



OHIO AUDITOR OF STATE
KEITH FABER



**COLUMBIANA EXEMPTED VILLAGE 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

Columbiana Exempted Village School District
Columbiana County
700 Columbiana-Waterford Road
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 Columbiana Exempted Village 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 Columbiana Exempted Village 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 23 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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Columbiana Exempted Village School District

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

As management of the Columbiana Exempted Village School District (the School District), we offer readers of the School District's financial statements this narrative overview and analysis of the financial activities of the School District for the fiscal year ended June 30, 2023. We encourage readers to consider the information presented here in conjunction with financial statements and notes to the basic financial statements to enhance their understanding of the School District's financial performance.

Financial Highlights

- Net position increased in fiscal year 2023 due mainly to increases in net capital assets, decreases in long-term debt obligations and changes in the net pension and net OPEB liabilities.
- Total program expenses increased in fiscal year 2023 primarily due to changes in the net pension liability and net OPEB liability (asset) that are the result of the School District's adjusting proportionate share of the total State-wide liabilities (asset) for both pension and OPEB across retirement systems.
- The School District's major capital asset additions include a land purchase, boiler replacement, window replacements, parking lot repairs, gutter replacement, two sound systems, ovens and two vehicles.
- The School District's outstanding long-term obligations consist of three certificates of participation issuances, qualified school construction bonds, limited tax general obligation bonds and leases for copiers.
- The School District actively pursues grants and controls expenses while still maintaining the high academic standards the residents expect of the School District.

Using this Annual Financial Report

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

The *Statement of Net Position and Statement of Activities* provide information about the activities of the whole School District, presenting both an aggregate view of the School District's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term and what remains for future spending. The fund financial statements also look at the School District's most significant funds with all other non-major funds presented in total in one column. In the case of Columbiana Exempted Village School District, the general and the permanent improvement funds are by far the most significant funds.

Reporting the School District as a Whole

Statement of Net Position and the Statement of Activities

While this document contains all funds used by the School District to provide programs and activities, the view of the School District as a whole considers all financial transactions and asks the question, "How did we do financially during 2023?" The *Statement of Net Position* and the *Statement of Activities* answers this

Columbiana Exempted Village School District

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

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

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

Reporting the School District's Most Significant Funds

Fund Financial Statements

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

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

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

Columbiana Exempted Village School District

Management's Discussion and Analysis

For the Fiscal Year Ended June 30, 2023

Unaudited

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. Table 1 provides a comparison of the School District's Net Position for 2023 compared to 2022.

(Table 1)
Net Position
Governmental Activities

	2023	2022	Change
Assets			
Current and Other Assets	\$13,622,191	\$11,842,523	\$1,779,668
Net OPEB Asset	1,131,071	853,834	277,237
Capital Assets, Net	12,345,555	11,769,528	576,027
<i>Total Assets</i>	<u>27,098,817</u>	<u>24,465,885</u>	<u>2,632,932</u>
Deferred Outflows of Resources			
Deferred Charge on Refunding	230,154	272,644	(42,490)
Pension	3,305,401	2,752,409	552,992
OPEB	248,907	303,841	(54,934)
<i>Total Deferred Outflows of Resources</i>	<u>3,784,462</u>	<u>3,328,894</u>	<u>455,568</u>
Liabilities			
Current Liabilities	1,366,187	1,492,188	126,001
Long-Term Liabilities:			
Due within One Year	950,989	851,259	(99,730)
Due in More than One Year:			
Net Pension Liability	11,627,927	6,482,346	(5,145,581)
Net OPEB Liability	505,255	688,722	183,467
Other Amounts	9,989,854	10,863,667	873,813
<i>Total Liabilities</i>	<u>24,440,212</u>	<u>20,378,182</u>	<u>(4,062,030)</u>
Deferred Inflows of Resources			
Property Taxes	5,160,665	4,141,559	(1,019,106)
Pension	1,343,852	5,712,817	4,368,965
OPEB	1,564,955	1,416,068	(148,887)
<i>Total Deferred Inflows of Resources</i>	<u>8,069,472</u>	<u>11,270,444</u>	<u>3,200,972</u>
Net Position			
Net Investment in Capital Assets	2,496,157	1,157,710	1,338,447
Restricted for:			
Capital Projects	866,909	790,289	76,620
Debt Service	28,724	0	28,724
Other Purposes	439,249	249,154	190,095
OPEB Plans	252,243	64,536	187,707
Unrestricted (Deficit)	<u>(5,709,687)</u>	<u>(6,115,536)</u>	<u>405,849</u>
<i>Total Net Position</i>	<u><u>(\$1,626,405)</u></u>	<u><u>(\$3,853,847)</u></u>	<u><u>\$2,227,442</u></u>

Columbiana Exempted Village School District

*Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2023
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The net pension liability (NPL) is one of the most significant liabilities reported by the School District at June 30, 2023. GASB notes that pension and OPEB obligations, whether funded or unfunded, are part of the “employment exchange” – that is, the employee is trading his or her labor in exchange for wages, benefits, and the promise of a future pension and other postemployment benefits. GASB noted that the unfunded portion of this promise is a present obligation of the government, part of a bargained-for benefit to the employee, and should accordingly be reported by the government as a liability since they received the benefit of the exchange. However, the School District is not responsible for certain key factors affecting the balance of these liabilities. In Ohio, the employee shares the obligation of funding pension benefits with the employer. Both employer and employee contribution rates are capped by State statute. A change in these caps requires action of both Houses of the General Assembly and approval of the Governor. Benefit provisions are also determined by State statute. The Ohio Revised Code permits, but does not require the retirement systems to provide healthcare to eligible benefit recipients. The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits.

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

Current assets increased due mainly to an increase in property taxes receivable and intergovernmental receivables. The increase in capital assets was due to current year additions outpacing annual depreciation.

Long-term liabilities increased significantly during fiscal year 2023 due mainly to an increase in the net pension liability. Changes in pension benefits, contribution rates and return on investment affect the net pension liability. The increase in this liability was partially offset by increases in the related deferred outflows and decreases in the related deferred inflows.

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

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

Columbiana Exempted Village School District

Management's Discussion and Analysis

For the Fiscal Year Ended June 30, 2023

Unaudited

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

(Table 2)
Change in Net Position
Governmental Activities

	2023	2022	Change
Revenues			
<i>Program Revenues</i>			
Charges for Services and Sales	\$1,018,453	\$700,915	\$317,538
Operating Grants, Interest and Contributions	2,810,713	2,575,237	235,476
Capital Grants and Contributions	0	262,461	(262,461)
<i>Total Program Revenues</i>	<u>3,829,166</u>	<u>3,538,613</u>	<u>290,553</u>
<i>General Revenues</i>			
Property Taxes	5,450,492	5,183,686	266,806
Income Taxes	2,845,335	2,622,172	223,163
Grants and Entitlements not Restricted	4,260,467	4,441,868	(181,401)
Unrestricted Contributions	23,373	32,442	(9,069)
Investment Earnings/Interest	273,023	12,526	260,497
Miscellaneous	53,464	219,507	(166,043)
<i>Total General Revenues</i>	<u>12,906,154</u>	<u>12,512,201</u>	<u>393,953</u>
<i>Total Revenues</i>	<u>16,735,320</u>	<u>16,050,814</u>	<u>684,506</u>
Program Expenses			
Current:			
Instruction	8,336,942	7,731,977	(604,965)
Support Services:			
Pupils and Instructional Staff	1,079,111	1,145,305	66,194
Board of Education, Administration and Fiscal	1,706,954	1,502,203	(204,751)
Operation and Maintenance of Plant	1,102,852	1,041,265	(61,587)
Pupil Transportation	548,076	472,882	(75,194)
Central	29,863	16,793	(13,070)
Food Service Operations	406,051	420,925	14,874
Extracurricular Activities	824,679	901,048	76,369
Interest	473,350	524,052	50,702
<i>Total Program Expenses</i>	<u>14,507,878</u>	<u>13,756,450</u>	<u>(751,428)</u>
<i>Change in Net Position</i>	2,227,442	2,294,364	(66,922)
<i>Net Position Beginning of Year</i>	<u>(3,853,847)</u>	<u>(6,148,211)</u>	2,294,364
<i>Net Position End of Year</i>	<u><u>(\$1,626,405)</u></u>	<u><u>(\$3,853,847)</u></u>	<u><u>\$2,227,442</u></u>

Analysis of overall financial position and results of operations

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

Columbiana Exempted Village School District

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

Program revenues increased for governmental activities in fiscal year 2023 due to increases in charges for services and operating grants. Charges for services increased due to higher tuition and fees and customer sales and services revenues. Operating grants increased due to increases in current year restricted grants as well as contributions and donations. General revenues went up from increases in property taxes, income taxes and investment earnings. The increase in income taxes and property taxes can be attributed to the improvement in the economy due to COVID in the prior years. The increase in investment earnings was due to higher cash balances and more favorable rates of returns on investments.

Program expenses increased in fiscal year 2023 due to changes in the net pension and net OPEB (asset)/liabilities. Program expenses related to these liabilities were a negative (\$1,050,699) in fiscal year 2022 versus a negative (\$33,259) in fiscal year 2023.

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

The statement of activities shows the cost of program services and the charges for services and grants offsetting those services. Table 3 shows, for government activities, the total cost of services and the net cost of services for 2023 compared to 2022.

**Table 3
Cost of Services**

	Total Cost of Services 2023	Net Cost of Services 2023	Total Cost of Services 2022	Net Cost of Services 2022
Instruction	\$8,336,942	(\$6,640,053)	\$7,731,977	(\$5,591,569)
Support Services:				
Pupil and Instructional Staff	1,079,111	(707,415)	1,145,305	(946,284)
Board of Education, Administration and Fiscal	1,706,954	(1,659,594)	1,502,203	(1,422,701)
Operation and Maintenance of Plant	1,102,852	(499,930)	1,041,265	(986,271)
Pupil Transportation	548,076	(338,031)	472,882	(430,488)
Central	29,863	(29,863)	16,793	(16,428)
Food Service Operations	406,051	(7,339)	420,925	133,094
Extracurricular Activities	824,679	(323,137)	901,048	(433,138)
Interest	473,350	(473,350)	524,052	(524,052)
<i>Total</i>	<u>\$14,507,878</u>	<u>(\$10,678,712)</u>	<u>\$13,756,450</u>	<u>(\$10,217,837)</u>

The dependence upon general revenues for governmental activities is apparent as they account for a majority of the total cost of services in fiscal year 2023. The community, as a whole, is by far the primary support for the School District.

