



OHIO AUDITOR OF STATE  
**KEITH FABER**





**CRESTVIEW LOCAL SCHOOL DISTRICT  
COLUMBIANA COUNTY  
JUNE 30, 2023**

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COLUMBIANA COUNTY  
JUNE 30, 2023**

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# OHIO AUDITOR OF STATE KEITH FABER



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## INDEPENDENT AUDITOR'S REPORT

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

To the Board of Education:

### Report on the Audit of the Financial Statements

#### ***Opinions***

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Crestview Local School District, Columbiana County, Ohio (the District), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Crestview Local School District, Columbiana County, Ohio as of June 30, 2023, and the respective changes in financial position and, where applicable, cash flows thereof and the budgetary comparison for the General Fund for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

#### ***Basis for Opinions***

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

#### ***Emphasis of Matter***

As discussed in Note 22 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.

***Responsibilities of Management for the Financial Statements***

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

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

***Auditor's Responsibilities for the Audit of the Financial Statements***

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

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

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

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

**Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the *management's discussion and analysis*, and schedules of net pension and other post-employment benefit liabilities and pension and other post-employment benefit contributions be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

**Supplementary information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The Schedule of Receipts and Expenditures of Federal Awards as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards is presented for purposes of additional analysis and is not a required part of the basic financial statements.

Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Receipts and Expenditures of Federal Awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated March 26, 2024, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.



Keith Faber  
Auditor of State  
Columbus, Ohio

March 26, 2024

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**Crestview Local School District**  
Columbiana County, Ohio

*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2023*  
*Unaudited*

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The discussion and analysis of the financial performance of Crestview Local School District (the District) provides an overall review of the District's financial activities for the fiscal year ended June 30, 2023. The intent of this discussion and analysis is to look at the District's financial performance as a whole; readers should also review the basic financial statements and notes to enhance their understanding of the District's financial performance.

**Financial Highlights**

Key financial highlights for fiscal year 2023 are as follows:

In total, net position increased \$2,105,073 from fiscal year 2022, due to an overall increase in cash and cash equivalents. The effects of GASB 68 and 75 distort the comparative analysis to follow in this MD&A due to the significant change in total expenses on a full accrual basis.

General revenues accounted for \$16,397,618, or approximately 83 percent of all revenues. Program specific revenues in the form of charges for services and operating grants and contributions accounted for \$3,428,064 or 17 percent of total revenues of \$19,825,682.

The District's major funds included the General Fund, and the Permanent Improvement, Building, and Classroom Facilities Capital Projects Funds. On the modified accrual basis, the General Fund had \$14,675,544 in revenues and \$13,913,358 in expenditures. The General Fund's balance increased \$528,898 from the prior fiscal year.

The Permanent Improvement Capital Projects Fund had \$1,250,377 in revenues and \$584,570 in expenditures. The Permanent Improvement Capital Projects Fund balance increased \$665,807 from the previous fiscal year.

The Building Capital Projects Fund balance decreased \$7,749,841 from the previous fiscal year due to a transfer to the Classroom Facilities Fund.

The Classroom Facilities Capital Projects Fund balance increased \$7,783,106 due to a transfer in from the Building Fund.

The District's total net pension liability increased to \$12,715,932 from \$7,620,837 and the OPEB liability decreased to \$659,566 from \$876,099, or a combined net increase of \$4,878,562. For more information on this liability see Notes 14 and 15 to the basic financial statements.

**Using the Basic Financial Statements**

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

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

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

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

The statement of net position and the statement of activities reflect how the District did financially during fiscal year 2023. These statements include all assets, deferred outflows of resources, liabilities and deferred inflows of resources using the accrual basis of accounting similar to which is used by most private-sector companies. This basis of accounting considers all of the current fiscal year's revenues and expenses regardless of when cash is received or paid.

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

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

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

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

**Fund Financial Statements**

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

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

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

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*Management's Discussion and Analysis*  
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between governmental funds and governmental activities.

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

**The District as a Whole**

Table 1 provides a summary of net position for fiscal year 2023 compared to fiscal year 2022.

<b>Net Position (Table 1)</b>			
<b>Governmental Activities</b>			
	<u>2023</u>	<u>2022</u>	<u>Change</u>
<b>Assets</b>			
Current and Other Assets	\$29,173,505	\$25,212,615	\$3,960,890
Capital Assets, Net	<u>13,755,052</u>	<u>13,780,692</u>	<u>(25,640)</u>
<i>Total Assets</i>	<u>42,928,557</u>	<u>38,993,307</u>	<u>3,935,250</u>
<b>Deferred Outflows of Resources</b>			
Pension	3,072,365	2,980,066	92,299
OPEB	<u>285,726</u>	<u>318,195</u>	<u>(32,469)</u>
<i>Total Deferred Outflows of Resources</i>	<u>3,358,091</u>	<u>3,298,261</u>	<u>59,830</u>
<b>Liabilities</b>			
Current Liabilities	2,125,014	1,803,362	(321,652)
Long-Term Liabilities			
Due within One Year	433,551	522,703	89,152
Due in More than One Year:			
Net Pension Liability	12,715,932	7,620,837	(5,095,095)
Net OPEB Liability	659,566	876,099	216,533
Other Amounts	<u>15,941,616</u>	<u>16,409,477</u>	<u>467,861</u>
<i>Total Liabilities</i>	<u>31,875,679</u>	<u>27,232,478</u>	<u>(4,643,201)</u>
<b>Deferred Inflows of Resources</b>			
Property Taxes	5,335,546	3,125,793	(2,209,753)
Lease	0	3,470	3,470
Pension	1,322,988	6,369,792	5,046,804
OPEB	<u>1,776,259</u>	<u>1,688,932</u>	<u>(87,327)</u>
<i>Total Deferred Inflows of Resources</i>	<u>8,434,793</u>	<u>11,187,987</u>	<u>2,753,194</u>
<b>Net Position</b>			
Net Investment in Capital Assets	7,150,069	11,261,786	(4,111,717)
Restricted	6,962,221	1,481,556	5,480,665
Unrestricted (Deficit)	<u>(8,136,114)</u>	<u>(8,872,239)</u>	<u>736,125</u>
<i>Total Net Position</i>	<u>\$5,976,176</u>	<u>\$3,871,103</u>	<u>\$2,105,073</u>

**Crestview Local School District**  
Columbiana County, Ohio

*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2023*  
*Unaudited*

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The net pension liability (NPL) is one of the largest liabilities reported by the School District at June 30, 2023 and is reported pursuant to GASB Statement 68, "Accounting and Financial Reporting for Pensions—an Amendment of GASB Statement 27." The other postemployment benefits (OPEB) liability is also a significant liability reported by the School District. For reasons discussed below, many end users of this financial statement will gain a clearer understanding of the School District's actual financial condition by adding deferred inflows related to pension and OPEB, the net pension liability and the net OPEB liability/(asset) to the reported net position and subtracting deferred outflows related to pension and OPEB.

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

In accordance with GASB 68 and GASB 75, the School District's statements prepared on an accrual basis of accounting include an annual pension expense and an annual OPEB expense for their proportionate share of each plan's *change* in net pension liability and net OPEB liability/(asset), respectively, not accounted for as deferred inflows/outflows.

By comparing assets, deferred outflows of resources, liabilities, and deferred inflows of resources, the overall position of the District has increased as evidenced by the increase in net position of \$2,105,073.

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Columbiana County, Ohio

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Table 2 reflects the changes in net position for fiscal year 2023 compared to fiscal year 2022.

<b>Table 2</b>			
Change in Net Position			
Governmental Activities			
	2023	2022	Increase (Decrease)
<b>Revenues</b>			
<b>Program Revenues</b>			
Charges for Services and Sales	\$1,160,626	\$1,050,086	\$110,540
Operating Grants and Contributions	2,017,363	2,173,351	(155,988)
Capital Grants and Contributions	250,075	54,550	195,525
<i>Total Program Revenues</i>	<u>3,428,064</u>	<u>3,277,987</u>	<u>150,077</u>
<b>General Revenues</b>			
Property Taxes	4,032,136	3,679,788	352,348
Income Tax	1,782,945	1,721,519	61,426
Intergovernmental	9,770,933	9,495,169	275,764
Investment Earnings	690,408	(26,481)	716,889
Miscellaneous	119,996	87,285	32,711
Gain on Sale of Capital Assets	1,200	0	1,200
<i>Total General Revenues</i>	<u>16,397,618</u>	<u>14,957,280</u>	<u>1,440,338</u>
<i>Total Revenues</i>	<u>\$19,825,682</u>	<u>\$18,235,267</u>	<u>\$1,590,415</u>
<b>Program Expenses</b>			
Instruction	9,005,440	8,249,471	(755,969)
Support Services	6,538,815	5,419,084	(1,119,731)
Operation of Non-Instructional/Food Services	729,264	637,181	(92,083)
Extracurricular Activities	715,381	720,012	4,631
Interest and Fiscal Charges	731,709	751,337	19,628
<i>Total Program Expenses</i>	<u>17,720,609</u>	<u>15,777,085</u>	<u>(1,943,524)</u>
<i>Increase (Decrease) in Net Position</i>	2,105,073	2,458,182	4,563,255
Net Position Beginning of Year	3,871,103	1,412,921	(2,458,182)
<i>Net Position End of Year</i>	<u>\$5,976,176</u>	<u>\$3,871,103</u>	<u>\$2,105,073</u>

The primary sources of general revenue for governmental activities are derived from grants and entitlements and property and income taxes. These revenue sources represent approximately 79 percent of total governmental revenue. Real estate property is reappraised every six years.

The largest expense of the District is for instruction, which totaled \$9,005,440 or 51 percent of total governmental expenses. Support service expenses totaled \$6,538,815, or 37 percent of total governmental expenses for fiscal year 2023. The effects of GASB 68 and 75 distort this comparative analysis due to the significant impact changes made to cost of living adjustments enacted by the state pension board had on the District's share of the total pension/OPEB liability/(asset).

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Columbiana County, Ohio

*Management's Discussion and Analysis*  
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*Unaudited*

**Governmental Activities**

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

**Table 3**  
Total and Net Cost of Program Services

	2023		2022	
	Total Cost of Services	Net Cost of Services	Total Cost of Services	Net Cost of Services
<b>Program Expenses</b>				
Instruction	\$9,005,440	\$7,315,612	\$8,249,471	\$6,426,879
Support Services	6,538,815	6,084,247	5,419,084	5,249,529
Operation of Non-Instructional/Food Services	729,264	79,905	637,181	(243,720)
Extracurricular Activities	715,381	81,072	720,012	315,073
Interest and Fiscal Charges	731,709	731,709	751,337	751,337
<i>Total Expenditures</i>	<u>\$17,720,609</u>	<u>\$14,292,545</u>	<u>\$15,777,085</u>	<u>\$12,499,098</u>

The table above reflects how the District funds its programs through program revenues. Instructional services, support services, co-curricular activities, and interest charges rely heavily on general revenues, while non-instructional and food services were almost completely funded by program revenues during the fiscal year. The large increase in instructional expenses is the byproduct of GASB 68 and 75, as previously discussed. To gain a better understanding of operations, please refer to the fund analysis on the following pages.

The dependence upon property tax, income tax, and unrestricted state entitlements for governmental activities is apparent. 88 percent of all District expenses are supported through income and property taxes and unrestricted grants and entitlements this year. Program revenues supported 19 percent of total expenses, while interest and miscellaneous revenues supported less than 5 percent.

**The District's Funds**

The District's governmental funds are accounted for using the modified accrual basis of accounting. The District's major governmental funds are the General Fund and the Permanent Improvement, Building, and Classroom Facilities Capital Projects Funds. The fund balance of these four funds increased by \$528,898, \$665,807, (\$7,749,841), and \$7,783,106, respectively, due to revenues outpacing expenditures for the fiscal year and not all of the debt issuances being spent as of fiscal year-end.

Total governmental funds had revenues of \$19,827,142 and expenditures of \$18,283,968. The net overall increase in fund balance was \$1,544,374 for the year, due to revenues outpacing expenditures.

**General Fund Budgeting Highlights**

The District's budget is prepared according to Ohio law and is based on accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The most significant budgeted fund is the General Fund. During the course of fiscal year 2023, the District amended its General Fund budget as needed.

**Crestview Local School District**  
Columbiana County, Ohio

*Management's Discussion and Analysis*  
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The variance between final budgeted and actual revenues was \$98,055, or less than 1 percent. This variance was the result of slightly more than estimated property taxes and interest revenues and was not significant to total revenues collected. The variance between original and final budgeted revenues was \$883,547 and was due to a conservative original estimate for collections of property tax and intergovernmental revenues. The variance between original budgeted and actual revenues was \$981,602 and was due mostly to higher than estimated collections for property tax, income tax, tuition and fees and intergovernmental revenues. This variance is due to a conservative or "worst case scenario" approach applied to the original budget.

Final expenditures and other financing sources were budgeted at \$14,718,316 while actual expenditures and other financing uses were \$14,394,038. The \$324,278 difference is primarily due to a conservative "worst case scenario" approach and is less than 3 percent of the total budget. The original budgeted expenditures of \$13,831,846 were increased to \$14,718,316 in the final budget for anticipated increases in total instruction costs. The District over-appropriates in case significant, unexpected expenditures arise during the fiscal year.

