to the Center. To obtain financial information, write to the Columbiana County Career and Technical Center, Office of the Treasurer, at 9364 State Route 45, Lisbon, Ohio 44432.

Access Council of Governments

The Access Council of Governments (COG) is a computer network which provides data services to twenty-six school districts in Columbiana and Mahoning, two educational services center, twenty non-public schools and two special education regional resources center. The jointly governed organization was formed for the purpose of applying modern technology with the aid of computers and other electronic equipment to administrative and instructional functions among the member districts. Each of the governments of these schools supports COG based upon a per pupil charge. Columbiana Exempted Village School District paid \$62,910 to the COG during fiscal year 2021. COG is governed by an assembly consisting of the superintendents or other designees of the member school districts. The assembly exercises total control over the operation of COG including budgeting, appropriating, contracting and designating management. The degree of control exercised by any participating school district is limited to its representation on the Board. All of COG revenues are generated from charges for services and State funding. Financial information can be obtained by contacting Brian Stidham, Treasurer, Access Council of Governments, 493 Bev Road, Unit 1, Boardman, Ohio 44514.

Note 18 – Public Entity Risk Pools

Insurance Purchasing Pool

The School District participates in the Better Business Bureau Workers' Compensation Group Rating Program (GRP), an insurance purchasing pool. The GRP's business and affairs are conducted by the Board of Directors for the Better Business Bureau. Each year, the participating school districts pay an enrollment fee to the GRP to cover the costs of administering the program.

Risk Sharing Pool

The Portage Area School Consortium (the "Consortium") was established in 1981 so that 12 educational-service providers in Portage County could manage risk exposures and purchase necessary insurance coverage as a group. As of June 30, 2021, there were 26 educational service providers participating in the health and welfare pool. The Health and Welfare Trust is organized under the provisions of Section 501(c)(9) of the Internal Revenue Code. Its purpose is to facilitate the management of risks associated with providing employee benefits coverage such as health insurance, disability insurance and life insurance. A third party administrator is retained by the consortium to facilitate the operation of the Health and Welfare Trust. The School District pays all insurance premiums directly to the consortium. Also, the insurance agreement with Portage County School Consortium provides that the Consortium will reinsure through commercial companies for claims over \$150,000 per employee. Although the School District does not participate in the day-to-day management of the Consortium, one of its administrators serves as a trustee of the Consortium's governing Board as provided in the Consortium's enabling authority. The Field Local School District acts as the fiscal agent for the consortium. To obtain financial information, write to the Field Local School District, Todd Carpenter, who serves as Treasurer, at 2900 State Route 43, Mogadore, Ohio 44260.

Columbiana Exempted Village School District

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

Note 19 – Related Organization

Columbiana Public Library The Columbiana Public Library (the “Library”) is a distinct political subdivision of the State of Ohio created under Chapter 3375 of the Ohio Revised Code. The Library is governed by a seven member Board of Trustees appointed by the School Board. The Board of Trustees possesses its own contracting and budgeting authority, hires and fires personnel and does not depend on the School District for operational subsidies. Although the School District does serve as the taxing authority and may issue tax related debt on behalf of the Library, its role is limited to a ministerial function. The determination to request approval of a tax, the rate and the purpose are discretionary decisions made solely by the Board of Trustees. Financial information can be obtained from the Columbiana Public Library, Director/Clerk-Treasurer, at 332 N. Middle St., Columbiana, Ohio 44408.

Note 20 – Contingencies

Grants

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

School Foundation

In fiscal year 2021, School District foundation funding was based on the annualized full-time equivalent (FTE) enrollment of each student. The Ohio Department of Education (ODE) is legislatively required to adjust/reconcile funding as enrollment information is updated by schools throughout the State, which can extend past the fiscal year end. As of the date of this report, additional ODE adjustments for fiscal year 2021 have been finalized, which did not result in a material receivable to, or liability of, the School District.