Columbiana Exempted Village School District

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

Financial Analysis of the Government's Funds

Governmental Fund Information about the School District's major funds begins with the balance sheet. These funds are accounted for using the modified accrual basis of accounting. The general fund had an increase in fund balance due mainly to an increase in property taxes, income taxes, investment earnings and tuition and fees revenue. The increase in income taxes can be attributed to the economy continuing to improve compared to the prior year due to COVID and other economic influences. Despite a decrease in revenues, the permanent improvement fund saw an increase in fund balance as revenues continued to exceed expenditures.

General Fund Budgeting Highlights

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

During the course of fiscal year 2023 the School District amended its general fund budget numerous times. The School District uses site-based budgeting and the budgeting systems are designed to tightly control total site budgets but provide flexibility for site management.

For the general fund, the final budget basis revenue estimate was higher than the original budget estimate. This was mainly due to an increase in projected income taxes. Actual revenue came in above final budgeted as a result of an uptick in property tax revenues and interest income. Actual expenditures and other financing uses were lower than the final and original budgeted appropriations due to the School District keeping spending in control while ensuring the programs important to the community are maintained.

Capital Assets and Long-term Liabilities

Capital Assets

During fiscal year 2023, the School District's capital asset additions included a land purchase, boiler replacement, window replacements, parking lot repairs, gutter replacement, two sound systems, ovens and two vehicles. Please refer to Note 11 within the Notes to the Basic Financial Statements for further information on capital assets.

Debt

Debt outstanding as of June 30, 2023 included certificates of participation, qualified school construction bonds, limited tax general obligation bonds and a lease for copiers. The School District's overall legal debt margin was \$22,485,632 with an unvoted debt margin of \$251,946. The debt is well within permissible limits. The School District maintains an A bond rating from Standard and Poors. More detailed information is presented in Note 15 of the notes to the basic financial statements.

Current Financial Related Activities

Columbiana Exempted Village School District has continued to maintain the highest standards of services to our students, parents and community at one of the lowest costs in Columbiana County. As with all school districts in the State of Ohio, State funding issues are constantly monitored to determine the impact on the

Columbiana Exempted Village School District

*Management's Discussion and Analysis
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Unaudited*

School District. As the preceding information shows, the School District is heavily reliant on property and income taxes and State aid to provide the funds necessary to maintain its educational programs.

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

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

Contacting the School District's Financial Management

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

Basic Financial Statements

Columbiana Exempted Village School District

Statement of Net Position

June 30, 2023

	<u>Governmental Activities</u>
Assets	
Equity in Pooled Cash and Cash Equivalents	\$5,964,347
Cash and Cash Equivalents with Fiscal Agents	63,509
Accounts Receivable	4,429
Intergovernmental Receivable	973,248
Prepaid Items	10,933
Property Taxes Receivable	5,545,969
Income Taxes Receivable	1,059,756
Net OPEB Asset (See Note 13)	1,131,071
Nondepreciable Capital Assets	409,145
Depreciable Capital Assets, Net	<u>11,936,410</u>
<i>Total Assets</i>	<u>27,098,817</u>
Deferred Outflows of Resources	
Deferred Charge on Refunding	230,154
Pension	3,305,401
OPEB	<u>248,907</u>
<i>Total Deferred Outflows of Resources</i>	<u>3,784,462</u>
Liabilities	
Accounts Payable	34,948
Accrued Wages and Benefits	1,035,659
Intergovernmental Payable	259,126
Accrued Interest Payable	34,785
Matured Compensated Absences Payable	1,669
Long-Term Liabilities:	
Due Within One Year	950,989
Due In More Than One Year:	
Net Pension Liability (See Note 12)	11,627,927
Net OPEB Liability (See Note 13)	505,255
Other Amounts	<u>9,989,854</u>
<i>Total Liabilities</i>	<u>24,440,212</u>
Deferred Inflows of Resources	
Property Taxes	5,160,665
Pension	1,343,852
OPEB	<u>1,564,955</u>
<i>Total Deferred Inflows of Resources</i>	<u>8,069,472</u>
Net Position	
Net Investment in Capital Assets	2,496,157
Restricted for:	
Capital Projects	866,909
Debt Service	28,724
Other Purposes	439,249
OPEB Plans	252,243
Unrestricted (Deficit)	<u>(5,709,687)</u>
<i>Total Net Position</i>	<u><u>(\$1,626,405)</u></u>

See accompanying notes to the basic financial statements

Columbiana Exempted Village School District

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, Interest and Contributions	Governmental Activities
Governmental Activities				
Instruction:				
Regular	\$5,858,845	\$326,575	\$462,956	(\$5,069,314)
Special	2,372,220	119,646	781,009	(1,471,565)
Vocational	105,877	6,703	0	(99,174)
Support Services:				
Pupil	720,890	0	37,506	(683,384)
Instructional Staff	358,221	0	334,190	(24,031)
Board of Education	43,310	0	0	(43,310)
Administration	1,171,021	0	0	(1,171,021)
Fiscal	492,623	0	47,360	(445,263)
Operation and Maintenance of Plant	1,102,852	4,720	598,202	(499,930)
Pupil Transportation	548,076	0	210,045	(338,031)
Central	29,863	0	0	(29,863)
Operation of Non-Instructional Services:				
Food Service Operations	406,051	163,327	235,385	(7,339)
Extracurricular Activities	824,679	397,482	104,060	(323,137)
Interest	473,350	0	0	(473,350)
<i>Total Primary Government</i>	<u>\$14,507,878</u>	<u>\$1,018,453</u>	<u>\$2,810,713</u>	<u>(10,678,712)</u>

General Revenues

Property Taxes Levied for:

 General Purposes 4,395,651

 Capital Projects 1,054,841

Income Taxes Levied for General

 Purposes 2,845,335

Grants and Entitlements not Restricted

 to Specific Programs 4,260,467

Unrestricted Contributions 23,373

Investment Earnings/Interest 273,023

Miscellaneous 53,464

Total General Revenues 12,906,154

Change in Net Position 2,227,442

Net Position Beginning of Year (3,853,847)

Net Position End of Year (\$1,626,405)

See accompanying notes to the basic financial statements

Columbiana Exempted Village School District

Balance Sheet

Governmental Funds

June 30, 2023

	<u>General</u>	<u>Permanent Improvement</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Assets				
Equity in Pooled Cash and Cash Equivalents	\$4,615,918	\$797,986	\$489,379	\$5,903,283
Cash and Cash Equivalents				
with Fiscal Agents	0	0	63,509	63,509
Accounts Receivable	942	0	3,487	4,429
Intergovernmental Receivable	75,655	0	897,593	973,248
Prepaid Items	10,436	0	497	10,933
Interfund Receivable	820,690	0	0	820,690
Property Taxes Receivable	4,531,967	1,014,002	0	5,545,969
Income Taxes Receivable	1,059,756	0	0	1,059,756
<i>Total Assets</i>	<u>\$11,115,364</u>	<u>\$1,811,988</u>	<u>\$1,454,465</u>	<u>\$14,381,817</u>
Liabilities				
Accounts Payable	\$23,735	\$0	\$11,213	\$34,948
Accrued Wages and Benefits	962,138	0	73,521	1,035,659
Intergovernmental Payable	241,182	0	17,944	259,126
Interfund Payable	0	0	820,690	820,690
Matured Compensated Absences Payable	1,669	0	0	1,669
<i>Total Liabilities</i>	<u>1,228,724</u>	<u>0</u>	<u>923,368</u>	<u>2,152,092</u>
Deferred Inflows of Resources				
Property Taxes	4,215,586	945,079	0	5,160,665
Unavailable Revenue	120,302	22,900	250,233	393,435
<i>Total Deferred Inflows of Resources</i>	<u>4,335,888</u>	<u>967,979</u>	<u>250,233</u>	<u>5,554,100</u>
Fund Balances				
Nonspendable	10,436	0	497	10,933
Restricted	0	844,009	530,601	1,374,610
Assigned	540,080	0	0	540,080
Unassigned (Deficit)	5,000,236	0	(250,234)	4,750,002
<i>Total Fund Balances</i>	<u>5,550,752</u>	<u>844,009</u>	<u>280,864</u>	<u>6,675,625</u>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i>	<u>\$11,115,364</u>	<u>\$1,811,988</u>	<u>\$1,454,465</u>	<u>\$14,381,817</u>

See accompanying notes to the basic financial statements

Columbiana Exempted Village School District
*Reconciliation of Total Governmental Fund Balances to
 Net Position of Governmental Activities
 June 30, 2023*

Total Governmental Fund Balances	\$6,675,625
 <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.	12,345,555
Other long-term assets are not available to pay for current-period expenditures and therefore are reported as unavailable revenue in the funds:	
Delinquent Property Taxes	138,882
Grants	250,233
Tuition	4,320
<hr/>	
Total	393,435
An internal service fund is used by management to charge the cost of insurance to individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the statement of activities.	61,064
In the statement of activities, interest is accrued on outstanding debt, where as in governmental funds, an interest expenditure is reported when due.	(34,785)
The net pension liability and net OPEB asset/liability is not due and payable in the current period; therefore, the asset, liability and related deferred inflows/outflows are not reported in governmental funds:	
Net OPEB Asset	1,131,071
Deferred Outflows - Pension	3,305,401
Deferred Outflows - OPEB	248,907
Net Pension Liability	(11,627,927)
Net OPEB Liability	(505,255)
Deferred Inflows - Pension	(1,343,852)
Deferred Inflows - OPEB	(1,564,955)
<hr/>	
Total	(10,356,610)
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:	
Certificates of Participation	(9,808,012)
Qualified School Construction Bonds	(193,004)
Limited Tax General Obligation Bonds	(60,000)
Leases	(18,536)
Compensated Absences	(861,291)
Deferred Charge on Refunding	230,154
<hr/>	
Total	<u>(10,710,689)</u>
 <i>Net Position of Governmental Activities</i>	 <u><u>(\$1,626,405)</u></u>

See accompanying notes to the basic financial statements

Columbiana Exempted Village School District
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended June 30, 2023