**Capital Assets and Debt Administration**

**Capital Assets**

At the end of fiscal year 2023, the District had \$13,755,052 invested in capital assets (net of accumulated depreciation/amortization) for governmental activities. Table 4 shows fiscal year 2023 balances compared to fiscal year 2022:

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

	<u>2023</u>	<u>2022</u>
Land	\$457,370	\$457,370
Construction in Progress	1,187,053	688,168
Land Improvements	165,960	173,373
Buildings and Improvements	10,668,098	11,272,308
Furniture, Fixtures and Equipment	750,305	607,583
Vehicles	510,537	540,632
Intangible Right to Use Lease	15,729	41,258
<i>Total</i>	<u>\$13,755,052</u>	<u>\$13,780,692</u>

All capital assets, except land and construction in progress, are reported net of depreciation/amortization. As one can see, the District had an overall decrease in capital assets of \$25,640. This decrease is due to the current year depreciation/amortization expense of \$829,231 and net deletions exceeding capital asset additions of \$803,591.

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

**Crestview Local School District**  
Columbiana County, Ohio

*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2023*  
*Unaudited*

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**Long-Term Obligations**

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

**Table 5 - Outstanding Long-Term Obligations**

	<u>2023</u>	<u>2022</u>
School Improvement Bonds	\$4,395,000	\$4,600,000
Unamortized Issuance Premium on Bonds	106,803	110,508
Certificates of Participation	8,000,000	8,000,000
Unamortized Issuance Premium on Certificates	1,130,965	1,170,648
Qualified School Construction Bonds	1,980,000	2,215,000
Unamortized Original Issue Discount	(4,829)	(5,495)
Financed Purchase Agreements	213,304	260,846
Leases	16,679	43,060
Compensated Absences	537,245	537,613
Net Pension Liability	12,715,932	7,620,837
Net OPEB Liability	659,566	876,099
Totals	<u>\$29,750,665</u>	<u>\$25,429,116</u>

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

**Current Issues**

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

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

The District is also currently experiencing a flat resident enrollment. The District adopted an Open Enrollment Policy effective with the 2003 fiscal year. Currently for the 2023-2024 school year the District had a net open enrollment population of approximately 382 students.

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

The Crestview Local School District is currently eligible for funding from OFCC. The District buildings were evaluated, and it was determined that the State will only fund new construction, not renovation of the District facilities. Currently the District is eligible for 88 percent from the State. The estimated cost of the new facilities is approximately \$63,231,154 with a District share of that cost at approximately \$7,587,738. The District placed a 2.84 mil levy on the May 2019 ballot. The issue passed. The project agreement was signed and approved by the OFCC and the District on October 21, 2022.

**Crestview Local School District**  
Columbiana County, Ohio

*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2023*  
*Unaudited*

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**Contacting the District's Financial Management**

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

**Crestview Local School District**

Columbiana County, Ohio

*Statement of Net Position**June 30, 2023*

	<u>Governmental Activities</u>
<b>Assets</b>	
Equity in Pooled Cash and Cash Equivalents	\$21,126,445
Cash and Cash Equivalents:	
With Fiscal Agents	267,234
Accrued Interest Receivable	13,396
Accounts Receivable	7,289
Intergovernmental Receivable	113,100
Income Taxes Receivable	797,163
Property Taxes Receivable	5,638,104
Inventory Held for Resale	2,516
Materials and Supplies Inventory	15,468
Net Other Postemployment Benefits Asset	1,192,790
Nondepreciable Capital Assets	1,644,423
Depreciable Capital Assets, Net	12,110,629
<i>Total Assets</i>	<u>42,928,557</u>
<b>Deferred Outflows of Resources</b>	
Pension	3,072,365
Other Postemployment Benefits	285,726
<i>Total Deferred Outflows of Resources</i>	<u>3,358,091</u>
<b>Liabilities</b>	
Accounts Payable	55,237
Accrued Wages and Benefits Payable	1,325,054
Intergovernmental Payable	398,562
Accrued Interest Payable	118,912
Claims Payable	227,249
Long-Term Liabilities:	
Due Within One Year	433,551
Due In More Than One Year:	
Net Pension Liability	12,715,932
Other Postemployment Benefits Liability	659,566
Other Amounts Due in More Than One Year	15,941,616
<i>Total Liabilities</i>	<u>31,875,679</u>
<b>Deferred Inflows of Resources</b>	
Property Taxes	5,335,546
Pension	1,322,988
Other Postemployment Benefits	1,776,259
<i>Total Deferred Inflows of Resources</i>	<u>8,434,793</u>
<b>Net Position</b>	
Net Investment in Capital Assets	7,150,069
Restricted for:	
Capital Projects	6,299,113
Debt Service	200,894
Other Purposes	462,214
Unrestricted (Deficit)	(8,136,114)
<i>Total Net Position</i>	<u>\$5,976,176</u>

See accompanying notes to the basic financial statements

**Crestview Local School District**  
Columbiana County, Ohio

*Statement of Activities*  
*For the Fiscal Year Ended June 30, 2023*

	Program Revenues			Net (Expense) Revenue and Changes in Net Position	
	Expenses	Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
<b>Governmental Activities</b>					
Current:					
Instruction:					
Regular	\$7,172,979	\$27,420	\$930,033	\$0	(\$6,215,526)
Special	1,784,554	497,001	213,201	0	(1,074,352)
Vocational	21,394	0	0	0	(21,394)
Other	26,513	173	22,000	0	(4,340)
Support Services:					
Pupils	1,161,395	0	66,230	0	(1,095,165)
Instructional Staff	769,630	0	38,142	0	(731,488)
Board of Education	21,210	0	0	0	(21,210)
Administration	1,441,088	0	0	0	(1,441,088)
Fiscal	511,342	0	0	0	(511,342)
Business	1,768	0	0	0	(1,768)
Operation and Maintenance of Plant	1,680,286	4,002	324,623	0	(1,351,661)
Pupil Transportation	898,369	14,903	5,727	0	(877,739)
Central	53,727	417	524	0	(52,786)
Operation of Food Services	729,264	244,891	404,468	0	(79,905)
Extracurricular Activities	715,381	371,819	12,415	250,075	(81,072)
Interest and Fiscal Charges	731,709	0	0	0	(731,709)
<i>Total Governmental Activities</i>	<u>\$17,720,609</u>	<u>\$1,160,626</u>	<u>\$2,017,363</u>	<u>\$250,075</u>	<u>(14,292,545)</u>
<b>General Revenues</b>					
Property Taxes Levied for:					
					2,903,404
					339,553
					721,614
					67,565
Income Taxes Levied for:					
					1,782,945
Grants and Entitlements not					
					9,770,933
Investment Earnings					
					690,408
Miscellaneous					
					119,996
Gain on Sale of Capital Assets					
					1,200
					<u>16,397,618</u>
					2,105,073
					3,871,103
					<u>\$5,976,176</u>

See accompanying notes to the basic financial statements

**Crestview Local School District**  
Columbiana County, Ohio

*Balance Sheet*  
*Governmental Funds*  
*June 30, 2023*

	General	Permanent Improvement	Building Fund	Classroom Facilities Fund	Other Governmental Funds	Total Governmental Funds
<b>Assets</b>						
Equity in Pooled Cash and Cash Equivalents	\$4,955,103	\$2,274,830	\$5,531,065	\$7,783,106	\$582,341	\$21,126,445
Accrued Interest Receivable	13,242	0	0	0	154	13,396
Accounts Receivable	1,711	2,700	0	0	2,878	7,289
Intergovernmental Receivable	0	0	0	0	113,100	113,100
Income Taxes Receivable	797,163	0	0	0	0	797,163
Property Taxes Receivable	4,461,903	739,343	0	0	436,858	5,638,104
Inventory Held for Resale	0	0	0	0	2,516	2,516
Materials and Supplies Inventory	13,607	0	0	0	1,861	15,468
<i>Total Assets</i>	<u>\$10,242,729</u>	<u>\$3,016,873</u>	<u>\$5,531,065</u>	<u>\$7,783,106</u>	<u>\$1,139,708</u>	<u>\$27,713,481</u>
<b>Liabilities</b>						
Accounts Payable	\$37,331	\$0	\$0	\$0	\$17,906	\$55,237
Accrued Wages and Benefits Payable	1,148,609	0	0	0	176,445	1,325,054
Intergovernmental Payable	344,680	0	0	0	53,882	398,562
<i>Total Liabilities</i>	<u>1,530,620</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>248,233</u>	<u>1,778,853</u>
<b>Deferred Inflows of Resources</b>						
Property Taxes	4,260,229	680,080	0	0	395,237	5,335,546
Unavailable Revenue - Property Taxes	37,419	10,447	0	0	4,377	52,243
Unavailable Revenue - Income Tax	113,758	0	0	0	0	113,758
<i>Total Deferred Inflows of Resources</i>	<u>4,411,406</u>	<u>690,527</u>	<u>0</u>	<u>0</u>	<u>399,614</u>	<u>5,501,547</u>
<b>Fund Balances</b>						
Nonspendable	13,607	0	0	0	1,861	15,468
Restricted	0	2,326,346	5,531,065	7,783,106	553,308	16,193,825
Committed	300,000	0	0	0	108,467	408,467
Assigned	592,523	0	0	0	0	592,523
Unassigned (Deficit)	3,394,573	0	0	0	(171,775)	3,222,798
<i>Total Fund Balances</i>	<u>4,300,703</u>	<u>2,326,346</u>	<u>5,531,065</u>	<u>7,783,106</u>	<u>491,861</u>	<u>20,433,081</u>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i>	<u>\$10,242,729</u>	<u>\$3,016,873</u>	<u>\$5,531,065</u>	<u>\$7,783,106</u>	<u>\$1,139,708</u>	<u>\$27,713,481</u>

See accompanying notes to the basic financial statements

**Crestview Local School District**  
Columbiana County, Ohio

*Reconciliation of Total Governmental Fund Balances to  
Net Position of Governmental Activities  
For the Fiscal Year Ended June 30, 2023*

<b>Total Governmental Fund Balances</b>	<b>\$20,433,081</b>
 <i>Amounts reported for governmental activities in the statement of net position are different because</i>	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	13,755,052
Other long-term assets are not available to pay for current-period expenditures and therefore are reported as unavailable revenue in the funds.	
Property Taxes	52,243
Income Taxes	113,758
Total	166,001
An internal service fund is used by management to charge the costs of insurance to individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the statement of net position.	39,985
In the statement of activities, interest is accrued on outstanding general obligation bonds, COP's and financed purchases, whereas in governmental funds, an interest expenditure is reported when due.	(118,912)
The net pension and OPEB liabilities are not due and payable in the current period and, therefore, are not reported in the funds.	
Deferred Outflows - Pension	3,072,365
Deferred Inflows - Pension	(1,322,988)
Net Pension Liability	(12,715,932)
Deferred Outflows - OPEB	285,726
Deferred Inflows - OPEB	(1,776,259)
Net OPEB Liability	(659,566)
Net OPEB Asset	1,192,790
Total	(11,923,864)
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:	
Qualified School Construction Bonds	(1,980,000)
Unamortized Discount	4,829
School Improvement Bonds	(4,395,000)
Unamortized Premium	(106,803)
Certificates of Participation	(8,000,000)
Unamortized Premium	(1,130,965)
Financed Purchase Agreement	(213,304)
Leases	(16,679)
Compensated Absences	(537,245)
Total	(16,375,167)
 <i>Net Position of Governmental Activities</i>	 <u><u>\$5,976,176</u></u>

See accompanying notes to the basic financial statements

**Crestview Local School District**  
Columbiana County, Ohio

*Statement of Revenues, Expenditures and Changes in Fund Balances*  
*Governmental Funds*  
*For the Fiscal Year Ended June 30, 2023*

	General	Permanent Improvement	Building Fund	Classroom Facilities Fund	Other Governmental Funds	Total Governmental Funds
<b>Revenues</b>						
Property Taxes	\$2,909,679	\$723,454	\$0	\$0	\$407,813	\$4,040,946
Income Taxes	1,785,783	0	0	0	0	1,785,783
Tuition and Fees	539,324	0	0	0	26,530	565,854
Interest	219,033	0	255,108	204,283	2,996	681,420
Charges for Services	0	0	0	0	244,605	244,605
Extracurricular Activities	74,019	0	0	0	272,146	346,165
Rentals	532	223,825	0	0	0	224,357
Contributions and Donations	3,198	26,250	0	0	14,495	43,943
Intergovernmental	9,032,908	274,848	0	405,362	2,057,485	11,770,603
Leases	3,470	0	0	0	0	3,470
Miscellaneous	107,598	2,000	400	0	9,998	119,996
<i>Total Revenues</i>	<u>14,675,544</u>	<u>1,250,377</u>	<u>255,508</u>	<u>609,645</u>	<u>3,036,068</u>	<u>19,827,142</u>
<b>Expenditures</b>						
Current:						
Instruction:						
Regular	5,785,777	0	0	0	991,518	6,777,295
Special	1,513,029	0	0	0	205,176	1,718,205
Vocational	13,090	0	0	0	0	13,090
Other	3,499	0	0	0	22,489	25,988
Support Services:						
Pupils	1,069,388	0	0	0	65,387	1,134,775
Instructional Staff	688,581	0	0	0	53,972	742,553
Board of Education	20,790	0	0	0	0	20,790
Administration	1,432,133	0	0	0	0	1,432,133
Fiscal	479,575	15,684	7,310	5,693	8,215	516,477
Operation and Maintenance of Plant	1,411,081	0	0	0	150,848	1,561,929
Pupil Transportation	816,338	0	0	0	5,648	821,986
Central	59,473	0	0	0	731	60,204
Operation of Non-Instructional Services	0	0	0	0	719,938	719,938
Extracurricular Activities	308,802	0	0	0	335,126	643,928
Capital Outlay	284,207	20,499	90,301	408,584	0	803,591
Debt Service:						
Principal Retirement	26,381	282,542	0	0	205,000	513,923
Interest and Fiscal Charges	1,214	265,845	320,000	0	190,104	777,163
<i>Total Expenditures</i>	<u>13,913,358</u>	<u>584,570</u>	<u>417,611</u>	<u>414,277</u>	<u>2,954,152</u>	<u>18,283,968</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>762,186</u>	<u>665,807</u>	<u>(162,103)</u>	<u>195,368</u>	<u>81,916</u>	<u>1,543,174</u>
<b>Other Financing Sources (Uses)</b>						
Proceeds from Sale of Capital Assets	1,200	0	0	0	0	1,200
Transfers In	0	0	0	7,587,738	234,488	7,822,226
Transfers Out	(234,488)	0	(7,587,738)	0	0	(7,822,226)
<i>Total Other Financing Sources (Uses)</i>	<u>(233,288)</u>	<u>0</u>	<u>(7,587,738)</u>	<u>7,587,738</u>	<u>234,488</u>	<u>1,200</u>
<i>Net Change in Fund Balances</i>	<u>528,898</u>	<u>665,807</u>	<u>(7,749,841)</u>	<u>7,783,106</u>	<u>316,404</u>	<u>1,544,374</u>
<i>Fund Balances Beginning of Year</i>	<u>3,771,805</u>	<u>1,660,539</u>	<u>13,280,906</u>	<u>0</u>	<u>175,457</u>	<u>18,888,707</u>
<i>Fund Balances End of Year</i>	<u>\$4,300,703</u>	<u>\$2,326,346</u>	<u>\$5,531,065</u>	<u>\$7,783,106</u>	<u>\$491,861</u>	<u>\$20,433,081</u>