Litigation

The School District is not a party to any legal proceedings.

Note 21 - Set-Asides

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

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

Columbiana Exempted Village School District

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

Set-Aside Balance as of June 30, 2020	\$0
Current Year Set-aside Requirement	189,720
Current Year Offset	(54,220)
Qualifying Disbursements	<u>(1,018,637)</u>
Total	<u><u>(\$883,137)</u></u>
Set-aside Balance as of June 30, 2021 and Carried Forward to Future Fiscal Years	<u><u>\$0</u></u>

Although the School District had qualifying offsets and disbursements 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.

Note 22 – Interfund Transactions

Interfund Balances

Interfund balances at June 30, 2021, consist of the following individual fund receivables and payables:

Interfund Payable	Receivable General
Other Governmental Funds:	
Elementary/Secondary School Emergency Relief	\$134,011
Title VI-B	73,211
Title II-A	19,379
Title I	26,890
Preschool Grant	<u>5,676</u>
Total	<u><u>\$259,167</u></u>

The interfund payables are advances for grant monies that were not received by fiscal year end and were to support programs and projects in the special revenue funds. Advances will be repaid within one year.

Interfund Transfers

The general fund transferred \$80,000 to other governmental funds to help provide funding for fiscal year 2021.

Note 23 – Encumbrances

Encumbrances are commitments related to unperformed contracts for goods or services. Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to

Columbiana Exempted Village School District

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

facilitate effective cash planning and control. At fiscal year end the amount of encumbrances expected to be honored upon performance by the vendor in the next fiscal year were as follows:

General	\$296,645
Other Governmental Funds	<u>52,959</u>
Total Governmental Funds	<u><u>\$349,604</u></u>

Note 24 – COVID-19

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

Note 25 – Change in Accounting Principle

Change in Accounting Principles

For fiscal year 2021, the School District implemented the Governmental Accounting Standards Board’s (GASB) Implementation Guide No. 2019-1. These changes were incorporated in the School District’s 2021 financial statements; however, there was no effect on beginning net position/fund balance.

Note 26 – Subsequent Event

2010 Certificates of Participation On or before the lease payment date during each lease term, the School District was required to pay to the Trustee, as assignee of the Lessor, an amount equal to the base rent payable on that lease payment date as set forth in the Lease; provided that credit will be given for any amounts on deposit in the lease payment account. Money in the lease payment account on the business day immediately preceding a lease payment date will be credited first to the interest component and second to the principal component against the base rent due. In December 2021, the balance in the lease payment account was \$186,209.56 of which \$18,920 was credited to interest and \$167,289.56 to principal. The School District paid \$226,590.44, on December 28, 2021, to complete the payment of the 2010 certificates of participation.

For fiscal year 2022, School District foundation funding received from the state of Ohio will be funded using a direct funding model. Under this new model, community school, STEM school, scholarship, and open enrollment funding will be directly funded by the State of Ohio to the respective educating schools. For fiscal year 2021 and prior, the amounts related to students who were residents of the School District were funded to the School District who, in turn, made the payment to the educating school. For fiscal year 2021, the School District reported \$1,024,385 in revenue and expenditures/expense related to these programs. Also

Columbiana Exempted Village School District

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

during fiscal year 2021, the school district reported \$1,524,259 in tuition and fees from the resident school districts which will be direct funded to the School District as the educating entity in fiscal year 2022. This new funding system calculates a unique base cost and a unique “per-pupil local capacity amount” for each School District. The School District’s state core foundation funding is then calculated. Any change in funding will be subject to a phase in percentage of 16.67 percent for fiscal year 2022 and 33.33 percent for fiscal year 2023.