	General	Permanent Improvement	Other Governmental Funds	Total Governmental Funds
Revenues				
Property Taxes	\$4,381,577	\$1,051,616	\$0	\$5,433,193
Income Taxes	2,845,335	0	0	2,845,335
Intergovernmental	4,417,554	120,646	2,218,286	6,756,486
Investment Earnings/Interest	209,727	0	68,982	278,709
Tuition and Fees	448,604	0	0	448,604
Rentals	4,720	0	0	4,720
Extracurricular Activities	81,288	0	316,194	397,482
Contributions and Donations	23,373	0	106,970	130,343
Charges for Services	0	0	163,327	163,327
Miscellaneous	53,464	0	0	53,464
<i>Total Revenues</i>	<u>12,465,642</u>	<u>1,172,262</u>	<u>2,873,759</u>	<u>16,511,663</u>
Expenditures				
Current:				
Instruction:				
Regular	5,045,165	0	416,562	5,461,727
Special	1,845,022	0	503,277	2,348,299
Vocational	102,985	0	0	102,985
Support Services:				
Pupil	681,686	0	36,122	717,808
Instructional Staff	172,565	0	184,190	356,755
Board of Education	43,426	0	0	43,426
Administration	1,169,123	0	0	1,169,123
Fiscal	455,431	19,080	43,529	518,040
Operation and Maintenance of Plant	1,008,999	0	550,086	1,559,085
Pupil Transportation	520,642	0	200,210	720,852
Central	29,805	0	0	29,805
Operation of Non-instructional Services:				
Food Service Operations	0	0	456,720	456,720
Extracurricular Activities	441,347	0	362,600	803,947
Capital Outlay	231,368	0	65,947	297,315
Debt Service:				
Principal Retirement	95,176	713,000	65,947	874,123
Interest	64,135	366,787	0	430,922
<i>Total Expenditures</i>	<u>11,906,875</u>	<u>1,098,867</u>	<u>2,885,190</u>	<u>15,890,932</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	558,767	73,395	(11,431)	620,731
Other Financing Sources (Uses)				
Inception of Subscriptions	<u>0</u>	<u>0</u>	<u>65,947</u>	<u>65,947</u>
<i>Net Change in Fund Balances</i>	558,767	73,395	54,516	686,678
<i>Fund Balances Beginning of Year</i>	<u>4,991,985</u>	<u>770,614</u>	<u>226,348</u>	<u>5,988,947</u>
<i>Fund Balances End of Year</i>	<u>\$5,550,752</u>	<u>\$844,009</u>	<u>\$280,864</u>	<u>\$6,675,625</u>

See accompanying notes to the basic financial statements

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

Net Change in Fund Balances -Total Governmental Funds \$686,678

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

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

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

Capital Asset Additions	1,149,866	
Current Year Depreciation	(573,839)	
Total		576,027

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

Delinquent Property Taxes	17,299	
Grants	202,038	
Tuition	4,320	
Total		223,657

Repayment of principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. 874,123

Other financing sources in the governmental funds, such as inception of subscriptions increase long term liabilities in the statement of net position. (65,947)

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

Accrued Interest	3,328	
Amortization of Discount on Bonds	(3,266)	
Amortization of Deferred Charge on Refunding	(42,490)	
Total		(42,428)

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

Pension	1,056,879	
OPEB	26,816	
Total		1,083,695

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

Pension	(1,280,503)	
OPEB	230,067	
Total		(1,050,436)

Some expenses reported in the statement of activities, such as compensated absences, do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. (30,827)

The internal service fund used by management to charge the individual funds is reported in the district-wide statement of activities. Governmental fund expenditures and related internal service fund revenues are eliminated. (27,100)

Change in Net Position of Governmental Activities \$2,227,442

See accompanying notes to the basic financial statements

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

	<u>Budgeted Amounts</u>			Variance with Final Budget
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	
Revenues				
Property Taxes	\$4,194,574	\$4,176,949	\$4,388,900	\$211,951
Income Taxes	2,691,588	2,843,237	2,847,620	4,383
Intergovernmental	4,657,794	4,653,773	4,494,449	(159,324)
Interest	67,567	67,567	217,788	150,221
Tuition and Fees	257,601	257,601	447,994	190,393
Rentals	4,326	4,326	4,448	122
Contributions and Donations	29,159	29,159	5,751	(23,408)
Miscellaneous	67,391	67,388	49,876	(17,512)
<i>Total Revenues</i>	<u>11,970,000</u>	<u>12,100,000</u>	<u>12,456,826</u>	<u>356,826</u>
Expenditures				
Current:				
Instruction:				
Regular	5,282,574	5,206,797	5,206,797	0
Special	1,777,254	1,828,041	1,828,041	0
Vocational	97,519	105,729	105,729	0
Support Services:				
Pupil	671,581	699,062	699,062	0
Instructional Staff	512,035	239,041	173,778	65,263
Board of Education	48,087	42,922	42,922	0
Administration	1,185,317	1,179,334	1,179,334	0
Fiscal	467,924	461,339	461,339	0
Operation and Maintenance of Plant	1,600,198	1,054,526	1,054,526	0
Pupil Transportation	528,544	535,601	532,889	2,712
Central	15,300	38,448	38,448	0
Extracurricular Activities	334,969	353,027	353,027	0
Capital Outlay	0	268,368	231,368	37,000
Debt Service:				
Principal Retirement	65,620	64,333	64,333	0
Interest	61,519	60,313	60,313	0
<i>Total Expenditures</i>	<u>12,648,441</u>	<u>12,136,881</u>	<u>12,031,906</u>	<u>104,975</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(678,441)</u>	<u>(36,881)</u>	<u>424,920</u>	<u>461,801</u>
Other Financing Sources (Uses)				
Advances Out	0	(235,100)	0	235,100
Transfers Out	(83,640)	(100)	0	100
<i>Total Other Financing Sources (Uses)</i>	<u>(83,640)</u>	<u>(235,200)</u>	<u>0</u>	<u>235,200</u>
<i>Net Change in Fund Balance</i>	<u>(762,081)</u>	<u>(272,081)</u>	<u>424,920</u>	<u>697,001</u>
<i>Fund Balance Beginning of Year</i>	4,548,017	4,548,017	4,548,017	0
Prior Year Encumbrances Appropriated	232,081	232,081	232,081	0
<i>Fund Balance End of Year</i>	<u>\$4,018,017</u>	<u>\$4,508,017</u>	<u>\$5,205,018</u>	<u>\$697,001</u>

See accompanying notes to the basic financial statements

Columbiana Exempted Village School District

Statement of Fund Net Position

Internal Service Fund

June 30, 2023

	<u>Self Insurance</u>
Assets	
Equity in Pooled Cash and Cash Equivalents	\$61,064
Liabilities	
	<u>0</u>
Net Position	
Unrestricted	<u><u>\$61,064</u></u>

See accompanying notes to the basic financial statements

Columbiana Exempted Village School District

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

	<u>Self Insurance</u>
Operating Revenues	<u>\$0</u>
Operating Expenses	
Salaries	19,500
Fringe Benefits	281
Materials and Supplies	<u>7,319</u>
<i>Total Operating Expenses</i>	<u>27,100</u>
<i>Operating Income (Loss)</i>	(27,100)
<i>Net Position Beginning of Year</i>	<u>88,164</u>
<i>Net Position End of Year</i>	<u><u>\$61,064</u></u>

See accompanying notes to the basic financial statements

Columbiana Exempted Village School District

Statement of Cash Flows

Internal Service Fund

For the Fiscal Year Ended June 30, 2023

	<u>Self Insurance</u>
Increase (Decrease) in Cash and Cash Equivalents	
Cash Flows from Operating Activities	
Cash Payments to Employees for Services	(\$19,500)
Cash Payments for Employee Benefits	(281)
Cash Payments for Goods and Services	<u>(7,319)</u>
<i>Net Cash Provided by (Used for) Operating Activities</i>	(27,100)
<i>Cash and Cash Equivalents Beginning of Year</i>	<u>88,164</u>
<i>Cash and Cash Equivalents End of Year</i>	<u><u>\$61,064</u></u>

See accompanying notes to the basic financial statements

Columbiana Exempted Village School District

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

Note 1 - Description of the School District and Reporting Entity

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

The School District was established in 1890 through the consolidation of existing land areas and school districts. The School District serves an area of approximately 18 square miles. It is located in Columbiana and Mahoning Counties, and includes all of the City of Columbiana and portions of Fairfield, Beaver and Springfield Townships. The School District is staffed by 41 non-certificated employees, 73 certificated full-time teaching personnel, 10 administrative employees and 7 non-bargaining employees who provide services to 969 students. The School District currently operates 3 instructional buildings and 1 bus garage.

Reporting Entity

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

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

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

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

Columbiana Exempted Village School District

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

The School District participates in two jointly governed organizations, one insurance purchasing pool, one risk sharing pool and a related organization. These organizations are the Columbiana County Career and Technical Center, the Access Council of Governments, the Better Business Bureau Workers' Compensation Group Rating Program, the Portage Area School Consortium and the Columbiana Public Library. These organizations are presented in Notes 16, 17 and 18 of the basic financial statements.

Note 2 - Summary of Significant Accounting Policies

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

Basis of Presentation

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

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

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

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

Columbiana Exempted Village School District

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

Fund Accounting

The School District uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self balancing set of accounts. The funds of the School District are divided into two categories: governmental and proprietary.

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

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

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

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

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

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

Measurement Focus

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

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

Columbiana Exempted Village School District

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

Like the government-wide statements, all proprietary funds are accounted for on a flow of economic resources measurement focus. All assets and deferred outflows of resources and all liabilities and deferred inflows of resources associated with the operation of these funds are included on the statement of fund net position.

For proprietary funds, 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 School District finances and meets the cash flow needs of its proprietary activities.

Basis of Accounting

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

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

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

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

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

Columbiana Exempted Village School District

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

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

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

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

Budgetary Data

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

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

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

Cash and Cash Equivalents

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

Columbiana Exempted Village School District

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

Investments are reported at fair value which is based on quoted market prices. During fiscal year 2023, investments were limited to federated treasury government obligations fund and negotiable certificates of deposit.

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

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

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

Under existing Ohio statutes all investment earnings are assigned to the general fund unless statutorily required to be credited to a specific fund. Investment Earnings/Interest revenue credited to the general fund during 2023 amounted to \$209,727 which includes \$43,015 assigned from other School District funds.

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

Prepaid Items

Payments made to vendors for services that will benefit periods beyond June 30, 2023, are recorded as prepaid items using the consumption method by recording a current asset for the prepaid amount at the time of purchase and reflecting the expenditure/expense in the fiscal year which services are consumed.

Capital Assets

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

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

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

Columbiana Exempted Village School District

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2023

Description	Estimated Lives
Buildings and Improvements	5 - 50 years
Furniture and Equipment	5 - 20 years
Vehicles	5 - 15 years
Intangible Right to Use - Equipment	5 years
Intangible Right to Use - Subscription	5 years

The School District is reporting intangible right to use assets related to lease assets and subscription assets. The lease assets include equipment and represent nonfinancial assets which are being utilized for a period of time through leases from another entity. Subscription assets represent intangible right to use assets related to the use of another party's IT software. These intangible right to use assets are being amortized in a systematic and rational manner over the shorter of the lease/subscription term or the useful life of the underlying asset.