See accompanying notes to the basic financial statements

**Crestview Local School District**  
Columbiana County, Ohio

*Reconciliation of the Statement of Revenues, Expenditures and Changes  
in Fund Balances of Governmental Funds to the Statement of Activities  
For the Fiscal Year Ended June 30, 2023*

<b>Net Change in Fund Balances - Total Governmental Funds</b>	<b>\$1,544,374</b>
 <b>Amounts reported for governmental activities in the statement of activities are different because</b>	
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets are allocated over their estimated useful lives as depreciation/amortization expense. This is the amount by which depreciation/amortization exceeded capital outlay in the current period.	
Capital Outlay	803,591
Current Year Depreciation/Amortization	<u>(829,231)</u>
Total	(25,640)
The net effect of various transactions involving capital assets (i.e.; disposals, sales and donations) is a reduction in net position.	
Assets Disposed	(56,655)
Accumulated Depreciation on Disposals	<u>56,655</u>
Total	0
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	
Property Taxes	(8,810)
Income Taxes	<u>(2,838)</u>
Total	(11,648)
Repayment of long-term debt and lease principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.	
	513,923
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.	
Accrued Interest on Debt	2,732
Amortization of Discount	(666)
Amortization of Note Premium	<u>43,388</u>
Total	45,454
Contractually required contributions are reported as expenditures in governmental funds; however, the statement of net position reports these amounts as deferred outflows.	
Pension	1,197,098
OPEB	<u>34,145</u>
Total	1,231,243
Except for amounts reported as deferred inflows/outflows, changes in the net pension/OPEB liability are reported as pension/OPEB expense in the statement of activities.	
Pension	(1,153,090)
OPEB	<u>270,987</u>
Total	(882,103)
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.	
Compensated Absences	368
The internal service fund used by management to charge the costs of insurance to individual funds are not reported in the district-wide statement of activities. Governmental fund expenditures and related internal service fund revenues are eliminated. The net revenue (expense) of the internal service fund is allocated among the governmental activities.	
	<u>(310,898)</u>
<b>Change in Net Position of Governmental Activities</b>	<b><u><u>\$2,105,073</u></u></b>

See accompanying notes to the basic financial statements

**Crestview Local School District**  
Columbiana County, Ohio

*Statement of Revenues, Expenditures and Changes  
In Fund Balance - Budget (Non-GAAP Basis) and Actual  
General Fund  
For the Fiscal Year Ended June 30, 2023*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Property Taxes	\$2,725,800	\$2,865,006	\$2,917,306	\$52,300
Income Taxes	1,638,574	1,750,520	1,750,520	0
Tuition and Fees	512,763	547,795	547,725	(70)
Interest	171,820	183,559	207,277	23,718
Rentals	3,746	4,002	4,002	0
Intergovernmental	8,425,316	9,000,928	9,019,582	18,654
Miscellaneous	125,232	133,788	137,241	3,453
<i>Total Revenues</i>	<u>13,603,251</u>	<u>14,485,598</u>	<u>14,583,653</u>	<u>98,055</u>
<b>Expenditures</b>				
Current:				
Instruction:				
Regular	6,212,160	6,615,904	5,734,753	881,151
Special	1,423,280	1,515,782	1,445,147	70,635
Vocational	85,065	90,594	22,970	67,624
Other	10,554	11,240	6,492	4,748
Support Services:				
Pupils	632,734	673,857	1,013,465	(339,608)
Instructional Staff	571,454	608,594	675,212	(66,618)
Board of Education	29,550	31,471	21,885	9,586
Administration	1,068,411	1,137,850	1,413,668	(275,818)
Fiscal	467,135	497,495	517,563	(20,068)
Operation and Maintenance of Plant	1,532,798	1,632,418	1,745,420	(113,002)
Pupil Transportation	847,539	902,623	985,989	(83,366)
Central	50,585	53,873	58,805	(4,932)
Extracurricular Activities	308,383	328,425	367,427	(39,002)
Capital Outlay	92,198	98,190	85,242	12,948
<i>Total Expenditures</i>	<u>13,331,846</u>	<u>14,198,316</u>	<u>14,094,038</u>	<u>104,278</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>271,405</u>	<u>287,282</u>	<u>489,615</u>	<u>202,333</u>
<b>Other Financing Sources (Uses)</b>				
Proceeds from Sale of Capital Assets	0	1,200	1,200	0
Transfers Out	(500,000)	(520,000)	(300,000)	220,000
<i>Total Other Financing Sources (Uses)</i>	<u>(500,000)</u>	<u>(518,800)</u>	<u>(298,800)</u>	<u>220,000</u>
<i>Net Change in Fund Balance</i>	(228,595)	(231,518)	190,815	422,333
<i>Fund Balance Beginning of Year</i>	3,401,117	3,401,117	3,401,117	0
Prior Year Encumbrances Appropriated	433,317	433,317	433,317	0
<i>Fund Balance End of Year</i>	<u>\$3,605,839</u>	<u>\$3,602,916</u>	<u>\$4,025,249</u>	<u>\$422,333</u>

See accompanying notes to the basic financial statements

**Crestview Local School District**

Columbiana County, Ohio

*Statement of Fund Net Position*

*Proprietary Fund*

*June 30, 2023*

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	<u>Internal Service</u>
<b>Assets</b>	
Cash and Cash Equivalents:	
With Fiscal Agents	\$267,234
<b>Liabilities</b>	
Claims Payable	<u>227,249</u>
<b>Net Position</b>	
Unrestricted	<u><u>\$39,985</u></u>

See accompanying notes to the basic financial statements

**Crestview Local School District**

Columbiana County, Ohio

*Statement of Revenues,  
Expenses and Changes in Fund Net Position  
Proprietary Fund  
For the Fiscal Year Ended June 30, 2023*

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	<u>Internal Service</u>
<b>Operating Revenues</b>	
Charges for Services	<u>\$1,444,463</u>
<b>Operating Expenses</b>	
Purchased Services	597,805
Claims	1,166,544
<i>Total Operating Expenses</i>	<u>1,764,349</u>
<i>Operating Income</i>	(319,886)
<b>Non-Operating Revenues</b>	
Interest	<u>8,988</u>
<i>Change in Net Position</i>	(310,898)
<i>Net Position Beginning of Year</i>	<u>350,883</u>
<i>Net Position End of Year</i>	<u><u>\$39,985</u></u>

See accompanying notes to the basic financial statements

**Crestview Local School District**  
Columbiana County, Ohio

*Statement of Cash Flows*  
*Proprietary Fund*  
*For the Fiscal Year Ended June 30, 2023*

	<u>Internal Service</u>
<b><i>Increase in Cash and Cash Equivalents</i></b>	
<b>Cash Flows from Operating Activities</b>	
Cash Received from Charges for Services	\$1,444,463
Cash Payments for Goods and Services	(597,805)
Cash Payments for Claims	<u>(1,220,855)</u>
<i>Net Cash Provided by Operating Activities</i>	(374,197)
<b>Cash Flows from Investing Activities</b>	
Interest on Investments	<u>8,988</u>
<i>Net Increase in Cash and Cash Equivalents</i>	(365,209)
<i>Cash and Cash Equivalents Beginning of Year</i>	<u>632,443</u>
<i>Cash and Cash Equivalents End of Year</i>	<u><u>\$267,234</u></u>
<b>Reconciliation of Operating Income to Net Cash Provided by Operating Activities</b>	
Operating Income	(\$319,886)
Adjustments:	
Decrease in Claims Payable	<u>(54,311)</u>
<i>Net Cash Provided by Operating Activities</i>	<u><u>(\$374,197)</u></u>

See accompanying notes to the basic financial statements

**Crestview Local School District**  
Columbiana County, Ohio

*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2023*

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**Note 1 – Description of the School District and Reporting Entity**

Crestview Local School District (the District) is a body politic and corporate established for the purpose of exercising the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. Crestview Local School District is a local school district as defined by §3311.22 of the Ohio Revised Code. The District operates under an elected Board of Education (5 members) and is responsible for the provision of public education to residents of the District. The Board oversees the operations of the District's three instructional/support facilities staffed by 47 non-certified and 99 certified full-time teaching personnel who provide services to approximately 1,155 students and other community members.

***The Reporting Entity***

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

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

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

**Note 2 – Summary of Significant Accounting Policies**

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

***A. Basis of Presentation***

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

**Government-Wide Financial Statements**

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

**Crestview Local School District**  
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*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2023*

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

Fund Financial Statements

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

***B. Fund Accounting***

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

Governmental Funds

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

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

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

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

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

**Crestview Local School District**  
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*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2023*

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

Proprietary Funds

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

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

Fiduciary Funds

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

**C. Measurement Focus**

Government-Wide Financial Statements

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

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

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

Fund Financial Statements

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

All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets, deferred outflows of resources, current liabilities, and deferred inflows of resources generally are included on the balance sheet. The statement of revenues, expenditures and changes in fund balances reports on the sources (i.e., revenues and other financing

**Crestview Local School District**  
Columbiana County, Ohio

*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2023*

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

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

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

***D. Basis of Accounting***

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements and the statements for the proprietary fund is prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Differences in the accrual and modified accrual bases of accounting arise in the recognition of revenue, the recording of unavailable revenue and in the presentation of expenses versus expenditures.

**Revenues - Exchange and Non-exchange Transactions**

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

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

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

**Crestview Local School District**  
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*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2023*

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Deferred Outflows/Inflows of Resources

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

In addition to liabilities, the statements of net position and balance sheets report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. For the District, deferred inflows of resources include property taxes, leases, pension, OPEB and unavailable revenue. Property taxes represent amounts for which there is an enforceable legal claim as of June 30, 2023, but which were levied to finance fiscal year 2024 operations. These amounts have been recorded as a deferred inflow on both the government-wide statement of net position and the governmental fund financial statements. Unavailable revenue is reported only on the governmental funds balance sheet, and represents receivables which will not be collected within the available period. For the District unavailable revenue includes delinquent property taxes and income taxes. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available. Deferred inflows of resources related to pension and OPEB plans are reported on the government-wide statement of net position (see Notes 14 and 15).

Expenditures/Expenses

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

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

***E. Budgetary Data***

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

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

**Crestview Local School District**  
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*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2023*

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

***F. Cash and Investments***

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

During fiscal year 2023, investments were limited to STAR Ohio, United States Treasury Notes and Bills, Commercial Paper, Federal Home Loan Bank bonds and money market mutual funds. Investments in nonparticipating investment contracts, such as repurchase agreements, are reported at cost.

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

For fiscal year 2023, there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, notice must be given 24 hours in advance of all deposits and withdrawals exceeding \$100 million. STAR Ohio reserves the right to limit the transaction to \$250 million, requiring the excess amount to be transacted the following business days(s), but only to the \$250 million limit. All accounts of the participant will be combined for these purposes.

As authorized by Ohio statutes, the Board of Education has, by resolution, specified the funds to receive an allocation of interest earnings. Interest revenue credited to the General Fund during fiscal year 2023 amounted to \$219,033, \$75,901 of which was assigned from other District funds.

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

***G. Prepaid Items***

Payments made to vendors for services that will benefit periods beyond June 30, 2023, are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of the purchase and an expenditure/expense is reported in the year in which services are consumed. There were no prepaids reported for fiscal year 2023.

***H. Inventory***

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

**Crestview Local School District**  
Columbiana County, Ohio

*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2023*

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

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

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

***I. Restricted Net Position***

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

***J. Capital Assets***

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

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

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

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

***K. Interfund Balances***

On the fund financial statements, receivables and payables resulting from short-term interfund loans are classified as "interfund receivables/payables." These amounts are eliminated in the governmental activities columns of the statement of net position.