Required Supplementary Information

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

	2021	2020	2019	2018
School District's Proportion of the Net Pension Liability	0.03526360%	0.03396320%	0.03577140%	0.03654780%
School District's Proportionate Share of the Net Pension Liability	\$2,332,410	\$2,032,079	\$2,048,695	\$2,183,651
School District's Covered Payroll	\$1,244,350	\$1,165,126	\$1,086,141	\$1,171,379
School District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered - Payroll	187.44%	174.41%	188.62%	186.42%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	68.55%	70.85%	71.36%	69.50%

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

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

See accompanying notes to the required supplementary information

2017	2016	2015	2014
0.03500050%	0.03337010%	0.03137700%	0.03137700%
\$2,561,712	\$1,904,130	\$1,587,972	\$1,865,889
\$1,117,829	\$1,004,421	\$914,686	\$920,542
229.17%	189.57%	173.61%	202.69%
62.98%	69.16%	71.70%	65.52%

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

	2021	2020	2019	2018
School District's Proportion of the Net OPEB Liability	0.03640590%	0.03458650%	0.03599950%	0.03683040%
School District's Proportionate Share of the Net OPEB Liability	\$791,221	\$869,778	\$998,724	\$988,432
School District's Covered Payroll	\$1,244,350	\$1,165,126	\$1,086,141	\$1,171,379
School District's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered - Payroll	63.59%	74.65%	91.95%	84.38%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	18.17%	15.57%	13.57%	12.46%

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

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

See accompanying notes to the required supplementary information

2017

0.03518110%

\$1,002,791

\$1,117,829

89.71%

11.49%

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

	2021	2020	2019	2018
School District's Proportion of the Net Pension Liability	0.04315966%	0.04228592%	0.04177949%	0.04284207%
School District's Proportionate Share of the Net Pension Liability	\$10,443,102	\$9,351,277	\$9,186,372	\$10,177,226
School District's Covered Payroll	\$5,236,779	\$4,995,893	\$4,776,971	\$4,597,007
School District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered - Payroll	199.42%	187.18%	192.31%	221.39%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	75.50%	77.40%	77.30%	75.30%

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

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

See accompanying notes to the required supplementary information

2017	2016	2015	2014
0.03986096%	0.03982090%	0.03896857%	0.03896857%
\$13,342,665	\$11,005,332	\$9,478,505	\$11,290,733
\$4,275,771	\$4,167,507	\$3,981,736	\$3,855,523
312.05%	264.07%	238.05%	292.85%
66.80%	72.10%	74.70%	69.30%

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

	2021	2020	2019	2018
School District's Proportion of the Net OPEB (Asset) Liability	0.04315966%	0.04228592%	0.04177949%	0.04284207%
School District's Proportionate Share of the Net OPEB (Asset) Liability	(\$758,532)	(\$700,357)	(\$671,353)	\$1,671,538
School District's Covered Payroll	\$5,236,779	\$4,995,893	\$4,776,971	\$4,597,007
School District's Proportionate Share of the Net OPEB (Asset) Liability as a Percentage of its Covered - Payroll	-14.48%	-14.02%	-14.05%	36.36%
Plan Fiduciary Net Position as a Percentage of the Total OPEB (Asset) Liability	182.10%	174.70%	176.00%	47.10%

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

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

See accompanying notes to the required supplementary information

2017

0.03986096%

\$2,131,775

\$4,275,771

49.86%

37.30%

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

	2021	2020	2019	2018
Net Pension Liability				
Contractually Required Contribution	\$171,634	\$174,209	\$157,292	\$146,629
Contributions in Relation to the Contractually Required Contribution	<u>(171,634)</u>	<u>(174,209)</u>	<u>(157,292)</u>	<u>(146,629)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
School District Covered Payroll (1)	\$1,225,957	\$1,244,350	\$1,165,126	\$1,086,141
Pension Contributions as a Percentage of Covered Payroll	<u>14.00%</u>	<u>14.00%</u>	<u>13.50%</u>	<u>13.50%</u>
Net OPEB Liability				
Contractually Required Contribution (2)	23,076	22,503	25,910	23,589
Contributions in Relation to the Contractually Required Contribution	<u>(23,076)</u>	<u>(22,503)</u>	<u>(25,910)</u>	<u>(23,589)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
OPEB Contributions as a Percentage of Covered Payroll	<u>1.88%</u>	<u>1.81%</u>	<u>2.22%</u>	<u>2.17%</u>
Total Contributions as a Percentage of Covered Payroll (2)	<u>15.88%</u>	<u>15.81%</u>	<u>15.72%</u>	<u>15.67%</u>

(1) The School District's covered payroll is the same for Pension and OPEB.