Leases Payable

The School District serves as a lessee in one noncancellable lease which is accounted for as follows:

Lessee At the commencement of a lease, the School District initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life. Lease assets are reported with other capital assets and lease liabilities are reported with long-term debt on the statement of net position.

Subscription Payable

The School District is reporting Subscription-Based Information Technology Arrangements (SBITAs) for various noncancellable IT software contracts. At the commencement of the subscription term, the School District initially measures the subscription liability at the present value of payments expected to be made during the subscription term. Subsequently, the subscription liability is reduced by the principal portion of lease payments made. The subscription asset is initially measured as the initial amount of the subscription liability, adjusted for subscription payments made at the commencement of the subscription term, plus certain initial implementation costs. Subsequently, the subscription asset is amortized on in a systematic and rational manner over the shorted of the subscription term or the useful life of the underlying IT asset. Subscription assets are reported with other capital assets and subscription payables are reported with long-term debt on the statement of net position.

Bond Discounts

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 governmental-wide financial statements, bond discounts are presented as a decrease of the face amount of the general obligation bonds payable. On the fund financial statements, bond discounts are expensed in the year the bonds are issued.

Columbiana Exempted Village School District

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

Deferred Charge on Refunding

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

Compensated Absences

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

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

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

On the governmental fund financial statements, compensated absences are recognized as liabilities and expenditures to the extent payments come due each period upon the occurrence of employee resignations and retirements. These amounts are reported in the account "Matured Compensated Absence Payable" in the fund or funds from which the employees who have accumulated the leave are paid.

Pensions/Other Postemployment Benefits (OPEB)

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

Accrued Liabilities and Long-Term Obligations

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

Columbiana Exempted Village School District

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

Net Position

Net position represents the difference between all other elements in a statement of financial position. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use through external restrictions imposed by creditors, grantors or laws or regulations of other governments. Net position restricted for other purposes include resources restricted for food service operations, instruction, support services and extracurricular activities. Restricted net position for OPEB plans represents the corresponding restricted asset amount after considering the related deferred outflows and deferred inflows.

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

Fund Balance

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

Nonspendable The nonspendable fund balance category includes amounts that cannot be spent because they are not in spendable form, or legally or contractually required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash.

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

Committed The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by a formal action (resolution) of the School District Board of Education. Those committed amounts cannot be used for any other purpose unless the School District Board of Education removes or changes the specified use by taking the same type of action (resolution) it employed to previously commit those amounts. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements, however, the School District has no committed amounts.

Assigned Amounts in the assigned fund balance classification are intended to be used by the School District for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed. These amounts are assigned by the School District Board of Education. In the general fund, assigned amounts represent intended uses established by policies of the School District Board of Education or a School District official delegated that authority by resolution by State statute. State statute authorizes the Treasurer to assign fund balance purchases on order provided such amounts have been lawfully appropriated. The Board of Education assigned fund balance for extracurricular activities and to cover a gap between estimated revenue and appropriations in the fiscal year 2024 budget.

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.

Columbiana Exempted Village School District

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

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

Operating Revenues and Expenses

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

Interfund Balances

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

Estimates

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

Note 3 - Budgetary Basis of Accounting

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

1. Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis).
2. Expenditures are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis).
3. Investments are reported at cost (budget) rather than fair value (GAAP).
4. Encumbrances are treated as expenditures (budget basis) rather than as restricted, committed or assigned fund balance (GAAP basis).
5. Budgetary revenues and expenditures of the public school support fund are reclassified to the general fund for GAAP reporting.

Columbiana Exempted Village School District

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

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

Net Change in Fund Balance	
GAAP Basis	\$558,767
Net Adjustment for Revenue Accruals	84,712
Beginning Fair Value Adjustment for Investments	(17,782)
Ending Fair Value Adjustment for Investments	23,924
Perspective Difference:	
Public School Support	(21,149)
Net Adjustment for Expenditure Accruals	(93,581)
Adjustment for Encumbrances	(109,971)
Budget Basis	\$424,920

Note 4 – Fund Balances

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

Fund Balances	General	Permanent Improvement	Other Governmental Funds	Total
<i>Nonspendable</i>				
Prepays	\$10,436	\$0	\$497	\$10,933
<i>Restricted for</i>				
Food Service Operations	0	0	48,912	48,912
Scholarships	0	0	966	966
Student Activities	0	0	87,052	87,052
Athletics	0	0	39,236	39,236
Non-Public Schools	0	0	140,926	140,926
Technology Programs	0	0	150,000	150,000
Debt Service Payments	0	0	63,509	63,509
Capital Improvements	0	844,009	0	844,009
<i>Total Restricted</i>	0	844,009	530,601	1,374,610
<i>Assigned to</i>				
Extracurricular Activities	145,273	0	0	145,273
Purchases on Order:				
Instruction	34,732	0	0	34,732
Support Services	59,928	0	0	59,928
Fiscal Year 2024 Appropriations	300,147	0	0	300,147
<i>Total Assigned</i>	540,080	0	0	540,080
<i>Unassigned (Deficit)</i>	5,000,236	0	(250,234)	4,750,002
<i>Total Fund Balances</i>	\$5,550,752	\$844,009	\$280,864	\$6,675,625

Columbiana Exempted Village School District

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

Note 5 – Fund Deficits

At June 30, 2023, the following funds have deficit balances:

Nonmajor Funds:

Special Revenue Funds:

Title VI-B	\$37,355
Title I	212,879

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

Note 6 - Deposits and Investments

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

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

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

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

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

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

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

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

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

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

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

Columbiana Exempted Village School District

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2023

Investments

As of June 30, 2023, the School District had the following investments:

Measurement/Investment	Measurement Amount	Maturity	Standard and Poor's Rating	Percentage of Total Investments
Net Asset Value (NAV) per Share:				
Federated Treasury Obligations	\$69,860	Less than 1 year	AAAm	N/A
Fair Value - Level Two Inputs				
Negotiable Certificates of Deposit	1,322,541	Less than 1 year	N/A	62.86 %
Negotiable Certificates of Deposit	<u>711,535</u>	More than 1 year	N/A	33.82
Total Investments	<u><u>\$2,103,936</u></u>			

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

Interest Rate Risk As a means of limiting its exposure to fair value losses caused by rising interest rates, the School District's investment policy requires that operating funds be invested primarily in short-term investments maturing within five years from the date of purchase and that the School District's investment portfolio be structured so that securities mature to meet cash requirements for ongoing operations and/or long-term debt payments. The stated intent of the policy is to avoid the need to sell securities prior to maturity. State statute limits investments in repurchase agreements to 30 days and the market value of the securities must exceed the principal value of the agreement by at least 2 percent and be marked to market daily.

Credit Risk The Standard and Poor's ratings of the School Districts investments are listed in the table above. The federated treasury obligations fund carries a rating of AAAm and the negotiable certificates of deposit are unrated. The School District has no investment policy that addresses credit risk.

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

Columbiana Exempted Village School District

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

Note 7 - Property Taxes

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

Property taxes include amounts levied against all real property and public utility property located in the School District. Real property tax revenues received in calendar year 2023 represents collections of calendar year 2022 taxes. Real property taxes received in calendar year 2023 were levied after April 1, 2022, on the assessed value listed as of January 1, 2022, the lien date. Assessed values for real property are established by State law at thirty-five percent of appraised market value. Real property are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semi-annually, the first payment is due December 31 with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established.

Public utility property tax revenues received in calendar year 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 School District receives property taxes from Mahoning and Columbiana Counties. The County Auditor periodically advances to the School District its portion of the taxes collected. Second-half real property tax payments collected by the County by June 30, 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 were levied to finance current fiscal year operations are reported as revenue at fiscal year-end. The portion of the receivable not levied to finance current fiscal year operations is offset by a credit to deferred inflows of resources – property taxes. On the accrual basis, collectible delinquent property taxes have been recorded as a receivable and revenue while on the modified accrual basis the revenue has been reported as deferred inflows of resources – unavailable revenue.

The amount available as an advance at June 30, 2023 was \$200,399 in the general fund and \$46,023 in the permanent improvement capital projects fund. The amount available as an advance at June 30, 2022 was \$207,722 in the general fund and \$47,646 in the permanent improvement capital projects fund.

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	\$214,295,480	94.82 %	\$239,509,580	95.06 %
Public Utility Personal	11,698,050	5.18	12,436,270	4.94
Total	\$225,993,530	100.00 %	\$251,945,850	100.00 %
Tax rate per \$1,000 of assessed valuation	\$33.50		\$33.50	

Columbiana Exempted Village School District

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

Tax Abatements

The School District's property taxes were reduced by \$17,271 for fiscal year 2023 under a Community Reinvestment Area zone agreement entered into by Columbiana County.

Note 8 – Receivables

Receivables at June 30, 2023, consisted of taxes, intergovernmental grants and accounts. All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes, the stable condition of State programs, and the current fiscal year guarantee of federal funds. All receivables, except for delinquent property taxes, are expected to be collected within one year. Property taxes, although ultimately collectible, include some portion of delinquencies that will not be collected within one year. A summary of principal items of intergovernmental receivables follows:

<u>Governmental Activities</u>	<u>Amounts</u>
Elementary/Secondary School Emergency Relief	\$275,885
Title VI-B	274,202
Title I Grant	212,879
Miscellaneous State Grants	90,000
Medicaid Reimbursements	57,450
Reducing Class Size Grant	27,898
Title IV-A	10,900
Preschool Excess Costs	8,566
Preschool Grant	5,829
Reimbursement from ESC	5,319
Prior Year State Foundation Adjustments	4,320
Total	<u><u>\$973,248</u></u>

Note 9 – Income Tax

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

Columbiana Exempted Village School District

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

Note 10 - Risk Management

Property and Liability

The School District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During fiscal year 2023, the School District contracted with Liberty Mutual Insurance for various types of insurance. Coverage is as follows:

Coverage	Amount
Building and Contents - replacement cost (\$1,000 deductible)	\$47,923,450
Inland Marine Coverage (\$500 deductible)	100,000
Commercial Computer Coverage (\$500 deductible)	767,950
Automobile Liability (\$500 deductible)	1,000,000
General Liability:	
Per Occurrence	3,000,000
Aggregate	3,000,000
Commercial Umbrella Liability Policy	3,000,000

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

Employee Medical, Dental and Vision Benefits

The School District is a member of the Portage Area School Consortium (the "Consortium"), a risk sharing pool (see Note 17), through which a cooperative Health Benefit Program was created for the benefits of its members. The Health Benefit Program (the "Program") is an employee health benefit plan which covers the participating members' employees. The Consortium acts as a fiscal agent for the cash funds paid into the program by the participating school districts. These funds are pooled together for the purposes of paying health benefit claims of employees and their covered dependents, administrative expenses of the program and premiums for stop-loss insurance coverage. A reserve exists which is to cover any unpaid claims if the School District were to withdraw from the pool. If the reserve would not cover such claims, the School District would be liable for any costs above the reserve.