**Crestview Local School District**  
Columbiana County, Ohio

*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2023*

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***L. 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 District will compensate the employees for the benefits through paid time off or some other means. The 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 vesting method. The liability includes the employees who are currently eligible to receive termination benefits and those the 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 District's termination policy.

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

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

All payables, accrued liabilities and long-term obligations are reported on the government-wide financial statements and all payables, accrued liabilities and long-term obligations payable from proprietary funds are reported on the proprietary fund financial statements.

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

***N. Net Position***

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

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

***O. Fund Balance***

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

**Crestview Local School District**  
Columbiana County, Ohio

*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2023*

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

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

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

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

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

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

***P. Internal Activity***

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

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

**Crestview Local School District**  
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*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2023*

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***Q. Bond Issuance Discount***

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

***R. Bond Issuance Premium***

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

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

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

***T. Operating Revenues and Expenses***

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

***U. Estimates***

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

***V. Fair Value***

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

**Note 3 – Change in Accounting Principles**

For fiscal year 2023, the District has implemented Governmental Accounting Standards Board (GASB) Statement No. 91, “Conduit Debt Obligations”, GASB Statement No. 94, “Public-Private and Public-Public Partnerships and Availability Payment Arrangements”, GASB Statement No. 96, “Subscription-Based Information Technology Arrangements”, and GASB Statement No. 99, “Omnibus 2022”.

**Crestview Local School District**  
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*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2023*

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GASB Statement No. 91 aims to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by users, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. The implementation of GASB Statement No. 91 did not have an effect on the financial statements of the District.

GASB Statement No. 94 aims to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). The implementation of GASB Statement No. 94 did not have an effect on the financial statements of the District.

GASB Statement No. 96 provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). The implementation of GASB Statement No. 96 did not have an effect on the financial statements of the District.

GASB Statement No. 99 focuses on enhancing comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. The implementation of GASB Statement No. 99 did not have an effect on the financial statements of the District.

**Note 4 – Accountability**

Fund balances at June 30, 2023 included the following individual fund deficit:

<u>Nonmajor Governmental Funds:</u>	<u>Deficit</u>
Cares Act Fund	\$171,775

The deficit fund balance in this fund is the result of adjustments for accrued liabilities. The general fund is liable for any deficits in this fund and provides a transfer when cash is required, not when accruals occur.

**Note 5 – Budgetary Basis of Accounting**

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

1. Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis).
2. Expenditures are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis).
3. Encumbrances are treated as expenditures (budget basis) rather than restricted, committed or assigned fund balances (GAAP basis).

**Crestview Local School District**  
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*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2023*

4. Advances-In and Advances-Out are operating transactions (budget) as opposed to balance sheet transactions.
5. Budgetary revenues and expenditures of the public school support fund are reclassified to the general fund for GAAP reporting.

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

	Net Change in Fund Balance
GAAP Basis	\$763,386
Net Adjustment for Revenue Accruals	(396,715)
Net Adjustment for Expenditure Accruals	104,982
Net Adjustment for Funds Budgeted as Special Revenue	304,824
Adjustment for Encumbrances	<u>(585,662)</u>
Budget Basis	<u><u>\$190,815</u></u>

**Note 6 – Deposits and Investments**

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

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

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

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

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

1. United States Treasury bills, bonds, notes, or any other obligation or security issued by the United States Treasury, or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligation or security issued by any federal government agency or instrumentality including, but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;

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

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

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

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

Cash on Hand

At fiscal year end, the District had \$464 in undeposited cash on hand which is included as part of "Equity in Pooled Cash and Cash Equivalents."

At June 30, 2023, the District's internal service fund had a balance of \$267,234 with the Jefferson Health Plan, a claims servicing pool (See Note 12). The balance is held by the claims administrator in a pooled account, which is representative of numerous entities and therefore cannot be included in the risk disclosures reported by the District. Disclosures for the Jefferson Health Plan Self-Insurance Plan as a whole may be obtained from the Plan's fiscal agent, the Jefferson County Educational Service Center. To obtain financial information, write to the Jefferson Health Plan, Treasurer, Jefferson County ESC, 2023 Sunset Blvd. Steubenville, Ohio 43952.

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Deposits

At June 30, 2023, the carrying amount of all District deposits was \$5,872,457. Based on the criteria described in GASB Statement No. 40, "Deposits And Investment Risk Disclosures", as of June 30, 2023, none of the District's bank balance of \$5,942,835 was exposed to custodial risk as described below, meaning all \$5,942,835 was covered by the Federal Deposit Insurance Corporation (FDIC) and the OPCS.

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

Investments

As of June 30, 2023, the District had the following investment. All investments are in an internal investment pool.

	<u>Fair Value</u>	<u>Maturity</u>
STAROhio	\$2,230,310	Less than One Year
Federal Home Loan Bank Bonds	1,308,072	Less than One Year
Money Market Mutual Funds	576,620	Less than One Year
United States Treasury Notes	3,391,242	Less than One Year
Commercial Paper	7,334,286	Less than One Year
United States Treasury Bills	412,994	Less than One Year
Total Portfolio	<u>\$15,253,524</u>	

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

Credit Risk. As of June 30, 2023, the District's investments in Mutual Funds were not rated, STAROhio was rated AAAm. Commercial Paper, Federal Home Loan Bank bonds, and Municipal Bonds were rated AA+ by Standard and Poors and Aaa by Moody's. The District's investment policy does not specifically address credit risk beyond adherence to all relevant sections of the Ohio Revised Code.

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

**Concentration of Credit Risk** - The District places no limit on the amount it may invest in any one issuer. The following is the School District's allocation as of June 30, 2023:

Investment	Percent of Total
Commercial Paper	48.08%
U. S. Treasury Notes	22.23%
U. S. Treasury Bills	2.71%
Federal Home Loan Bank Bonds	8.58%
STAR Ohio	14.62%
Money Market Mutual Funds	3.78%
Total	100.00%

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets. Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The above chart identifies the District's recurring fair value measurements as of June 30, 2023. The District's investments measured at fair value are valued using methodologies that incorporate market inputs such as benchmark yields, reported trades, broker/dealer quotes, issuer spreads, two-sided markets, benchmark securities, bids, offers and reference data including market research publications. Market indicators and industry and economic events are also monitored, which could require the need to acquire further market data. (Level 2 inputs).

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

The following is a reconciliation of cash and investments as reported in the footnote above to cash and investments as reported on the Statement of Net Position as of June 30, 2023:

<u>Cash and Investments per Note Disclosure</u>		<u>Cash and Investments per Statement of Net Position</u>	
Carrying amount of deposits	\$5,872,457	Governmental Activities	\$21,393,679
Investments	15,253,524		
Cash with fiscal agent	267,234		
Cash on hand	464		
Total	\$21,393,679		\$21,393,679

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**Note 7 – Fund Balances**

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

Fund Balances	General	Permanent Improvement	Building	Classroom Facilities	Nonmajor Governmental	Total
<b><i>Nonspendable</i></b>						
Inventory	\$13,607	\$0	\$0	\$0	\$1,861	\$15,468
<b><i>Restricted for</i></b>						
Food Service Operations	0	0	0	0	17,439	17,439
Technology Improvements	0	0	0	0	5,225	5,225
E-Tech Podcast Grant	0	0	0	0	84	84
Classroom Facilities	0	0	0	7,783,106	80,141	7,863,247
Miscellaneous Federal Grants	0	0	0	0	173,775	173,775
Extracurricular Activities	0	0	0	0	80,127	80,127
Debt Service Payments	0	0	0	0	196,517	196,517
Capital Improvements	0	2,326,346	5,531,065	0	0	7,857,411
<b><i>Total Restricted</i></b>	<b>0</b>	<b>2,326,346</b>	<b>5,531,065</b>	<b>7,783,106</b>	<b>553,308</b>	<b>16,193,825</b>
<b><i>Committed to</i></b>						
College Scholarships	0	0	0	0	108,467	108,467
Termination Benefits	300,000	0	0	0	0	300,000
<b><i>Total Committed</i></b>	<b>300,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>108,467</b>	<b>408,467</b>
<b><i>Assigned to</i></b>						
Encumbrances	548,331	0	0	0	0	548,331
Other Purposes	44,192	0	0	0	0	44,192
<b><i>Total Assigned</i></b>	<b>592,523</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>592,523</b>
<b><i>Unassigned (Deficit)</i></b>	<b>3,394,573</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(171,775)</b>	<b>3,222,798</b>
<b><i>Total Fund Balances</i></b>	<b>\$4,300,703</b>	<b>\$2,326,346</b>	<b>\$5,531,065</b>	<b>\$7,783,106</b>	<b>\$491,861</b>	<b>\$20,433,081</b>

**Note 8 – Property Taxes**

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

Property taxes include amounts levied against all real, public utility, and tangible personal (used in business) property located in the District. Real and public utility property tax revenues received in calendar year 2023 represent the collection of calendar year 2023 taxes. Real property taxes for 2023 were levied after April 1, 2022, on the assessed values as of January 1, 2023, the lien date. Assessed values for real property taxes are established by State statute at 35 percent of appraised market value. Real property taxes are payable annually or semiannually. If paid annually, payment is due December 31; if paid semiannually, the first payment is due December 31, with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established.

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Public utility property tax revenue received in calendar 2023 represents collections of calendar year 2022 taxes. Public utility real and tangible personal property taxes received in calendar year 2023 became a lien December 31, 2021, were levied after April 1, 2022 and are collected in 2023 with real property taxes. Public utility real property is assessed at thirty-five percent of true value; public utility tangible personal property currently is assessed at varying percentages of true value.

The District receives property taxes from Columbiana County. The County Auditor periodically advances to the District its portion of the taxes collected. Second-half real property tax payments collected by the County by June 30, 2023, are available to finance fiscal year 2023 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, 2023 and for which there is an enforceable legal claim. Although total property tax collections for the next fiscal year are measurable, only the amount of real property taxes available as an advance at June 30 was levied to finance current fiscal year operations and is reported as revenue at fiscal year end. The portion of the receivable not levied to finance current fiscal year operations is offset to deferred inflows of resources – property taxes.

The amount available as an advance at June 30, 2023 was \$164,255 in the general fund, \$37,244 in the bond retirement debt service fund and \$48,816 in the permanent improvement capital projects fund. The amount available as an advance at June 30, 2022 was \$171,882 in the general fund, \$34,823 in the bond retirement debt service fund and \$51,452 in the permanent improvement capital projects fund. The difference was in timing and collection by the County Auditor.

The assessed values upon which the fiscal year 2023 taxes were collected are:

	2022 Second Half Collections		2023 First Half Collections	
	Amount	Percent	Amount	Percent
Agricultural/Residential and Other Real Estate	\$120,573,680	88.80 %	\$147,123,130	90.19 %
Public Utility Personal	15,208,300	11.20	16,008,590	9.81
Total	<u>\$135,781,980</u>	<u>100.00 %</u>	<u>\$163,131,720</u>	<u>100.00 %</u>
Tax rate per \$1,000 of assessed valuation	\$35.54		\$35.54	

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**Note 9 – Capital Assets**

Capital asset activity for the fiscal year ended June 30, 2023, was as follows:

	Balance 6/30/2022	Additions	Deletions	Balance 6/30/2023
<b>Governmental Activities</b>				
<i>Capital Assets, not being depreciated:</i>				
Land	\$457,370	\$0	\$0	\$457,370
Construction in Progress	688,168	498,885	0	1,187,053
<i>Total Capital Assets, not being depreciated:</i>	<u>1,145,538</u>	<u>498,885</u>	<u>0</u>	<u>1,644,423</u>
<i>Capital Assets, being depreciated/amortized:</i>				
Land Improvements	244,118	0	0	244,118
Buildings and Building Improvements	23,814,096	32,000	0	23,846,096
Furniture, Fixtures and Equipment	1,534,055	215,260	(5,995)	1,743,320
Vehicles	1,388,539	57,446	(50,660)	1,395,325
Intangible - Right to Use Lease**	103,029	0	0	103,029
<i>Total Capital Assets, being depreciated/amortized:</i>	<u>27,083,837</u>	<u>304,706</u>	<u>(56,655)</u>	<u>27,331,888</u>
<i>Less Accumulated Depreciation/Amortization:</i>				
Land Improvements	(70,745)	(7,413)	0	(78,158)
Buildings and Building Improvements	(12,541,788)	(636,210)	0	(13,177,998)
Furniture, Fixtures and Equipment	(926,472)	(72,538)	5,995	(993,015)
Vehicles	(847,907)	(87,541)	50,660	(884,788)
Intangible - Right to Use Lease**	(61,771)	(25,529)	0	(87,300)
<i>Total Accumulated Depreciation/Amortization</i>	<u>(14,448,683)</u>	<u>(829,231)</u>	<u>56,655</u>	<u>(15,221,259)</u>
<i>Total Capital Assets being depreciated, net</i>	<u>12,635,154</u>	<u>(524,525)</u>	<u>0</u>	<u>12,110,629</u>
<b>Governmental Activities Capital Assets, Net</b>	<u><u>\$13,780,692</u></u>	<u><u>(\$25,640)</u></u>	<u><u>\$0</u></u>	<u><u>\$13,755,052</u></u>

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

<b>Instruction:</b>	
Regular	\$314,174
Special	44,528
Vocational	8,040
<b>Support Services:</b>	
Pupil	12,061
Instructional Staff	36,487
Administration	48,710
Fiscal	8,345
Business	1,768
Operation and Maintenance of Plant	169,428
Pupil Transportation	113,545
Operation of Food Services	12,923
Extracurricular Activities	59,222
<b>Total Depreciation Expense</b>	<u><u>\$829,231</u></u>

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\*\*Of the current year depreciation total of \$829,231, \$24,617 is presented as a regular instruction expense and \$912 is presented as Support Services-Business on the Statement of Activities related to the District's intangible asset of copiers and a postage meter, which are included in the table above as an Intangible Right to Use Lease. With the implementation of GASB Statement No. 87, *Leases*, a lease meeting the criteria of this statement requires the lessee to recognize the lease liability and an intangible right to use asset.