(2) Includes Surcharge

See accompanying notes to the required supplementary information

2017	2016	2015	2014	2013	2012
\$163,993	\$156,496	\$132,383	\$126,775	\$127,403	\$136,411
(163,993)	(156,496)	(132,383)	(126,775)	(127,403)	(136,411)
\$0	\$0	\$0	\$0	\$0	\$0
\$1,171,379	\$1,117,829	\$1,004,421	\$914,686	\$920,542	\$1,014,205
14.00%	14.00%	13.18%	13.86%	13.84%	13.45%
18,884	16,566	23,723	15,441	18,017	20,252
(18,884)	(16,566)	(23,723)	(15,441)	(18,017)	(20,252)
\$0	\$0	\$0	\$0	\$0	\$0
1.61%	1.48%	2.36%	1.69%	1.96%	2.00%
15.61%	15.48%	15.54%	15.55%	15.80%	15.45%

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

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Net Pension Liability				
Contractually Required Contribution	\$723,848	\$733,149	\$699,425	\$668,776
Contributions in Relation to the Contractually Required Contribution	<u>(723,848)</u>	<u>(733,149)</u>	<u>(699,425)</u>	<u>(668,776)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
School District Covered Payroll (1)	\$5,170,343	\$5,236,779	\$4,995,893	\$4,776,971
Pension Contributions as a Percentage of Covered Payroll	<u>14.00%</u>	<u>14.00%</u>	<u>14.00%</u>	<u>14.00%</u>
Net OPEB Liability				
Contractually Required Contribution	\$0	\$0	\$0	\$0
Contributions in Relation to the Contractually Required Contribution	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
OPEB Contributions as a Percentage of Covered Payroll	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>
Total Contributions as a Percentage of Covered Payroll	<u>14.00%</u>	<u>14.00%</u>	<u>14.00%</u>	<u>14.00%</u>

(1) The School District's covered payroll is the same for Pension and OPEB.

See accompanying notes to the required supplementary information

<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
\$643,581	\$598,608	\$583,451	\$517,626	\$501,218	\$525,917
<u>(643,581)</u>	<u>(598,608)</u>	<u>(583,451)</u>	<u>(517,626)</u>	<u>(501,218)</u>	<u>(525,917)</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$4,597,007	\$4,275,771	\$4,167,507	\$3,981,736	\$3,855,523	\$4,045,515
<u>14.00%</u>	<u>14.00%</u>	<u>14.00%</u>	<u>13.00%</u>	<u>13.00%</u>	<u>13.00%</u>
\$0	\$0	\$0	\$39,817	\$38,555	\$40,455
<u>0</u>	<u>0</u>	<u>0</u>	<u>(39,817)</u>	<u>(38,555)</u>	<u>(40,455)</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>1.00%</u>	<u>1.00%</u>	<u>1.00%</u>
<u>14.00%</u>	<u>14.00%</u>	<u>14.00%</u>	<u>14.00%</u>	<u>14.00%</u>	<u>14.00%</u>

Columbiana Exempted Village School District

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

Net Pension Liability

Changes in Assumptions – SERS

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

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

	<u>Beginning in Fiscal Year 2017</u>	<u>Fiscal Year 2016 and Prior</u>
Wage Inflation	3.00 percent	3.25 percent
Future Salary Increases, including inflation	3.50 percent to 18.20 percent	4.00 percent to 22.00 percent
Investment Rate of Return	7.50 percent net of investments expense, including inflation	7.75 percent net of investments expense, including inflation