Worker's Compensation

For fiscal year 2023, the School District participated in the Better Business Bureau Workers' Compensation Group Rating Program (GRP), an insurance purchasing pool (Note 17). The intent of the GRP is to achieve the benefit of a reduced premium for the School District by virtue of its grouping and representation with other participants in the GRP. The workers' compensation experience of the participating school districts is calculated as one experience and a common premium rate is applied to all school districts in the GRP. Each participant pays its workers' compensation premium to the State based on the rate for the GRP rather than its individual rate. Participation in the GRP is limited to school districts that can meet the GRP's selection criteria. The firm of Sheakley UniService provides administrative, cost control, and actuarial services to the GRP.

Columbiana Exempted Village School District

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2023

Note 11 - Capital Assets

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

	Balance 6/30/22	Additions	Deletions	Balance 6/30/23
Governmental Activities				
<i>Capital Assets, not being depreciated:</i>				
Land	\$177,777	\$231,368	\$0	\$409,145
<i>Capital Assets, being depreciated:</i>				
Buildings and Improvements	19,287,864	530,570	0	19,818,434
Furniture and Equipment	650,681	121,771	0	772,452
Vehicles	788,188	200,210	0	988,398
Intangible Right to Use - Subscription	0	65,947	0	65,947
Intangible Right to Use Lease - Equipment	96,414	0	0	96,414
<i>Total Capital Assets, being depreciated</i>	20,823,147	918,498	0	21,741,645
<i>Less Accumulated Depreciation/Amortization:</i>				
Buildings and Improvements	(8,289,807)	(488,635)	0	(8,778,442)
Furniture and Equipment	(443,811)	(24,450)	0	(468,261)
Vehicles	(420,647)	(49,763)	0	(470,410)
Intangible Right to Use - Subscription**	0	(10,991)	0	(10,991)
Intangible Right to Use Lease - Equipment	(77,131)	0	0	(77,131)
<i>Total Accumulated Depreciation/Amortization</i>	(9,231,396)	(573,839) *	0	(9,805,235)
<i>Total Capital Assets, being depreciated, net</i>	11,591,751	344,659	0	11,936,410
Governmental Activities Capital Assets, Net	\$11,769,528	\$576,027	\$0	\$12,345,555

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

Instruction:	
Regular	\$343,704
Special	3,745
Support Services:	
Pupil	4,968
Instructional Staff	6,976
Administration	1,656
Fiscal	1,548
Operation and Maintenance of Plant	141,296
Pupil Transportation	49,764
Operation of Non-Instructional Services:	
Food Service Operations	4,547
Extracurricular Activities	15,635
Total Depreciation/Amortization Expense	\$573,839

Columbiana Exempted Village School District

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

** Of the current year depreciation/amortization total of \$573,839, \$10,991 is presented as regular instruction expense on the Statement of Activities related to the School District's intangible asset of subscription for software services, which is included as an Intangible Right to Use Subscription.

Note 12 – Defined Benefit Pension Plans

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

Net Pension Liability/Net OPEB Liability (Asset)

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

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

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

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

Columbiana Exempted Village School District

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

School Employees Retirement System (SERS)

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

Age and service requirements for retirement are as follows:

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

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

Annual retirement benefits are calculated based on final average salary multiplied by a percentage that varies based on years of service; 2.2 percent for the first 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 the years 2018, 2019, and 2020. The Retirement Board approved a 2.5 percent COLA for calendar year 2023.

Funding Policy – Plan members are required to contribute 10 percent of their annual covered salary and the School District is required to contribute 14 percent of annual covered payroll. The contribution requirements of plan members and employers are established and may be amended by the SERS’ Retirement Board up to statutory maximum amounts of 10 percent for plan members and 14 percent for employers. The Retirement Board, acting with the advice of the actuary, allocates the employer contribution rate among four of the System’s funds (Pension Trust Fund, Death Benefit Fund, Medicare B Fund, and Health Care Fund). For the fiscal year ended June 30, 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 School District’s contractually required contribution to SERS was \$211,162 for fiscal year 2023. Of this amount \$26,317 is reported as an intergovernmental payable.

Columbiana Exempted Village School District

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

State Teachers Retirement System (STRS)

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

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

The DB plan offers an annual retirement allowance based on final average salary multiplied by a percentage that varies based on years of service. Effective August 1, 2015, the calculation is 2.2 percent of final average salary for the five highest years of earnings multiplied by all years of service. In April 2017, the Retirement Board made the decision to reduce COLA granted on or after July 1, 2017, to 0 percent upon a determination by its actuary that it was necessary to preserve the fiscal integrity of the retirement system. Benefit recipients' base benefit and past cost-of living increases are not affected by this change. Effective July 1, 2022, an ad-hoc COLA of 3 percent of the base benefit was granted to eligible benefit recipients to begin on the anniversary of their retirement benefit in fiscal year 2023 as long as they retired prior to July 1, 2018. Eligibility changes will be phased in until August 1, 2023, 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, 2023, when retirement eligibility will be five years of qualifying service credit and age 60, or 30 years of service credit regardless of age.

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

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

Columbiana Exempted Village School District

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

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

A DB or Combined Plan member with five or more years of credited service who is determined to be disabled may qualify for a disability benefit. New members on or after July 1, 2013, must have at least ten years of qualifying service credit that apply for disability benefits. Members in the DC Plan who become disabled are entitled only to their account balance. Eligible survivors of members who die before service retirement may qualify for monthly benefits. If a member of the DC Plan dies before retirement benefits begin, the member's designated beneficiary is entitled to receive the member's account balance.

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

The School District's contractually required contribution to STRS was \$845,717 for fiscal year 2023. Of this amount \$117,374 is reported as an intergovernmental payable.

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

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

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Proportion of the Net Pension Liability:			
Current Measurement Date	0.03544940%	0.04368193%	
Prior Measurement Date	<u>0.03535540%</u>	<u>0.04049645%</u>	
Change in Proportionate Share	<u>0.00009400%</u>	<u>0.00318548%</u>	
Proportionate Share of the Net			
Pension Liability	\$1,917,379	\$9,710,548	\$11,627,927
Pension Expense	\$114,530	\$1,165,973	\$1,280,503

Columbiana Exempted Village School District

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2023

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

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Deferred Outflows of Resources			
Differences between expected and actual experience	\$77,655	\$124,308	\$201,963
Changes of assumptions	18,919	1,162,060	1,180,979
Net difference between projected and actual earnings on pension plan investments	0	337,906	337,906
Changes in proportionate share and difference between School District contributions and proportionate share of contributions	4,618	523,056	527,674
School District contributions subsequent to the measurement date	<u>211,162</u>	<u>845,717</u>	<u>1,056,879</u>
Total Deferred Outflows of Resources	<u>\$312,354</u>	<u>\$2,993,047</u>	<u>\$3,305,401</u>
Deferred Inflows of Resources			
Differences between expected and actual experience	\$12,587	\$37,146	\$49,733
Changes of assumptions	0	874,698	874,698
Net difference between projected and actual earnings on pension plan investments	66,908	0	66,908
Changes in proportionate share and Difference between School District contributions and proportionate share of contributions	<u>0</u>	<u>352,513</u>	<u>352,513</u>
Total Deferred Inflows of Resources	<u>\$79,495</u>	<u>\$1,264,357</u>	<u>\$1,343,852</u>

\$1,056,879 reported as deferred outflows of resources related to pension resulting from School District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the fiscal year ending June 30, 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:

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Fiscal Year Ending June 30:			
2024	\$10,973	\$102,770	\$113,743
2025	(4,886)	30,273	25,387
2026	(95,579)	(234,877)	(330,456)
2027	<u>111,189</u>	<u>984,807</u>	<u>1,095,996</u>
Total	<u>\$21,697</u>	<u>\$882,973</u>	<u>\$904,670</u>

Actuarial Assumptions - SERS

SERS' total pension liability was determined by their actuaries in accordance with GASB Statement No. 67, as part of their annual actuarial valuation for each defined benefit retirement plan. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts (e.g., salaries, credited service) and assumptions about the probability of occurrence of events far into the future (e.g., mortality, disabilities,

Columbiana Exempted Village School District

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

retirements, employment termination). Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future.

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

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

Key methods and assumptions used in calculating the total pension liability in the latest actuarial valuation, prepared as of June 30, 2022, are presented below:

	<u>June 30, 2022</u>
Inflation	2.4 percent
Future Salary Increases, including inflation COLA or Ad Hoc COLA	3.25 percent to 13.58 percent 2.0 percent, on or after April 1, 2018, COLAs for future retirees will be delayed for three years following commencement
Investment Rate of Return	7.00 percent net of System expenses
Actuarial Cost Method	Entry Age Normal (Level Percent of Payroll)

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.

Columbiana Exempted Village School District

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

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

Discount Rate The total pension liability for 2022 was calculated using the discount rate of 7.00 percent. The projection of cash flows used to determine the discount rate assumed the contributions from employers and from the members would be computed based on contribution requirements as stipulated by State statute. Projected inflows from investment earnings were calculated using the long-term assumed investment rate of return (7.00 percent). Based on those assumptions, the plan's fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefits to determine the total pension liability.

Sensitivity of the School District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate Net pension liability is sensitive to changes in the discount rate, and to illustrate the potential impact the following table presents the net pension liability calculated using the discount rate of 7.00 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 (6.00 percent), or one percentage point higher (8.00 percent) than the current rate.