**Note 10 – School District Income Tax**

The voters of the District passed a 1 percent permanent school district income tax in the November 1989 election that became effective January 1, 1990. School district income tax revenue received by the General Fund during fiscal year 2023 was \$1,785,783 on a modified accrual basis.

**Note 11 - Receivables**

Receivables at June 30, 2023, consisted of property taxes, income taxes, accounts, leases and accrued interest. All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes, the stable condition of State programs, and the current year guarantee of federal funds.

A summary of the principal items of receivables follows:

Property Taxes Receivable	\$5,638,104
Income Taxes Receivable	797,163
Intergovernmental Receivable	113,100
Accounts Receivable	7,289
Accrued Interest Receivable	13,396
Total	<u><u>\$6,569,052</u></u>

**Leases Revenue**

For fiscal year 2023 the District reported lease revenue of \$3,470 and interest revenue of \$160 related to the lease payments received. During fiscal year 2019, the District entered into a five-year lease with a District resident to farm 33 acres of land, owned by the District.

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**Note 12 – Risk Management**

***A. Comprehensive***

The District is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During fiscal year 2023, the District has contracted with the following insurance companies to provide coverage in the following amounts:

<u>Type of Coverage</u>	<u>Coverage</u>	<u>Deductible</u>
<b>Liberty Mutual</b>		
General Liability:		
Each Occurrence	\$1,000,000	\$0
Aggregate	2,000,000	0
Umbrella Liability:		
Each Occurrence	3,000,000	0
Aggregate	3,000,000	0
<b>Liberty Mutual</b>		
Fleet:		
Comprehensive	1,000,000	1,000
Collision	1,000,000	1,000
<b>Liberty Mutual</b>		
Building and Contents	47,683,098	5,000

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

***B. Health and Dental Insurance***

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

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

The School District uses an internal service fund to record and report its self-funded health care insurance program. The claims liability of \$227,249, reported in the fund at year end was estimated by the third party administrator and is based on the requirements of GASB Statement No. 10, which requires that a liability for unpaid claims costs, including estimates of costs relating to incurred but not reported claims, be reported.

Claims in the fund’s claims liability during fiscal years 2022 and 2023 were:

<u>Fiscal Year</u>	<u>Beginning Balance</u>	<u>Claims Incurred</u>	<u>Claims Payments</u>	<u>Ending Balance</u>
2022	\$142,288	948,649	809,377	\$281,560
2023	281,560	1,166,544	1,220,855	227,249

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

**C. OASBO Group Rating Program**

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

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

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

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

**Note 13 – Interfund Activity**

**A. Interfund Transfers**

Transfers are used to move revenues from the fund that statute or budget required to collect them to the fund that statute or budget requires to expend them and to use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorization. Transfers are also used to close out the funds that are no longer required. During fiscal year 2023, the Building fund transferred \$7,587,738 to the Classroom Facilities Capital Projects fund related to new school building construction.

The general fund advanced money to the District Managed student activity non-major special revenue fund in a prior year, and this transaction was converted to a transfer and approved on January 11, 2023. The total amount advanced and eliminated to this fund was \$228,000 as of June 30, 2023.

The general fund advanced money to the Student Activities non-major special revenue fund in a prior year, and this transaction was converted to a transfer and approved on January 11, 2023. The total amount advanced and eliminated to this fund was \$6,488 as of June 30, 2023.

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**Note 14 – Defined Benefit Pension Plans**

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

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

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

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

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

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

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

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

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**B. School Employees Retirement System**

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

Age and service requirements for retirement are as follows:

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

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

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

An individual whose benefit effective date is before April 1, 2018, is eligible for a cost-of-living adjustment (COLA) on the first anniversary date of the benefit. New benefit recipients must wait until the fourth anniversary of their benefit for COLA eligibility. The COLA is added each year to the base benefit amount on the anniversary date of the benefit. The COLA, is indexed to the percentage increase in the CPI-W, not to exceed 2.5 percent and with a floor of 0 percent. A three-year COLA suspension was in effect for all benefit recipients for calendar years 2018, 2019 and 2020. SERS approved a 0.5 percent COLA for eligible retirees and beneficiaries for calendar year 2023.

Funding Policy – Plan members are required to contribute 10 percent of their annual covered salary and the District is required to contribute 14 percent of annual covered payroll. The contribution requirements of plan members and employers are established and may be amended by the SERS' Retirement Board up to statutory maximum amounts of 10 percent for plan members and 14 percent for employers. The Retirement Board, acting with the advice of the actuary, allocates the employer contribution rate among four of the System's funds (Pension Trust Fund, Death Benefit Fund, Medicare B Fund, and Health Care Fund). For the fiscal year ended June 30, 2023, the allocation to pension, death benefits, and Medicare B was 14.0 percent. For fiscal year 2023, the Retirement Board did not allocate any employer contribution to the Health Care Fund.

The District's contractually required contribution to SERS was \$247,458 for fiscal year 2023. Of this amount \$145,428 is reported as an intergovernmental payable.

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**C. State Teachers Retirement System**

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

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

The DB plan offers an annual retirement allowance based on final average salary multiplied by a percentage that varies based on years of service. 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. Eligibility changes will be phased in until August 1, 2026, when retirement eligibility for unreduced benefits will be five years of service credit and age 65, or 35 years of service credit and at least age 60.

Eligibility changes for DB Plan members who retire with actuarially reduced benefits will be phased in until August 1, 2026, when retirement eligibility will be five years of qualifying service credit and age 60, or 30 years of service credit at any age.

The DC Plan allows members to place all their member contributions and 9.53 percent of the 14 percent employer contributions into an investment account. 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 CO Plan offers features of both the DB Plan and the DC Plan. In the CO Plan, 12 percent of the 14 percent member rate is deposited into the member's DC account and the remaining 2 percent is applied to the DB Plan. Member contributions to the DC Plan are allocated among investment choices by the member, and contributions to the DB Plan from the employer and the member are used to fund the defined benefit payment at a reduced level from the regular DB Plan. The defined benefit portion of the CO Plan payment is payable to a member on or after age 60 with five years of service. The defined contribution portion of the account may be taken as a lump sum payment or converted to a lifetime monthly annuity at age fifty and after termination of employment.

New members who choose the DC plan or CO Plan will have another opportunity to reselect a permanent plan during their fifth year of membership. Members may remain in the same plan or transfer to another STRS 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 CO Plan member with five or more years of credited service who is determined to be disabled may qualify for a disability benefit. New members must have at least ten years of qualifying service credit to apply for disability benefits. Members in the DC Plan who become disabled are entitled only to their account balance. Eligible survivors of members who die before service retirement may qualify for monthly benefits. If a member of the DC Plan dies before retirement benefits begin, the member's designated beneficiary is entitled to receive the member's account balance.

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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 2023 employer and employee contribution rate of 14 percent was equal to the statutory maximum rates. For fiscal year 2023, the full employer contribution was allocated to pension.

The District’s contractually required contribution to STRS was \$949,640 for fiscal year 2023. Of this amount \$170,036 is reported as an intergovernmental payable.

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

The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District’s proportion of the net pension liability was based on the District’s share of contributions to the pension plan relative to the projected contributions of all participating entities. Following is information related to the proportionate share and pension expense:

	SERS	STRS	Total
Proportion of the Net Pension Liability Prior Measurement Date	0.04475300%	0.04668879%	
Proportion of the Net Pension Liability Current Measurement Date	0.04576820%	0.04606556%	
Change in Proportionate Share	0.00101520%	-0.00062323%	
Proportionate Share of the Net Pension Liability	\$2,475,500	\$10,240,432	\$12,715,932
Pension Expense	\$87,517	\$1,065,573	\$1,153,090

At June 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

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	SERS	STRS	Total
<b>Deferred Outflows of Resources</b>			
Differences between expected and actual experience	\$100,260	\$131,092	\$231,352
Net difference between projected and actual earnings on pension plan investments	0	356,349	356,349
Change of Assumptions	24,427	1,225,471	1,249,898
Change in Proportionate Share	37,668	0	37,668
District contributions subsequent to the measurement date	247,458	949,640	1,197,098
<b>Total Deferred Outflows of Resources</b>	<b>\$409,813</b>	<b>\$2,662,552</b>	<b>\$3,072,365</b>
<b>Deferred Inflows of Resources</b>			
Differences between expected and actual experience	\$16,251	\$39,172	\$55,423
Net difference between projected and actual earnings on pension plan investments	86,385	0	86,385
Change of Assumptions	0	922,428	922,428
Change in Proportionate Share	28,801	229,951	258,752
<b>Total Deferred Inflows of Resources</b>	<b>\$131,437</b>	<b>\$1,191,551</b>	<b>\$1,322,988</b>

\$1,197,098 reported as deferred outflows of resources related to pension resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

	SERS	STRS	Total
<b>Fiscal Year Ending June 30:</b>			
2024	\$557	(\$75,561)	(\$75,004)
2025	10,210	(119,794)	(109,584)
2026	(123,402)	(321,832)	(445,234)
2027	143,553	1,038,548	1,182,101
<b>Total</b>	<b>\$30,918</b>	<b>\$521,361</b>	<b>\$552,279</b>

**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

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potential effects of legal or contractual funding limitations. Future benefits for all current plan members were projected through 2132.

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, 2022, are presented below:

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

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

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

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

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash	2.00 %	(0.45) %
U.S. Equity	24.75	5.37
Non-U.S. Equity Developed	13.50	6.22
Non-U.S. Equity Emerging	6.75	8.22
Fixed Income/Global Bond	19.00	1.20
Private Equity	11.00	10.05
Real Estate/Real Assets	16.00	4.87
Multi-Asset Strategies	4.00	3.39
Private Debt/Private Credit	3.00	5.38
Total	100.00 %	

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**Discount Rate** The total pension liability was calculated using the discount rate of 7.0 percent. The discount rate determination does not use a mechanical bond rate. The projection of cash flows used to determine the discount rate assumed that employers would contribute the actuarially determined contribution rate of projected compensation over the remaining 22-year amortization period of the unfunded actuarial accrued liability. Projected inflows from investment earning were calculated using the long-term assumed investment rate of return (7.0 percent). Based on those assumptions, the plan's fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefits to determine the total pension liability. The annual money-weighted rate of return, calculated as the internal rate of return on pension plan investments was 28.18 percent.

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

	1% Decrease (6.0%)	Current Discount Rate (7.0%)	1% Increase (8.0%)
District's Proportionate Share of the Net Pension Liability	\$3,643,818	\$2,475,500	\$1,491,208

**Actuarial Assumptions - STRS**

The total pension liability in the June 30, 2022, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

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

Actuarial assumptions used in the June 30, 2022 valuation are based on the results of the latest available actuarial experience study which is for the period July 1, 2015 through June 30, 2021. An actuarial experience study is done on a quinquennial basis.

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

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<u>Asset Class</u>	<u>Target Allocation*</u>	<u>Long-Term Expected Rate of Return**</u>
Domestic Equity	26.00 %	6.60 %
International Equity	22.00	6.80
Fixed Income	22.00	1.75
Alternatives	19.00	7.38
Real Estate	10.00	5.75
Liquidity Reserves	1.00	1.00
<b>Total</b>	<b>100.00 %</b>	<b>7.00 %</b>

\*Target allocation percentage is effective as of July 1, 2022. Target weights were phased in over a 3-month period concluding on October 1, 2022.

\*\*10-Year annualized geometric nominal returns, which include the real rate of return and inflation of 2.25 percent and is net of investment expenses. Over a 30-year period, STRS Ohio's investment consultant indicates that the above target allocations should generate a return above the actuarial rate of return, without net value added by management.

**Discount Rate** The discount rate used to measure the total pension liability was 7.0 percent as of June 30, 2022. The projection of cash flows used to determine the discount rate assumes that member and employer contributions will be made at the statutory contribution rates in accordance with rate increases described above. For this purpose, only employer contributions that are intended to fund benefits of current plan members and their beneficiaries are included. Based on those assumptions, STRS' fiduciary net position was projected to be available to make all projected future benefit payments to current plan members as of June 30, 2022. Therefore, the long-term expected rate of return on pension plan investments of 7.0 percent was applied to all periods of projected benefit payment to determine the total pension liability as of June 30, 2022.

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

	<u>1% Decrease (6.0%)</u>	<u>Current Discount Rate (7.0%)</u>	<u>1% Increase (8.0%)</u>
District's Proportionate Share of the Net Pension Liability	\$15,469,565	\$10,240,432	\$5,818,205

**Changes Between the Measurement Date and the Reporting date** In February 2022, the Board approved changes to demographic measures that will impact the June 30, 2022, actuarial valuation. These demographic measures include retirement, salary increase, disability/termination and mortality assumptions. In March 2022, the STRS Board approved benefit plan changes to take effect on July 1, 2022. These changes include a onetime three percent cost-of-living increase (COLA) to be paid to eligible benefit recipients and the elimination of the age 60 requirement for retirement age and service eligibility that was set to take effect in 2026. The effect on the net pension liability is unknown.