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

Changes in Assumptions – STRS

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

	<u>Beginning in Fiscal Year 2018</u>	<u>Fiscal Year 2017 and Prior</u>
Inflation	2.50 percent	2.75 percent
Projected Salary Increases	12.50 percent at age 20 to 2.50 percent at age 65	12.25 percent at age 20 to 2.75 percent at age 70
Investment Rate of Return	7.45 percent, net of investment expenses, including inflation	7.75 percent, net of investment expenses, including inflation
Payroll Increases	3 percent	3.5 percent
Cost of Living Adjustments (COLA)	0.0 percent, effective July 1, 2017	2 percent simple applied as follows: for members retiring before August 1, 2013, 2 percent per year; for members retiring August 1, 2013, or later, 2 percent COLA commences on fifth anniversary of retirement date.

Columbiana Exempted Village School District

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

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

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

Net OPEB Liability (Asset)

Changes in Assumptions – SERS

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

Municipal Bond Index Rate:

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

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

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

Changes in Assumptions – STRS

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

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

Columbiana Exempted Village School District

Notes to Required Supplementary Information

For the Fiscal Year Ended June 30, 2021

Changes in Benefit Terms – STRS

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

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

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

For fiscal year 2021, there was no change to the claims costs process. Claim curves were updated to reflect the projected fiscal year ending June 30, 2021 premium based on June 30, 2020 enrollment distribution. The non-Medicare subsidy percentage was increased effective January 1, 2021 from 1.984 percent to 2.055 percent per year of service. The non-Medicare frozen subsidy base premium was increased effective January 1, 2021. The Medicare subsidy percentages were adjusted effective January 1, 2021 to 2.1 percent for the AMA Medicare plan. The Medicare Part B monthly reimbursement elimination date was postponed indefinitely.

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

Columbiana Exempted Village School District
Columbiana County
700 Columbiana-Waterford Road
Columbiana, Ohio 44408

To the Board of Education:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Columbiana Exempted Village School District, Columbiana County, (the District) as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated March 11, 2022. We noted the financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the District.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

District's Response to the Finding

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

Purpose of this Report

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



Keith Faber
Auditor of State
Columbus, Ohio

March 11, 2022

**COLUMBIANA EXEMPTED VILLAGE SCHOOL DISTRICT
COLUMBIANA COUNTY**

**SCHEDULE OF FINDINGS
JUNE 30, 2021**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS
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FINDING NUMBER 2021-001

Significant Deficiency – Financial Reporting

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.

The District hired the Auditor of State's Local Government Services division to convert the District's cash-basis financial statements to the required GAAP basis. However, the District did not have policies and procedures in place to identify financial statement errors, which led to one out of twelve vouchers totaling \$26,685 not being captured as an accounts payable. This is reflected in the accompanying financial statements.

Other mispostings were identified, however they were not material and the District decided not to make the adjustments.

Failure to consistently and properly post all transactions increases the possibility the District will not be able to identify, assemble, analyze, classify, record and report its transactions correctly or to document compliance with finance related legal and contractual requirements and could result in adjustments to the financial statements.

The Treasurer should maintain the accounting system to enable the District to identify, assemble, analyze, classify, record, and report all transactions and to maintain accountability. All transactions should be properly coded and classified according to the chart of accounts and settlement sheets to help ensure that financial activity of the District is accurately recorded and reported.

Official's Response: Going forward, the District will perform a detailed review of the accounts payable reports to ensure all payables are properly listed on the financial statements of the District.

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OHIO AUDITOR OF STATE KEITH FABER



COLUMBIANA EXEMPTED VILLAGE 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 3/29/2022

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

This report is a matter of public record and is available online at
www.ohioauditor.gov