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
School District's proportionate share of the net pension liability	\$2,822,291	\$1,917,379	\$1,155,004

Actuarial Assumptions – STRS

Key methods and assumptions used in the June 30, 2022, actuarial valuation are presented below:

	June 30, 2022
Inflation	2.50 percent
Salary increases	From 2.5 percent to 12.5 percent based on age
Investment Rate of Return	7.00 percent, net of investment expenses, including inflation
Discount Rate of Return	7.00 percent
Payroll Increases	3.00 percent
Cost-of-Living Adjustments (COLA)	0.0 percent, effective July 1, 2017

Columbiana Exempted Village School District

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

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

For 2021, post-retirement mortality rates are based on RP-2014 Annuitant Mortality Table with 50 percent of rates through age 69, 70 percent of rates between ages 70 and 79, 90 percent of rates between ages 80 and 84, and 100 percent of rates, thereafter, projected forward generationally using mortality improvement scale MP-2016. Pre-retirement mortality rates are based on RP-2014 Employee Mortality Table, projected forward generationally using mortality improvement scale MP-2016. Post-retirement disabled mortality rates are based on the RP-2014 Disabled Mortality Table with 90 percent of rates for males and 100 percent of rates for females, projected forward generationally using mortality improvement scale MP-2016.

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

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

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

* Target allocation percentage is effective 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' investment consultant indicates that the above target allocations should generate a return above the actuarial rate of return, without net value added by management.

Columbiana Exempted Village School District

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

Discount Rate The discount rate used to measure the total pension liability was 7.00 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 7.00 percent was applied to all periods of projected benefit payment to determine the total pension liability as of June 30, 2022.

Sensitivity of the School District’s Proportionate Share of the Net Pension Liability to Changes in the Discount Rate The following table presents the School District’s proportionate share of the net pension liability calculated using the current period discount rate assumption of 7.00 percent, as well as what the School District’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is one-percentage-point lower (6.00 percent) or one-percentage-point higher (8.00 percent) than the current rate:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
School District’s proportionate share of the net pension liability	\$14,669,103	\$9,710,548	\$5,517,146

Note 13 - Defined Benefit OPEB Plans

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

School Employees Retirement System (SERS)

Health Care Plan Description - The School District contributes to the SERS Health Care Fund, administered by SERS for non-certificated retirees and their beneficiaries. For GASB 75 purposes, this plan is considered a cost-sharing other postemployment benefit (OPEB) plan. SERS’ Health Care Plan provides healthcare benefits to eligible individuals receiving retirement, disability, and survivor benefits, and to their eligible dependents. Members who retire after June 1, 1986, need 10 years of service credit, exclusive of most types of purchased credit, to qualify to participate in SERS’ health care coverage. The following types of credit purchased after January 29, 1981 do not count toward health care coverage eligibility: military, federal, out-of-state, municipal, private school, exempted, and early retirement incentive credit. In addition to age and service retirees, disability benefit recipients and beneficiaries who are receiving monthly benefits due to the death of a member or retiree, are eligible for SERS’ health care coverage. Most retirees and dependents choosing SERS’ health care coverage are over the age of 65 and therefore enrolled in a fully insured Medicare Advantage plan; however, SERS maintains a traditional, self-insured preferred provider organization for its non-Medicare retiree population. For both groups, SERS offers a self-insured prescription drug program. Health care is a benefit that is permitted, not mandated, by statute. The financial report of the Plan is included in the SERS Annual Comprehensive Financial Report which can be obtained on SERS’ website at www.ohsers.org under Employers/Audit Resources.

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

Funding Policy - State statute permits SERS to fund the health care benefits through employer contributions. Each year, after the allocation for statutorily required pensions and benefits, the Retirement Board may allocate the remainder of the employer contribution of 14 percent of covered payroll to the Health Care Fund in accordance with the funding policy. For 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 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 School District's surcharge obligation was \$26,816.

The surcharge, added to the allocated portion of the 14 percent employer contribution rate is the total amount assigned to the Health Care Fund. The School District's contractually required contribution to SERS was \$26,816 for fiscal year 2023. Of this amount \$26,816 is reported as an intergovernmental payable.

State Teachers Retirement System (STRS)

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

Funding Policy – Ohio Revised Code Chapter 3307 authorizes STRS to offer the Plan and gives the Retirement Board discretionary authority over how much, if any, of the health care costs will be absorbed by STRS. Active employee members do not contribute to the Health Care Plan. All benefit recipients pay a portion of the health care costs in the form of a monthly premium. Under Ohio law, funding for 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.

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

	SERS	STRS	Total
Proportion of the Net OPEB Liability/Asset:			
Current Measurement Date	0.03598650%	0.04368193%	
Prior Measurement Date	0.03639060%	0.04049645%	
Change in Proportionate Share	-0.00040410%	0.00318548%	
Proportionate Share of the:			
Net OPEB Liability	\$505,255	\$0	\$505,255
Net OPEB (Asset)	\$0	(\$1,131,071)	(\$1,131,071)
OPEB Expense	(\$42,360)	(\$187,707)	(\$230,067)

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

	SERS	STRS	Total
Deferred Outflows of Resources			
Differences between expected and actual experience	\$4,248	\$16,397	\$20,645
Changes of assumptions	80,367	48,180	128,547
Net difference between projected and actual earnings on OPEB plan investments	2,626	19,689	22,315
Changes in proportionate Share and difference between School District contributions and proportionate share of contributions	25,539	25,045	50,584
School District contributions subsequent to the measurement date	26,816	0	26,816
Total Deferred Outflows of Resources	\$139,596	\$109,311	\$248,907
Deferred Inflows of Resources			
Differences between expected and actual experience	\$323,198	\$169,865	\$493,063
Changes of assumptions	207,410	802,038	1,009,448
Changes in Proportionate Share and Difference between School District contributions and proportionate share of contributions	46,208	16,236	62,444
Total Deferred Inflows of Resources	\$576,816	\$988,139	\$1,564,955

Columbiana Exempted Village School District

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\$26,816 reported as deferred outflows of resources related to OPEB resulting from School District contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability or an increase to the net OPEB asset in the fiscal year ending June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Fiscal Year Ending June 30:	SERS	STRS	Total
2024	(\$109,463)	(\$243,303)	(\$352,766)
2025	(105,224)	(262,127)	(367,351)
2026	(87,278)	(121,235)	(208,513)
2027	(56,418)	(50,886)	(107,304)
2028	(40,986)	(66,683)	(107,669)
Thereafter	(64,667)	(134,594)	(199,261)
Total	(\$464,036)	(\$878,828)	(\$1,342,864)

Actuarial Assumptions - SERS

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

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

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

Key methods and assumptions used in calculating the total OPEB liability in the latest actuarial valuation date of June 30, 2022, are presented below:

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	June 30, 2022
Inflation	2.40 percent
Future Salary Increases, including inflation Wage Increases	3.25 percent to 13.58 percent
Investment Rate of Return	7.00 percent net of investment expense, including inflation
Fiduciary Net Position is Projected to be Depleted	2044
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
Health Care Cost Trend Rate	
Medicare	5.125 to 4.40 percent
Pre-Medicare	6.75 to 4.40 percent
Medical Trend Assumption	7.00 to 4.40 percent

Mortality rates among healthy retirees were based on the 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 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. Mortality rates for contingent survivors were based on PUB-2010 General Amount Weighted Below Median Contingent Survivor mortality table projected to 2017 with ages set forward 1 year and adjusted 105.5 percent for males and adjusted 122.5 percent for females. Mortality rates for actives is based on PUB-2010 General Amount Weighted Below Median Employee mortality table.

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 in 2021. Several factors are considered in evaluating the long-term rate of return assumption including long-term historical data, estimates inherent in current market data, and a long-normal distribution analysis in which best-estimate ranges of expected future real rates of return were developed by the investment consultant for each major asset class. These ranges were combined to produce the long-term expected rate of return, 7.00 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.

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The SERS health care plan follows the same asset allocation and long-term expected real rate of return for each major asset class as the pension plan, see Note 12.

Discount Rate The discount rate used to measure the total OPEB liability at June 30, 2022 was 4.08 percent. The discount rate used to measure total OPEB liability prior to June 30, 2021, 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 contribution rate of 1.50 percent of projected covered payroll each year, which includes a 1.50 percent payroll surcharge and no contributions from the basic benefits plan. Based on these assumptions, the OPEB plan's fiduciary net position was projected to become insufficient to make all projected future benefit payments of current System members by SERS actuaries. The Municipal Bond Index Rate is used in the determination of the SEIR for both the June 30, 2022, and the June 30, 2021 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 School District's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate and Changes in the Health Care Cost Trend Rates The net OPEB liability is sensitive to changes in the discount rate and the health care cost trend rate. The following table presents the net OPEB liability 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 (6.00% decreasing to 3.40%) and higher (8.00% decreasing to 5.40%) than the current rate.

	1% Decrease (3.08%)	Current Discount Rate (4.08%)	1% Increase (5.08%)
School District's proportionate share of the net OPEB liability	\$627,533	\$505,255	\$406,542
		Current Trend Rate	
	1% Decrease (6.00% decreasing to 3.40%)	(7.00% decreasing to 4.40%)	1% Increase (8.00% decreasing to 5.40%)
School District's proportionate share of the net OPEB liability	\$389,642	\$505,255	\$656,263

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*Notes to the Basic Financial Statements
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Actuarial Assumptions – STRS

Key methods and assumptions used in the June 30, 2022, actuarial valuation are presented below:

	June 30, 2022	June 30, 2021
Projected salary increases	Varies by service from 2.5 percent to 8.5 percent	Varies by age from 2.5 percent to 12.50 percent
Investment Rate of Return	7.00 percent, net of investment expenses, including inflation	7.00 percent, net of investment expenses, including inflation
Payroll Increases	3 percent	3 percent
Discount Rate of Return	7.00 percent	7.00 percent
Health Care Cost Trends		
Medical		
Pre-Medicare	7.50 percent initial 3.94 percent ultimate	5.00 percent initial 4 percent ultimate
Medicare	-68.78 percent initial 3.94 percent ultimate	-16.18 percent initial 4 percent ultimate
Prescription Drug		
Pre-Medicare	9.00 percent initial 3.94 percent ultimate	6.50 percent initial 4 percent ultimate
Medicare	-5.47 percent initial 3.94 percent ultimate	29.98 percent initial 4 percent ultimate

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

For 2022, healthy retirees post-retirement mortality rates are based on the Pub-2010 Teachers Healthy Annuitant Mortality Table, adjusted 110 percent for males, projected forward generationally using mortality improvement scale MP-2020; pre-retirement mortality rates are based on Pub-2010 Teachers Employee Table adjusted 95 percent for females, projected forward generationally using mortality improvement scale MP-2020. For disabled retirees, mortality rates are based on the Pub-2010 Teachers Disabled Annuitant Table projected forward generationally using mortality improvement scale MP-2020.

For 2021, 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. An actuarial experience study is done on a quinquennial basis.

The STRS health care plan follows the same asset allocation and long-term expected real rate of return for each major asset class as the pension plan, see Note 12.