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***E. Social Security System***

Effective, July 1, 1991, all employees not otherwise covered by the School Employees Retirement System or the State Teachers Retirement System of Ohio have an option to choose Social Security or the School Employees Retirement System/State Teachers Retirement System of Ohio. As of June 30, 2023, certain members of the Board of Education have elected Social Security. The District's liability is 6.2 percent of wages paid.

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

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

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

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

Access to health care for retirees and beneficiaries is permitted in accordance with Section 3309 of the Ohio Revised Code. The Health Care Fund was established and is administered in accordance with Internal Revenue Code Section 105(e). SERS' Retirement Board reserves the right to change or discontinue any health plan or program. Active employee members do not contribute to the Health Care Plan. The SERS Retirement Board established the rules for the premiums paid by the retirees for health care coverage for themselves and their dependents or for their surviving beneficiaries. Premiums vary depending on the plan selected, qualified years of service, Medicare eligibility, and retirement status.

Funding Policy - State statute permits SERS to fund 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 2023, 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 2023, this amount was \$25,000. Statutes provide that no employer shall pay a health care surcharge greater than 2.0 percent of that employer's SERS-covered payroll; nor may SERS collect in aggregate more than 1.5 percent of the total statewide SERS-covered payroll for the health care surcharge. For fiscal year 2023, the District's surcharge obligation was \$34,145.

The surcharge added to the allocated portion of the 14 percent employer contribution rate is the total amount assigned to the Health Care Fund. The District's contractually required contribution to SERS was \$34,145 for fiscal year 2023, all of which was reported as an intergovernmental payable.

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

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

Funding Policy – Ohio Revised Code Chapter 3307 authorizes STRS to offer the Plan and gives the Retirement Board discretionary authority over how much, if any, of the health care costs will be absorbed by STRS. Active employee members do not contribute to the Health Care Plan. Nearly all health care plan enrollees, for the most recent year, pay a portion of the health care costs in the form of a monthly premium. Under Ohio law, funding for post-employment health care may be deducted from employer contributions, currently 14 percent of covered payroll. For the fiscal year ended June 30, 2023, STRS did not allocate any employer contributions to post-employment health care.

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

The net OPEB liability/(asset) was measured as of June 30, 2022, and the total OPEB liability/(asset) used to calculate the net OPEB liability/(asset) was determined by an actuarial valuation as of that date. The District's proportion of the net OPEB liability/(asset) was based on the District's share of contributions to the respective retirement systems relative to the contributions of all participating entities. Following is information related to the proportionate share and OPEB expense:

	SERS	STRS	Total
Proportion of the Net OPEB Liability (Asset)			
Prior Measurement Date	0.04629120%	0.04668879%	
Proportion of the Net OPEB Liability (Asset)			
Current Measurement Date	0.04697730%	0.04606556%	
Change in Proportionate Share	0.00068610%	-0.00062323%	
Proportionate Share of the Net OPEB Liability (Asset)	\$659,566	(\$1,192,790)	(\$533,224)
OPEB Expense	(\$58,369)	(\$212,618)	(\$270,987)

At June 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

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	SERS	STRS	Total
<b>Deferred Outflows of Resources</b>			
Differences between expected and actual experience	\$5,546	\$17,292	\$22,838
Net difference between projected and actual earnings on OPEB plan investments	3,425	20,766	24,191
Change of Assumptions	104,911	50,808	155,719
Change in Proportionate Share	41,221	7,612	48,833
District contributions subsequent to the measurement date	34,145	0	34,145
<b>Total Deferred Outflows of Resources</b>	<b>\$189,248</b>	<b>\$96,478</b>	<b>\$285,726</b>
<b>Deferred Inflows of Resources</b>			
Differences between expected and actual experience	\$421,906	\$179,138	\$601,044
Change of Assumptions	270,759	845,804	1,116,563
Change in Proportionate Share	55,896	2,756	58,652
<b>Total Deferred Inflows of Resources</b>	<b>\$748,561</b>	<b>\$1,027,698</b>	<b>\$1,776,259</b>

\$34,145 reported as deferred outflows of resources related to OPEB resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ending June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

	SERS	STRS	Total
<b>Fiscal Year Ending June 30:</b>			
2024	(\$136,089)	(\$271,246)	(\$407,335)
2025	(134,745)	(267,078)	(401,823)
2026	(117,715)	(128,723)	(246,438)
2027	(79,342)	(53,469)	(132,811)
2028	(53,224)	(69,658)	(122,882)
Thereafter	(72,343)	(141,046)	(213,389)
<b>Total</b>	<b>(\$593,458)</b>	<b>(\$931,220)</b>	<b>(\$1,524,678)</b>

**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.

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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, 2022, are presented below:

Wage Inflation	2.40 percent
Future Salary Increases, including inflation	3.25 percent to 13.58 percent
Investment Rate of Return	7.0 percent net of investment expense, including inflation
Municipal Bond Index Rate:	
Measurement Date	3.69 percent
Prior Measurement Date	1.92 percent
Single Equivalent Interest Rate, net of plan investment expense, including price inflation	
Measurement Date	4.08 percent
Prior Measurement Date	2.27 percent
Medical Trend Assumption	
Medicare	7.00 to 4.40 percent

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

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

The long-term expected rate of return on plan assets is reviewed as part of the actuarial five-year experience study. The most recent study covers fiscal years 2016 through 2020 and was adopted by the Board on April 15, 2022. Several factors are considered in evaluating the long-term rate of return assumption including long-term historical data, estimates inherent in current market data, and a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected return, net of investment expense and inflation) were developed by the investment consultant for each major asset class. These ranges were combined to produce the long-term expected rate of return, 7.0 percent, by weighting the expected future real rates of return by the target asset allocation percentage and then adding expected inflation. The 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 14 for details.

**Discount Rate** The discount rate used to measure the total OPEB liability at June 30, 2022 was 4.08 percent. The discount rate used to measure total OPEB liability prior to June 30, 2022 was 2.27 percent. The projection of cash flows used to determine the discount rate assumed that contributions will be made from members and the System at the state statute contribution rate of 1.50 percent of projected covered employee

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payroll each year, which includes a 1.50 percent payroll surcharge and no contributions from the basic pension benefits plan. Based on these assumptions, the OPEB plan's fiduciary net position was projected to become insufficient to make all projected future benefit payments of current System members by SERS actuaries. The Municipal Bond Index Rate is used in determination of the SEIR for both the June 30, 2021 and the June 30, 2022 total OPEB liability. The Municipal Bond Index Rate is the single rate that will generate a present value of benefit payments equal to the sum of the present value determined by the long-term expected rate of return, and the present value determined by discounting those benefits after the date of depletion. The Municipal Bond Index Rate is 3.69 percent at June 30, 2022 and 1.92 percent at June 30, 2021.

***Sensitivity of the District's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate and Changes in the Health Care Cost Trend Rates*** The net OPEB liability is sensitive to changes in the discount rate and the health care cost trend rate. The following table presents the net OPEB liability of SERS, what SERS' net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (3.08%) and higher (5.08%) than the current discount rate (4.08%). Also shown is what SERS' net OPEB liability would be based on health care cost trend rates that are 1 percentage point lower (6.0% decreasing to 3.40%) and higher (8.0% decreasing to 5.40%) than the current rate (7.0 percent decreasing to 4.40 percent).

	1% Decrease (3.08%)	Current Discount Rate (4.08%)	1% Increase (5.08%)
District's proportionate share of the net OPEB liability (asset)	\$819,191	\$659,566	\$530,705
	1% Decrease (6.0 % decreasing to 3.40 %)	Current Trend Rate (7.0% decreasing to 4.40 %)	1% Increase (8.0 % decreasing to 5.40 %)
District's proportionate share of the net OPEB liability (asset)	\$508,640	\$659,566	\$856,695

***Actuarial Assumptions - STRS***

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results used in the June 30, 2022, actuarial valuation are presented below:

Projected salary increases	Varies by Service from 2.5 percent to 8.5 percent
Investment Rate of Return	7.0 percent, net of investment expenses, including inflation
Payroll Increases	3.0 percent
Discount Rate of Return	7.0 percent
Health Care Cost Trends:	
<i>Medical</i>	
Pre-Medicare	7.50 percent initial, 3.94 percent ultimate
Medicare	(68.78) percent initial, 3.94 percent ultimate
<i>Prescription Drug</i>	
Pre-Medicare	9.0 percent initial, 3.94 percent ultimate
Medicare	(5.47) percent initial, 3.94 percent ultimate

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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, 2022, valuation are based on the results of an actuarial experience study for the period July 1, 2015 through 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 14.

**Discount Rate** The discount rate used to measure the total OPEB liability was 7.0 percent as of June 30, 2022. 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, 2022. Therefore, the long-term expected rate of return on health care plan investments of 7.0 percent was applied to all periods of projected health care costs to determine the total OPEB liability as of June 30, 2022.

**Sensitivity of the School District's Proportionate Share of the Net OPEB Asset to Changes in the Discount and Health Care Cost Trend Rate** The following table represents the net OPEB asset as of June 30, 2022, calculated using the current period discount rate assumption of 7.0 percent, as well as what the net OPEB asset would be if it were calculated using a discount rate that is one percentage point lower (6.0 percent) or one percentage point higher (8.0 percent) than the current assumption. Also shown is the net OPEB asset as if it were calculated using health care cost trend rates that are one percentage point lower or one percentage point higher than the current health care cost trend rates.

	1% Decrease (6.0%)	Current Discount Rate (7.0%)	1% Increase (8.0%)
District's proportionate share of the net OPEB asset	(\$1,102,704)	(\$1,192,790)	\$1,269,958
	1% Decrease	Current Trend Rate	1% Increase
District's proportionate share of the net OPEB asset	(\$1,237,214)	(\$1,192,790)	(\$1,136,717)

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**Note 16 - Long-Term Obligations**

The changes in the School District's long-term obligations during fiscal year 2023 were as follows:

	Outstanding 6/30/22	Additions	Deductions	Outstanding 6/30/23	Amounts due in One Year
<b>General Obligation Bonds:</b>					
<i>2010 Qualified School Construction Bonds</i>					
2010 Series A Bonds - 4.15% - 4.35%	\$800,000	\$0	\$0	\$800,000	\$0
2010 Series B Bonds - 5.67%	1,415,000	0	(235,000)	1,180,000	235,000
Unamortized Issuance Discount	(5,495)	0	666	(4,829)	0
<b>Total Qualified School Construction Bonds</b>	<b>2,209,505</b>	<b>0</b>	<b>(234,334)</b>	<b>1,975,171</b>	<b>235,000</b>
<i>2022 School Improvement Bonds</i>					
Current Interest Serial Bonds - 4.0%	980,000	0	(205,000)	775,000	125,000
Current Interest Term Bonds - 4.0%	3,620,000	0	0	3,620,000	0
Unamortized Issuance Premium	110,508	0	(3,705)	106,803	0
<b>Total School Improvement Bonds</b>	<b>4,710,508</b>	<b>0</b>	<b>(208,705)</b>	<b>4,501,803</b>	<b>125,000</b>
<b>Total General Obligation Bonds</b>	<b>6,920,013</b>	<b>0</b>	<b>(443,039)</b>	<b>6,476,974</b>	<b>360,000</b>
<i>2021 Certificates of Participation</i>					
Current Interest Term & Serial	8,000,000	0	0	8,000,000	0
Unamortized Issuance Premium	1,170,648	0	(39,683)	1,130,965	0
<b>Total Certificates of Participation</b>	<b>9,170,648</b>	<b>0</b>	<b>(39,683)</b>	<b>9,130,965</b>	<b>0</b>
<b>Other Long-Term Obligations:</b>					
Leases	43,060	0	(26,381)	16,679	14,015
Financed Purchases Payable (Direct Borrowing)	260,846	0	(47,542)	213,304	38,343
Compensated Absences	537,613	18,412	(18,780)	537,245	21,193
<b>Total Other Long-Term Obligations</b>	<b>841,519</b>	<b>18,412</b>	<b>(92,703)</b>	<b>767,228</b>	<b>73,551</b>
<b>Total Before Net Pension &amp; OPEB Liability</b>	<b>16,932,180</b>	<b>18,412</b>	<b>(575,425)</b>	<b>16,375,167</b>	<b>433,551</b>
<b>Net Pension Liability:</b>					
STRS	5,969,581	4,270,851	0	10,240,432	0
SERS	1,651,256	824,244	0	2,475,500	0
<b>Total Net Pension Liability</b>	<b>7,620,837</b>	<b>5,095,095</b>	<b>0</b>	<b>12,715,932</b>	<b>0</b>
<b>Net OPEB Liability:</b>					
SERS	876,099	0	(216,533)	659,566	0
<b>Total Net OPEB Liability (Asset)</b>	<b>876,099</b>	<b>0</b>	<b>(216,533)</b>	<b>659,566</b>	<b>0</b>
<b>Total Governmental Long-Term Obligations</b>	<b>\$25,429,116</b>	<b>\$5,113,507</b>	<b>(\$791,958)</b>	<b>\$29,750,665</b>	<b>\$433,551</b>

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

General Obligation School Improvement Bonds: On May 10, 2022, the District issued General Obligation School Improvement Bonds of \$4,600,000 (par value) with an interest rate of 4.0 percent, for the construction of new school buildings. The current interest serial bonds mature 12/1/2029 and the current interest term bonds

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mature 12/1/2051. The bonds were issued at a premium of \$111,125 (net of discount) and are being repaid from the Building capital projects fund.

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

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

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

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

Compensated absences will be paid from the general fund and the food service special revenue fund.

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

The School District's overall legal debt margin was \$10,483,372 with an unvoted debt margin of \$163,132 at June 30, 2023.

Principal requirements to retire long term obligations outstanding at June 30, 2023, are as follows:

Fiscal Year Ended	Q.S.C.B.'s, Series 2010 A			Q.S.C.B.'s, Series 2010 B		
	Principal	Interest	Total	Principal	***Interest	Total
2024	\$0	\$34,025	\$34,025	\$235,000	\$224,680	\$459,680
2025	0	34,025	34,025	235,000	224,680	459,680
2026	0	34,025	34,025	235,000	224,680	459,680
2027	0	34,025	34,025	235,000	224,680	459,680
2028	0	34,025	34,025	240,000	112,340	352,340
2029 - 2032	800,000	52,635	852,635	0	0	0
Total	<u>\$800,000</u>	<u>\$222,760</u>	<u>\$1,022,760</u>	<u>\$1,180,000</u>	<u>\$1,011,060</u>	<u>\$2,191,060</u>

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Fiscal Year Ended	General Obligation Bonds, 2022			Certificates of Participation, 2021		
	Principal	Interest	Total	Principal	Interest	Total
2024	\$125,000	\$172,800	\$297,800	\$0	\$320,000	\$320,000
2025	125,000	167,800	292,800	0	320,000	320,000
2026	125,000	162,800	287,800	0	320,000	320,000
2027	100,000	158,300	258,300	0	320,000	320,000
2028	100,000	154,550	254,550	0	320,000	320,000
2029 - 2033	530,000	712,600	1,242,600	510,000	1,579,800	2,089,800
2034 - 2038	650,000	595,000	1,245,000	1,465,000	1,356,100	2,821,100
2039 - 2043	780,000	452,400	1,232,400	1,785,000	1,031,900	2,816,900
2044 - 2048	955,000	279,500	1,234,500	2,170,000	638,000	2,808,000
2049 - 2052	905,000	74,100	979,100	2,070,000	169,600	2,239,600
<b>Total</b>	<b>\$4,395,000</b>	<b>\$2,929,850</b>	<b>\$7,324,850</b>	<b>\$8,000,000</b>	<b>\$6,375,400</b>	<b>\$14,375,400</b>

Fiscal Year Ended	Financed Purchase (Direct Borrowing)		
	Principal	Interest	Total
2024	\$38,343	\$6,340	\$44,683
2025	39,161	5,521	44,682
2026	39,995	4,687	44,682
2027	40,849	3,833	44,682
2028	41,720	2,962	44,682
2029 - 2032	13,236	2,071	15,307
<b>Total</b>	<b>\$213,304</b>	<b>\$25,414</b>	<b>\$238,718</b>

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

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

Fiscal Year Ending June 30,	Leases					
	2019 Copiers			2022 Postage Machine		
	Principal	Interest	Total	Principal	Interest	Total
2024	\$13,134	\$144	\$13,278	\$881	\$158	\$1,039
2025	0	0	0	927	112	1,039
2026	0	0	0	974	65	1,039
2027	0	0	0	762	16	778
<b>Total</b>	<b>\$13,134</b>	<b>\$144</b>	<b>\$13,278</b>	<b>\$3,544</b>	<b>\$351</b>	<b>\$3,895</b>

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**Note 17 – Compensated Absences**

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

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

**Note 18 - Set-Aside Calculation**

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

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

	Capital Improvements
Set-Aside Reserve Balance as of June 30, 2022	\$0
Current Year Set-Aside Requirement	258,079
Current year offsets	(816,487)
Total	(\$558,408)
Set-Aside Balance Carried Forward to Future Fiscal Years	\$0
Cash balance as of June 30, 2023	\$0

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

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**Note 19 – Jointly Governed Organizations**

***A. Area Cooperative Computerized Educational Service System***

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

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

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

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

All ACCESS revenues are generated from charges for services and State funding. Each of the members supports the ACCESS Assembly based upon a per pupil charge. The School District paid a monthly fee to ACCESS during fiscal year 2023. Financial information can be obtained by contacting the Treasurer, Brian Stidham, at 493 Bev Road, Unit 1, Boardman, Ohio, 44512.

***B. Columbiana County Career Center***

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

**Note 20 – Group Purchasing Pools**

***A. Jefferson Health Plan***

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

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

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

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

**Note 21 - Contingencies**

***A. Grants***

The District received financial assistance from federal and state agencies in the form of grants. The expenditure of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the general fund or other applicable funds. However, the effect of any such disallowed claims on the overall financial position of the District at June 30, 2023, if applicable, cannot be determined at this time.

***B. Litigation***

The District is not currently party to any legal proceedings.

***C. School District Foundation***

School District foundation funding is based on the annualized full-time equivalent (FTE) enrollment of each student. The Ohio Department of Education (ODE) is legislatively required to adjust/reconcile funding as enrollment information is updated by schools throughout the State, which can extend past the fiscal year end. As of the date of this report, additional ODE adjustments for fiscal year 2023 have been finalized, which did not result in a material receivable of, or liability to, the District.

**Note 22 – 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 ended in April of 2023. During fiscal year 2023, the School District received 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.

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

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
School District's Proportion of the Net Pension Liability	0.04576820%	0.04475300%	0.04679820%	0.04747260%
School District's Proportionate Share of the Net Pension Liability	\$2,475,500	\$1,651,256	\$3,095,332	\$2,840,369
School District's Employee Payroll	\$1,708,700	\$1,544,757	\$1,640,644	\$1,783,030
School District's Proportionate Share of the Net Pension Liability as a Percentage of its Employee Payroll	144.88%	106.89%	188.67%	159.30%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	75.82%	82.86%	68.55%	70.85%

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

See accompanying notes to the required supplementary information.

2019	2018	2017	2016	2015	2014
0.04717150%	0.04746110%	0.04725710%	0.04780640%	0.04765100%	0.04765100%
\$2,701,599	\$2,835,696	\$3,458,784	\$2,727,880	\$2,411,590	\$2,833,652
\$1,781,143	\$1,713,429	\$1,480,425	\$1,483,046	\$1,392,496	\$1,284,086
151.68%	165.50%	233.63%	183.94%	173.18%	220.67%
71.36%	69.50%	62.98%	69.16%	71.70%	65.52%

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

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
School District's Proportion of the Net Pension Liability	0.046065560%	0.046688786%	0.046935860%	0.048033550%
School District's Proportionate Share of the Net Pension Liability	\$10,240,432	\$5,969,581	\$11,356,808	\$10,622,331
School District's Employee Payroll	\$5,988,743	\$5,760,950	\$5,631,614	\$5,833,029
School District's Proportionate Share of the Net Pension Liability as a Percentage of its Employee Payroll	170.99%	103.62%	201.66%	182.11%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	78.90%	87.80%	75.48%	77.40%

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

See accompanying notes to the required supplementary information.

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2019	2018	2017	2016	2015	2014
0.048599530%	0.047999920%	0.045942410%	0.045690080%	0.044692180%	0.044692180%
\$10,684,945	\$11,402,484	\$15,378,309	\$12,627,402	\$10,870,685	\$12,949,089
\$5,691,600	\$5,167,971	\$4,834,029	\$4,942,960	\$5,185,815	\$4,640,177
187.73%	220.64%	318.13%	255.46%	209.62%	279.06%
77.30%	75.30%	66.80%	72.10%	74.70%	69.30%

**Crestview Local School District**  
Columbiana County, Ohio

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

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Contractually Required Pension Contribution	\$247,458	\$239,218	\$216,266	\$229,690
Pension Contributions in Relation to the Contractually Required Contribution	(\$247,458)	(\$239,218)	(\$216,266)	(\$229,690)
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
School District Employee Payroll	\$1,767,557	\$1,708,700	\$1,544,757	\$1,640,644
Contributions as a Percentage of Employee Payroll	14.00%	14.00%	14.00%	14.00%

See accompanying notes to the required supplementary information.

2019	2018	2017	2016	2015	2014
\$240,709	\$249,360	\$239,880	\$195,120	\$195,465	\$193,000
(\$240,709)	(\$249,360)	(\$239,880)	(\$195,120)	(\$195,465)	(\$193,000)
\$0	\$0	\$0	\$0	\$0	\$0
\$1,783,030	\$1,781,143	\$1,713,429	\$1,480,425	\$1,483,046	\$1,392,496
13.50%	14.00%	14.00%	13.18%	13.18%	13.86%

**Crestview Local School District**  
Columbiana County, Ohio

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

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Contractually Required Pension Contribution	\$949,640	\$838,424	\$806,553	\$788,426
Pension Contributions in Relation to the Contractually Required Contribution	(\$949,640)	(\$838,424)	(\$806,553)	(\$788,426)
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
School District Employee Payroll	\$6,783,143	\$5,988,743	\$5,760,950	\$5,631,614
Contributions as a Percentage of Employee Payroll	14.00%	14.00%	14.00%	14.00%

See accompanying notes to the required supplementary information.

2019	2018	2017	2016	2015	2014
\$816,624	\$796,824	\$723,516	\$676,764	\$692,014	\$674,156
(\$816,624)	(\$796,824)	(\$723,516)	(\$676,764)	(\$692,014)	(\$674,156)
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$5,833,029	\$5,691,600	\$5,167,971	\$4,834,029	\$4,942,960	\$5,185,815
14.00%	14.00%	14.00%	14.00%	14.00%	13.00%

**Crestview Local School District**  
Columbiana County, Ohio

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

	2023	2022	2021	2020	2019	2018	2017
School District's Proportion of the Net OPEB Liability	0.04697730%	0.04629120%	0.04873230%	0.04722030%	0.04774560%	0.04820010%	0.04820010%
School District's Proportionate Share of the Net OPEB Liability	\$659,566	\$876,099	\$1,059,112	\$1,187,491	\$1,324,592	\$1,293,564	\$1,373,881
School District's Employee Payroll	\$1,708,700	\$1,544,757	\$1,640,644	\$1,783,030	\$1,781,143	\$1,713,429	\$1,480,425
School District's Proportionate Share of the Net OPEB Liability as a Percentage of its Employee Payroll	38.60%	56.71%	64.55%	66.60%	74.37%	75.50%	92.80%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	30.34%	24.08%	18.17%	15.57%	13.57%	12.46%	11.49%

(1) Information prior to 2017 is not available.

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

See accompanying notes to the required supplementary information.

**Crestview Local School District**  
Columbiana County, Ohio

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

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

(1) Information prior to 2017 is not available.

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

See accompanying notes to the required supplementary information.

**Crestview Local School District**  
Columbiana County, Ohio

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

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Contractually Required OPEB Contribution	\$34,145	\$31,594	\$30,408	\$32,110
OPEB Contributions in Relation to the Contractually Required Contribution	(\$34,145)	(\$31,594)	(\$30,408)	(\$32,110)
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
School District Employee Payroll	\$1,767,557	\$1,708,700	\$1,544,757	\$1,640,644
Contributions as a Percentage of Employee Payroll	1.93%	1.85%	1.97%	1.96%

See accompanying notes to the required supplementary information.

2019	2018	2017	2016	2015	2014
\$31,036	\$36,110	\$26,446	\$28,956	\$39,430	\$42,121
(\$31,036)	(\$36,110)	(\$26,446)	(\$28,956)	(\$39,430)	(\$42,121)
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$1,783,030	\$1,781,143	\$1,713,429	\$1,480,425	\$1,483,046	\$1,392,496
1.74%	2.03%	1.54%	1.96%	2.66%	3.02%

**Crestview Local School District**  
Columbiana County, Ohio

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

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Contractually Required OPEB Contribution	\$0	\$0	\$0	\$0
OPEB Contributions in Relation to the Contractually Required Contribution	\$0	\$0	\$0	\$0
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
School District Employee Payroll	\$6,783,143	\$5,988,743	\$5,760,950	\$5,631,614
Contributions as a Percentage of Employee Payroll	0.00%	0.00%	0.00%	0.00%

See accompanying notes to the required supplementary information.

2019	2018	2017	2016	2015	2014
\$0	\$0	\$0	\$0	\$0	\$51,858
\$0	\$0	\$0	\$0	\$0	(\$51,858)
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$5,833,029	\$5,691,600	\$5,167,971	\$4,834,029	\$4,942,960	\$5,185,815
0.00%	0.00%	0.00%	0.00%	0.00%	1.00%

**Crestview Local School District**  
Columbiana County, Ohio

*Notes to the Required Supplementary Information*  
*For the Fiscal Year Ended June 30, 2023*

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**Net Pension Liability**

**Changes in Assumptions – SERS**

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

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

	<u>Fiscal Year 2017</u>	<u>Fiscal Year 2016 &amp; 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 Investment Expense, Including Inflation	7.75 Percent Net of Investment 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.

***Fiscal Year 2022***

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

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

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

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

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

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

\*Mortality among active members was updated to the following:

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

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

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

\*Mortality among contingent survivors was updated to the following:

PUB-2010 General Amount Weighted Below Median Contingent Survivor mortality table projected to 2017 with ages set forward 1 year and adjusted 105.5% for males and adjusted 122.5% for females. Future improvement in mortality rates is reflected by applying the MP-2020 projection scale generationally.

\*Mortality among disabled members was updated to the following:

PUB-2010 General Disabled Retiree mortality table projected to 2017 with ages set forward 5 years and adjusted 103.3% for males and set forward 3 years and adjusted 106.8% for females. Future improvement in mortality rates is reflected by applying the MP-2020 projection scale generationally.