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Discount Rate The discount rate used to measure the total OPEB liability was 7.00 percent as of June 30, 2022. The projection of cash flows used to determine the discount rate assumed STRS continues to allocate no employer contributions to the health care fund. Based on 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 7.00 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 7.00 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 (6.00 percent) or one percentage point higher (8.00 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.

	<u>1% Decrease (6.00%)</u>	<u>Current Discount Rate (7.00%)</u>	<u>1% Increase (8.00%)</u>
School District's proportionate share of the net OPEB (asset)	(\$1,045,645)	(\$1,131,071)	(\$1,204,245)

	<u>1% Decrease</u>	<u>Current Trend Rate</u>	<u>1% Increase</u>
School District's proportionate share of the net OPEB (asset)	(\$1,173,195)	(\$1,131,071)	(\$1,077,898)

Note 14 - Other Employee Benefits

Compensated Absences

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

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

Life Insurance

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

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Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2023

Social Security System

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

Note 15 - Long-Term Obligations

Changes in long-term obligations of the School District during fiscal year 2023 were as follows:

	Principal Outstanding 06/30/22	Additions	Deductions	Principal Outstanding 06/30/23	Amount Due in One Year
Governmental Activities					
Certificates of Participation (COP)					
2011 COP					
Tax Exempt Term COP 3.9%	315,000	0	(140,000)	175,000	175,000
Discount on COP	(641)	0	320	(321)	0
<i>Total 2011 COP</i>	<u>314,359</u>	<u>0</u>	<u>(139,680)</u>	<u>174,679</u>	<u>175,000</u>
2014 Refunding COP					
Current Interest Serial COP 3.125 - 4.00%	1,300,000	0	0	1,300,000	0
Current Interest Term COP 1.00 - 4.50%	4,035,000	0	(20,000)	4,015,000	20,000
Discount on COP	(48,613)	0	2,946	(45,667)	0
<i>Total 2014 COP</i>	<u>5,286,387</u>	<u>0</u>	<u>(17,054)</u>	<u>5,269,333</u>	<u>20,000</u>
2019 Refunding COP					
Current Interest Serial COP 2.97%	4,917,000	0	(553,000)	4,364,000	614,000
<i>Total Certificates of Participation</i>	<u>10,517,746</u>	<u>0</u>	<u>(709,734)</u>	<u>9,808,012</u>	<u>809,000</u>
Other Long-term Obligations					
Net Pension Liability					
STRS	5,177,834	4,532,714	0	9,710,548	0
SERS	1,304,512	612,867	0	1,917,379	0
Total Net Pension Liability	<u>6,482,346</u>	<u>5,145,581</u>	<u>0</u>	<u>11,627,927</u>	<u>0</u>
Net OPEB Liability					
SERS	688,722	0	(183,467)	505,255	0
2011 Qualified School Construction Bonds 6.25%	257,337	0	(64,333)	193,004	64,334
2012 Limited Tax General Obligation Bonds 2.6%	70,000	0	(10,000)	60,000	10,000
Lease Payable	39,379	0	(20,843)	18,536	18,536
Subscription Payable	0	65,947	(65,947)	0	0
Compensated Absences	830,464	73,910	(43,083)	861,291	49,119
<i>Total Other Long-term Obligations</i>	<u>8,368,248</u>	<u>5,285,438</u>	<u>(387,673)</u>	<u>13,266,013</u>	<u>141,989</u>
<i>Total Governmental Activities</i>	<u>\$18,885,994</u>	<u>\$5,285,438</u>	<u>(\$1,097,407)</u>	<u>\$23,074,025</u>	<u>\$950,989</u>

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

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

The term certificates in the amount of \$175,000 due at the stated maturity on December 1, 2023 are subject to mandatory sinking fund redemption at a redemption price of 100 percent of the principal amount to be redeemed, plus accrued interest to the date of redemption.

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

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

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

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

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

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

The compensated absences will be paid from the general fund and the food service, auxiliary services, title VI-B and title I special revenue funds. The certificates of participation are being paid from the permanent improvement capital projects fund. The lease payable will be paid from the general fund. The subscription payable was paid out of the elementary/secondary school emergency relief special revenue fund. There are no repayment schedules for the net pension liability and net OPEB liability. However, employer pension and

Columbiana Exempted Village School District

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OPEB contributions are made from the following funds: general, food service and auxiliary services. For additional information related to the net pension and net OPEB liabilities see Notes 12 and 13.

The overall debt margin of the School District as of June 30, 2023 was \$22,485,632 with an unvoted debt margin of \$251,946. Principal and interest requirements to retire the certificates of participation, the qualified school construction bonds and the limited tax general obligation bonds outstanding at June 30, 2023 are as follows:

Fiscal Year Ending June 30	2019 Refunding Certificates of Participation		2011 Certificates of Participation	
	Current Interest Serial		Current Interest Serial	
	Principal	Interest	Principal	Interest
2024	\$614,000	\$120,494	\$175,000	\$3,413
2025	654,000	101,664	0	0
2026	698,000	81,585	0	0
2027	756,000	59,994	0	0
2028	796,000	36,947	0	0
2029	846,000	12,563	0	0
Total	\$4,364,000	\$413,247	\$175,000	\$3,413

Fiscal Year Ending June 30	2014 Certificates of Participation				
	Current Interest Serial		Current Interest Term		Total
	Principal	Interest	Principal	Interest	
2024	\$0	\$46,140	\$20,000	\$172,668	\$238,808
2025	215,000	42,781	0	172,368	430,149
2026	230,000	35,626	0	172,369	437,995
2027	260,000	27,281	0	172,369	459,650
2028	285,000	17,566	0	172,369	474,935
2029-2033	310,000	6,200	1,400,000	748,275	2,464,475
2034-2038	0	0	2,115,000	350,010	2,465,010
2039	0	0	480,000	10,800	490,800
Total	\$1,300,000	\$175,594	\$4,015,000	\$1,971,228	\$7,461,822

Fiscal Year Ending June 30	2011 Qualified School Construction Bonds			
	Principal	Interest	Subsidy	Sinking Fund Payment
	2024	\$0	\$60,313	(\$53,171)
2025	0	60,313	(53,171)	64,335
2026	965,000	30,156	(26,586)	(900,665)
Total	\$965,000	\$150,782	(\$132,928)	(\$771,996)

Columbiana Exempted Village School District

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

Fiscal Year Ending June 30	General Obligation Bonds	
	Limited Tax	
	Principal	Interest
2024	\$10,000	\$1,430
2025	10,000	1,170
2026	10,000	910
2027	15,000	585
2028	15,000	195
Total	<u>\$60,000</u>	<u>\$4,290</u>

The School District has outstanding agreement to lease copiers. The future lease payments were discounted based on the interest rate implicit in the lease or using the School District's incremental borrowing rate. This discount is being amortized using the interest method over the life of the lease. As of June 30, 2023, there was principal of \$18,536 and interest of \$610 remaining on the lease.

Note 16 - Jointly Governed Organizations

Columbiana County Career and Technical Center

The Columbiana County Career and Technical Center (the "Center") is a distinct political subdivision of the State of Ohio. The Center is operated under the direction of a Board, consisting of one representative from each of the eight participating school districts' elected boards, which possesses its own budgeting and taxing authority. The degree of control exercised by any participating school district is limited to its representation on the Board. For fiscal year 2023, the School District did not make any contribution to the Center. To obtain financial information, write to the Columbiana County Career and Technical Center, Office of the Treasurer, at 9364 State Route 45, Lisbon, Ohio 44432.

Access Council of Governments

The Access Council of Governments (COG) is a computer network which provides data services to twenty-six school districts in Columbiana and Mahoning, two educational services center, twenty non-public schools and two special education regional resources center. The jointly governed organization was formed for the purpose of applying modern technology with the aid of computers and other electronic equipment to administrative and instructional functions among the member districts. Each of the governments of these schools supports COG based upon a per pupil charge. Columbiana Exempted Village School District paid \$55,288 to the COG during fiscal year 2023. COG is governed by an assembly consisting of the superintendents or other designees of the member school districts. The assembly exercises total control over the operation of COG including budgeting, appropriating, contracting and designating management. The degree of control exercised by any participating school district is limited to its representation on the Board. All of COG revenues are generated from charges for services and State funding. Financial information can be obtained by contacting Brian Stidham, Treasurer, Access Council of Governments, 493 Bev Road, Unit 1, Boardman, Ohio 44514.

Columbiana Exempted Village School District

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

Note 17 – Public Entity Risk Pools

Insurance Purchasing Pool

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

Risk Sharing Pool

The Portage Area School Consortium (the "Consortium") was established in 1981 so that 12 educational-service providers in Portage County could manage risk exposures and purchase necessary insurance coverage as a group. As of June 30, 2023, there were 26 educational service providers participating in the health and welfare pool. The Health and Welfare Trust is organized under the provisions of Section 501(c)(9) of the Internal Revenue Code. Its purpose is to facilitate the management of risks associated with providing employee benefits coverage such as health insurance, disability insurance and life insurance. A third party administrator is retained by the consortium to facilitate the operation of the Health and Welfare Trust. The School District pays all insurance premiums directly to the consortium. Also, the insurance agreement with Portage County School Consortium provides that the Consortium will reinsure through commercial companies for claims over \$300,000 per employee. Although the School District does not participate in the day-to-day management of the Consortium, one of its administrators serves as a trustee of the Consortium's governing Board as provided in the Consortium's enabling authority. The Field Local School District acts as the fiscal agent for the consortium. To obtain financial information, write to the Field Local School District, Todd Carpenter, who serves as Treasurer, at 2900 State Route 43, Mogadore, Ohio 44260.

Note 18 – Related Organization

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

Columbiana Exempted Village School District

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

Note 19 – Contingencies

Grants

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

School 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 are finalized which did not result in a material receivable to, or liability of, the School District.

Litigation

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

Note 20 - Set-Asides

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

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

Set-Aside Balance as	
of June 30, 2022	\$0
Current Year Set-aside Requirement	226,643
Current Year Offset	(296,225)
Qualifying Disbursements	<u>(1,173,885)</u>
Total	<u><u>(\$1,243,467)</u></u>
Set-aside Balance as of June 30, 2023	
and Carried Forward to Future Fiscal Years	<u><u>\$0</u></u>

Columbiana Exempted Village School District

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

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

Note 21 – Interfund Balances

Interfund balances at June 30, 2023, consist of the following individual fund receivables and payables:

Interfund Payable	Interfund Receivable General
Other Governmental Funds:	
Miscellaneous State Grants	\$90,000
Elementary/Secondary School Emergency Relief	275,885
Title VI-B	236,849
Title I	173,329
Title IV-A	10,900
Preschool Grant	5,829
Reducing Class Size	27,898
Total	<u>\$820,690</u>

The interfund receivable/payables are due to advances made from the general fund to cover deficit cash balances in the special revenue funds. Advances will be repaid within one year.