**Crestview Local School District**  
Columbiana County, Ohio

*Notes to the Required Supplementary Information  
For the Fiscal Year Ended June 30, 2023*

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**Net Pension Liability**

**Changes in Assumptions – SERS (continued)**

***Fiscal Year 2023***

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

**Changes of Benefit and Funding Terms – SERS**

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

\*Members, or their survivors, retiring prior to January 1, 2018, receive a COLA increase of 3 percent of their base benefit on the anniversary of their initial date of retirement.

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

\*Members, or their survivors, retiring on and after April 1, 2018, will have their COLA delayed for three years following their initial date of retirement.

***Fiscal Year 2022-2023***

None

**Crestview Local School District**  
Columbiana County, Ohio

*Notes to the Required Supplementary Information  
For the Fiscal Year Ended June 30, 2023*

**Net Pension Liability**

**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 below:

	Fiscal Year 2018
Inflation	2.50 Percent
Projected Salary Increases	12.50 Percent at Age 20 to 2.50 Percent at Age 65
Investment Rate of Return	7.45 Percent, Net of Expenses, Including Inflation
Payroll Increases	3.00 Percent
Cost of Living Adjustments (COLA)	0 Percent, Effective July 1, 2017

	Fiscal Year 2017 & Prior
Inflation	2.75 Percent
Projected Salary Increases	12.25 Percent at Age 20 to 2.75 Percent at Age 70
Investment Rate of Return	7.75 Percent, Net of Expenses, Including Inflation
Payroll Increases	3.50 Percent
Cost of Living Adjustments (COLA)	2 Percent Simple applied as follows: For Members Retiring Before August 1, 2013 3 percent per year. For Members retiring August 1, 2013 or later, 2 percent COLA commences on 5th anniversary date

Beginning with fiscal year 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.

***Fiscal Year 2022***

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

***Fiscal Year 2023***

\*The investment and discount rate remained at 7.0 percent.

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

**Crestview Local School District**  
Columbiana County, Ohio

*Notes to the Required Supplementary Information*  
*For the Fiscal Year Ended June 30, 2023*

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**Changes in Benefit Terms - STRS**

There were no changes in benefit terms from the amounts reported for fiscal years 2014 - 2017. For fiscal year 2018, STRS decreased the Cost of Living Adjustment (COLA) to zero. There were no changes in benefit terms from amounts previously reported for fiscal years 2019 - 2021.

***Fiscal Year 2022-2023***

None

**Crestview Local School District**

Columbiana County, Ohio

*Notes to the Required Supplementary Information  
For the Fiscal Year Ended June 30, 2023*

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**Net OPEB Liability**

**Changes in Assumptions – SERS**

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

Municipal Bond Index Rate:	
Fiscal year 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

***Fiscal Year 2022***

- \*The discount rate was changed from 2.63% to 2.27%.
- \*The investment rate of return was reduced from 7.50% to 7.00%.
- \*Assumed rate of inflation was reduced from 3.00% to 2.40%
- \*Payroll Growth Assumption was reduced from 3.50% to 1.75%
- \*Assumed real wage growth was increased from 0.50% to 0.85%
- \*Rates of withdrawal, retirement and disability were updated to reflect recent experience.
- \*Rate of health care participation for future retirees and spouses was updated to reflect recent experience.
  
- \*Mortality among active members was updated to the following:  
    PUB-2010 General Amount Weighted Below Median Employee mortality table.
  
- \*Mortality among service retired members was updated to the following:  
    PUB-2010 General Employee Amount Weighted Below Median Healthy Retiree mortality table projected to 2017 with ages set forward 1 year and adjusted 94.20% for males and set forward 2 years and adjusted 81.35% for females.
  
- \*Mortality among beneficiaries was updated to the following:  
    PUB-2010 General Amount Weighted Below Median Contingent Survivor mortality table projected to 2017 with ages set forward 1 year and adjusted 105.5% for males and adjusted 122.5% for females.
  
- \*Mortality among disabled member was updated to the following:  
    PUB-2010 General Disabled Retiree mortality table projected to 2017 with ages set forward 5 years and adjusted 103.3% for males and set forward 3 years and adjusted 106.8% for females.
  
- \*Mortality rates are projected using a fully generational projection with Scale MP-2020.

**Crestview Local School District**  
Columbiana County, Ohio

*Notes to the Required Supplementary Information  
For the Fiscal Year Ended June 30, 2023*

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**Net OPEB Liability**

**Changes in Assumptions – SERS (continued)**

***Fiscal Year 2023***

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

\*The health care trend rates were updated.

**Changes of Benefit and Funding Terms – SERS**

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

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

***Fiscal Year 2022***

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

***Fiscal Year 2023***

None

**Crestview Local School District**  
Columbiana County, Ohio

*Notes to the Required Supplementary Information*  
*For the Fiscal Year Ended June 30, 2023*

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**Net OPEB Liability**

**Changes in Assumptions – STRS OPEB**

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

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

***Fiscal Year 2022***

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

***Fiscal Year 2023***

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

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

**Changes in Benefit Terms – STRS OPEB**

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

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

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

**Crestview Local School District**

Columbiana County, Ohio

*Notes to the Required Supplementary Information  
For the Fiscal Year Ended June 30, 2023*

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

***Fiscal Year 2022***

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

***Fiscal Year 2023***

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

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**CRESTVIEW LOCAL SCHOOL DISTRICT  
COLUMBIANA COUNTY**

**SCHEDULE OF RECEIPTS AND EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2023**

<b>FEDERAL GRANTOR Pass Through Grantor Program / Cluster Title</b>	<b>Federal AL Number</b>	<b>Grant Year</b>	<b>Receipts</b>	<b>Expenditures</b>
<b>U.S. DEPARTMENT OF AGRICULTURE</b>				
<i>Passed Through Ohio Department of Education</i>				
<i>Child Nutrition Cluster</i>				
Non-Cash Assistance (Food Distribution):	10.555	2023	\$ 54,627	\$ 54,627
Cash Assistance:				
National School Breakfast Program	10.553	2023	71,304	71,304
National School Lunch Program	10.555	2023	246,283	246,283
National School Lunch Program - Carryover Amount				169,009
COVID-19 National School Lunch Program	10.555		35,203	35,203
Cash Assistance Subtotal			<u>352,790</u>	<u>521,799</u>
Total Child Nutrition Cluster (Cash and Non-cash)			<u>407,417</u>	<u>576,426</u>
COVID-19 P-EBT Program	10.649	2023	628	628
Total U.S. Department of Agriculture			<u>408,045</u>	<u>577,054</u>
<b>U.S. DEPARTMENT OF EDUCATION</b>				
<i>Passed Through Ohio Department of Education</i>				
Title 1 Expanding Opportunities For Each Child	84.010A	2022	7,833	3,025
Title 1 Grants to Local Educational Agencies	84.010A	2023	200,798	200,798
Total Title 1 Grants to Local Educational Agencies			<u>208,631</u>	<u>203,823</u>
Supporting Effective Instruction State Grants (Title II-A)	84.367	2023	29,853	29,853
Student Support and Academic Enrichment Program	84.424	2023	18,330	18,330
Education Stabilization Fund (ESF) Under the Coronavirus Aid,				
COVID-19 - Elementary and Secondary School Emergency Relief (ESSER II)	84.425D	2022	82,918	42,292
COVID-19 - Elementary and Secondary School Emergency Relief (ESSER II)	84.425 D	2023	125,801	147,308
COVID-19 - Elementary and Secondary School Emergency Relief (ESSER III)	84.425U	2022	12,244	0
COVID-19 - Elementary and Secondary School Emergency Relief (ESSER III)	84.425U	2023	692,990	784,582
Total Education Stabilization Fund (ESF) Under the Coronavirus Aid, Relief, and Economic Security Act			<u>913,953</u>	<u>974,182</u>
Total U.S. Department of Education			<u>1,170,767</u>	<u>1,226,188</u>
<b>U.S. DEPARTMENT OF TREASURY</b>				
<i>Passed Through Ohio Department of Treasury:</i>				
COVID-19 Ohio School Safety Grant	21.027	2023	126,223	126,223
COVID-19 Ohio School Safety Grant	21.027	2023	173,775	
Total U.S. Department of Treasury			<u>299,998</u>	<u>126,223</u>
<b>Total Receipts and Expenditures of Federal Awards</b>			<u><u>\$1,878,810</u></u>	<u><u>\$1,929,465</u></u>

*The accompanying notes are an integral part of this schedule.*

**CRESTVIEW LOCAL SCHOOL DISTRICT  
COLUMBIANA COUNTY**

**NOTES TO THE SCHEDULE OF RECEIPTS AND EXPENDITURES OF FEDERAL AWARDS  
2 CFR 200.510(b)(6)  
FOR THE YEAR ENDED JUNE 30, 2023**

**NOTE A – BASIS OF PRESENTATION**

The accompanying Schedule of Receipts and Expenditures of Federal Awards (the Schedule) includes the federal award activity of Crestview Local School District (the District) under programs of the federal government for the year ended June 30, 2023. The information on this Schedule is prepared in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position, changes in net position, or cash flows of the District.

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

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

**NOTE C – INDIRECT COST RATE**

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

**NOTE D - CHILD NUTRITION CLUSTER**

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

**NOTE E – FOOD DONATION PROGRAM**

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

**NOTE F - TRANSFERS BETWEEN PROGRAM YEARS**

Federal regulations require schools to obligate certain federal awards by June 30. However, with ODE's consent, schools can transfer unobligated amounts to the subsequent fiscal year's program. The District transferred the following amounts from 2023 to 2024 programs:

<b><u>Program Title</u></b>	<b><u>AL Number</u></b>	<b><u>Amt. Transferred</u></b>
ARP Homeless Targeted Support	84.425W	16,500
ARP ESSER	84.425	869,623

**NOTE G – NUTRITION CLUSTER**

The amount reported on the District's federal schedule in fiscal year 2022 was overstated by \$169,009 for AL# 10.555. This amount is included on the current year federal schedule as the carryover amount for AL# 10.555. In 2022, the District had federal receipts that were greater than expenditures in the amount totaling \$169,009.

# OHIO AUDITOR OF STATE KEITH FABER



88 East Broad Street  
Columbus, Ohio 43215  
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(800) 282-0370

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

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

To the Board of Education:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Crestview Local School District, Columbiana County, (the District) as of and for the year ended June 30, 2023, 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 26, 2024, wherein we noted the financial impact of COVID-19 and the continuing emergency measures which may impact subsequent periods of the District.

### ***Report on Internal Control Over Financial Reporting***

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

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

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

***Report on Compliance and Other Matters***

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

***Purpose of This Report***

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



Keith Faber  
Auditor of State  
Columbus, Ohio

March 26, 2024



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

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

To the Board of Education:

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

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

We have audited Crestview Local School District's, Columbiana County, (the District) compliance with the types of compliance requirements identified as subject to audit in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could have a direct and material effect on the Crestview Local School District's major federal program for the year ended June 30, 2023. Crestview Local School District's major federal program is identified in the *Summary of Auditor's Results* section of the accompanying schedule of findings.

In our opinion, Crestview Local School District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2023.

***Basis for Opinion on the Major Federal Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the *Auditor's Responsibilities for the Audit of Compliance* section of our report.

We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for the major federal program. Our audit does not provide a legal determination of the District's compliance with the compliance requirements referred to above.

### ***Responsibilities of Management for Compliance***

The District's Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the District's federal programs.

### ***Auditor's Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the District's compliance with the requirements of the major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of the District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

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

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

Our consideration of internal control over compliance was for the limited purpose described in the *Auditor's Responsibilities for the Audit of Compliance* section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of this testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.



Keith Faber  
Auditor of State  
Columbus, Ohio

March 26, 2024

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**CRESTVIEW LOCAL SCHOOL DISTRICT  
COLUMBIANA COUNTY**

**SCHEDULE OF FINDINGS  
2 CFR § 200.515  
JUNE 30, 2023**

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

<b>(d)(1)(i)</b>	<b>Type of Financial Statement Opinion</b>	Unmodified
<b>(d)(1)(ii)</b>	<b>Were there any material weaknesses in internal control reported at the financial statement level (GAGAS)?</b>	No
<b>(d)(1)(ii)</b>	<b>Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?</b>	No
<b>(d)(1)(iii)</b>	<b>Was there any reported material noncompliance at the financial statement level (GAGAS)?</b>	No
<b>(d)(1)(iv)</b>	<b>Were there any material weaknesses in internal control reported for major federal programs?</b>	No
<b>(d)(1)(iv)</b>	<b>Were there any significant deficiencies in internal control reported for major federal programs?</b>	No
<b>(d)(1)(v)</b>	<b>Type of Major Programs' Compliance Opinion</b>	Unmodified
<b>(d)(1)(vi)</b>	<b>Are there any reportable findings under 2 CFR § 200.516(a)?</b>	No
<b>(d)(1)(vii)</b>	<b>Major Programs (list):</b>	Education Stabilization Fund Under the Coronavirus Aid, Relief, and Economic Security Act (AL #84.425)
<b>(d)(1)(viii)</b>	<b>Dollar Threshold: Type A/B Programs</b>	Type A: > \$ 750,000 Type B: all others
<b>(d)(1)(ix)</b>	<b>Low Risk Auditee under 2 CFR § 200.520?</b>	Yes

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

None

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

None

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# OHIO AUDITOR OF STATE KEITH FABER



**CRESTVIEW LOCAL SCHOOL DISTRICT**

**COLUMBIANA COUNTY**

**AUDITOR OF STATE OF OHIO CERTIFICATION**

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



**Certified for Release 3/28/2024**

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

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