Note 22 – Encumbrances

Encumbrances are commitments related to unperformed contracts for goods or services. Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. At fiscal year end the amount of encumbrances expected to be honored upon performance by the vendor in the next fiscal year were as follows:

General	\$109,971
Other Governmental Funds	<u>281,700</u>
Total Governmental Funds	<u><u>\$391,671</u></u>

Note 23 – 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 2021 while the national state of emergency ended in April 2023. During fiscal year 2023, the School District received COVID-19 funding. The School District will continue to spend available COVID-19 funding consistent with the applicable program guidelines.

Columbiana Exempted Village School District

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

Note 24 – Change in Accounting Principle

For fiscal year 2023, the School District implemented Governmental Accounting Standards Board (GASB) No. 91, *Conduit Debt Obligations*, 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*.

GASB 91 clarifies the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures. The School District did not have any debt that met the definition of conduit debt.

GASB Statement 94 improves financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). This Statement also provides guidance for accounting and financial reporting for availability payment arrangements (APAs). The School District did not have any arrangements that met the GASB 94 definition of a PPP or an APA.

GASB Statement 96 provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). These changes were incorporated in the School District's 2023 financial statements. The School District had one long-term contract that met the GASB 96 definition of a SBITA for fiscal year 2023.

GASB Statement 99 addresses various issues including items related to leases, PPPs, and SBITAs. The requirements related to PPPs and SBITAs were incorporated with the corresponding GASB 94 and GASB 96 changes identified above.

Required Supplementary Information

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

	2023	2022	2021	2020
School District's Proportion of the Net Pension Liability	0.03544940%	0.03535540%	0.03526360%	0.03396320%
School District's Proportionate Share of the Net Pension Liability	\$1,917,379	\$1,304,512	\$2,332,410	\$2,032,079
School District's Covered Payroll	\$1,285,193	\$1,225,957	\$1,244,350	\$1,165,126
School District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered - Payroll	149.19%	106.41%	187.44%	174.41%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	75.82%	82.86%	68.55%	70.85%

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

See accompanying notes to the required supplementary information

2019	2018	2017	2016	2015	2014
0.03577140%	0.03654780%	0.03500050%	0.03337010%	0.03137700%	0.03137700%
\$2,048,695	\$2,183,651	\$2,561,712	\$1,904,130	\$1,587,972	\$1,865,889
\$1,086,141	\$1,171,379	\$1,117,829	\$1,004,421	\$914,686	\$920,542
188.62%	186.42%	229.17%	189.57%	173.61%	202.69%
71.36%	69.50%	62.98%	69.16%	71.70%	65.52%

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

	2023	2022	2021	2020
School District's Proportion of the Net OPEB Liability	0.03598650%	0.03639060%	0.03640590%	0.03458650%
School District's Proportionate Share of the Net OPEB Liability	\$505,255	\$688,722	\$791,221	\$869,778
School District's Covered Payroll	\$1,285,193	\$1,225,957	\$1,244,350	\$1,165,126
School District's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered - Payroll	39.31%	56.18%	63.59%	74.65%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	30.34%	24.08%	18.17%	15.57%

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

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

See accompanying notes to the required supplementary information

2019	2018	2017
0.03599950%	0.03683040%	0.03518110%
\$998,724	\$988,432	\$1,002,791
\$1,086,141	\$1,171,379	\$1,117,829
91.95%	84.38%	89.71%
13.57%	12.46%	11.49%

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

	2023	2022	2021	2020
School District's Proportion of the Net Pension Liability	0.04368193%	0.04049645%	0.04315966%	0.04228592%
School District's Proportionate Share of the Net Pension Liability	\$9,710,548	\$5,177,834	\$10,443,102	\$9,351,277
School District's Covered Payroll	\$5,723,329	\$5,170,343	\$5,236,779	\$4,995,893
School District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered - Payroll	169.67%	100.14%	199.42%	187.18%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	78.90%	87.80%	75.50%	77.40%

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

See accompanying notes to the required supplementary information

2019	2018	2017	2016	2015	2014
0.04177949%	0.04284207%	0.03986096%	0.03982090%	0.03896857%	0.03896857%
\$9,186,372	\$10,177,226	\$13,342,665	\$11,005,332	\$9,478,505	\$11,290,733
\$4,776,971	\$4,597,007	\$4,275,771	\$4,167,507	\$3,981,736	\$3,855,523
192.31%	221.39%	312.05%	264.07%	238.05%	292.85%
77.30%	75.30%	66.80%	72.10%	74.70%	69.30%

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

	2023	2022	2021
School District's Proportion of the Net OPEB Liability/Asset	0.04368193%	0.04049645%	0.04315966%
School District's Proportionate Share of the Net OPEB (Asset) Liability	(\$1,131,071)	(\$853,834)	(\$758,532)
School District's Covered Payroll	\$5,723,329	\$5,170,343	\$5,236,779
School District's Proportionate Share of the Net OPEB (Asset) Liability as a Percentage of its Covered - Payroll	-19.76%	-16.51%	-14.48%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	230.70%	174.70%	182.10%

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

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

See accompanying notes to the required supplementary information

2020	2019	2018	2017
0.04228592%	0.04177949%	0.04284207%	0.03986096%
(\$700,357)	(\$671,353)	\$1,671,538	\$2,131,775
\$4,995,893	\$4,776,971	\$4,597,007	\$4,275,771
-14.02%	-14.05%	36.36%	49.86%
174.70%	176.00%	47.10%	37.30%

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

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Net Pension Liability				
Contractually Required Contribution	\$211,162	\$179,927	\$171,634	\$174,209
Contributions in Relation to the Contractually Required Contribution	<u>(211,162)</u>	<u>(179,927)</u>	<u>(171,634)</u>	<u>(174,209)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
School District Covered Payroll (1)	\$1,508,300	\$1,285,193	\$1,225,957	\$1,244,350
Pension Contributions as a Percentage of Covered Payroll	<u>14.00%</u>	<u>14.00%</u>	<u>14.00%</u>	<u>14.00%</u>
Net OPEB Liability				
Contractually Required Contribution (2)	\$26,816	\$22,167	\$23,076	\$22,503
Contributions in Relation to the Contractually Required Contribution	<u>(26,816)</u>	<u>(22,167)</u>	<u>(23,076)</u>	<u>(22,503)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
OPEB Contributions as a Percentage of Covered Payroll	<u>1.78%</u>	<u>1.72%</u>	<u>1.88%</u>	<u>1.81%</u>
Total Contributions as a Percentage of Covered Payroll (2)	<u>15.78%</u>	<u>15.72%</u>	<u>15.88%</u>	<u>15.81%</u>

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

(2) Includes Surcharge

See accompanying notes to the required supplementary information

2019	2018	2017	2016	2015	2014
\$157,292	\$146,629	\$163,993	\$156,496	\$132,383	\$126,775
(157,292)	(146,629)	(163,993)	(156,496)	(132,383)	(126,775)
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$1,165,126	\$1,086,141	\$1,171,379	\$1,117,829	\$1,004,421	\$914,686
<u>13.50%</u>	<u>13.50%</u>	<u>14.00%</u>	<u>14.00%</u>	<u>13.18%</u>	<u>13.86%</u>
\$25,910	\$23,589	\$18,884	\$16,566	\$23,723	\$15,441
(25,910)	(23,589)	(18,884)	(16,566)	(23,723)	(15,441)
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<u>2.22%</u>	<u>2.17%</u>	<u>1.61%</u>	<u>1.48%</u>	<u>2.36%</u>	<u>1.69%</u>
<u>15.72%</u>	<u>15.67%</u>	<u>15.61%</u>	<u>15.48%</u>	<u>15.54%</u>	<u>15.55%</u>

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

	2023	2022	2021	2020
Net Pension Liability				
Contractually Required Contribution	\$845,717	\$801,266	\$723,848	\$733,149
Contributions in Relation to the Contractually Required Contribution	<u>(845,717)</u>	<u>(801,266)</u>	<u>(723,848)</u>	<u>(733,149)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
School District Covered Payroll (1)	\$6,040,836	\$5,723,329	\$5,170,343	\$5,236,779
Pension Contributions as a Percentage of Covered Payroll	<u>14.00%</u>	<u>14.00%</u>	<u>14.00%</u>	<u>14.00%</u>
Net OPEB Liability				
Contractually Required Contribution	\$0	\$0	\$0	\$0
Contributions in Relation to the Contractually Required Contribution	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
OPEB Contributions as a Percentage of Covered Payroll	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>
Total Contributions as a Percentage of Covered Payroll	<u>14.00%</u>	<u>14.00%</u>	<u>14.00%</u>	<u>14.00%</u>

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

See accompanying notes to the required supplementary information

2019	2018	2017	2016	2015	2014
\$699,425	\$668,776	\$643,581	\$598,608	\$583,451	\$517,626
(699,425)	(668,776)	(643,581)	(598,608)	(583,451)	(517,626)
\$0	\$0	\$0	\$0	\$0	\$0
\$4,995,893	\$4,776,971	\$4,597,007	\$4,275,771	\$4,167,507	\$3,981,736
14.00%	14.00%	14.00%	14.00%	14.00%	13.00%
\$0	\$0	\$0	\$0	\$0	\$39,817
0	0	0	0	0	(39,817)
\$0	\$0	\$0	\$0	\$0	\$0
0.00%	0.00%	0.00%	0.00%	0.00%	1.00%
14.00%	14.00%	14.00%	14.00%	14.00%	14.00%

Columbiana Exempted Village School District

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

Net Pension Liability

Changes in Assumptions – SERS

Beginning in fiscal year 2018, on each anniversary of the initial retirement, the allowance of all retirees and survivors may be increased by 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. The COLA was suspended for 2018-2020. Prior to 2018, an assumption of 3 percent was used.

Amounts reported in 2022 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 prior years are presented below:

	<u>Fiscal Year 2022</u>	<u>Fiscal Years 2021-2017</u>	<u>Fiscal Year 2016 and Prior</u>
Wage Inflation	2.4 percent	3.00 percent	3.25 percent
Future Salary Increases, including inflation	3.25 percent to 13.58 percent	3.50 percent to 18.20 percent	4.00 percent to 22.00 percent
Investment Rate of Return	7.0 percent net of system expenses	7.50 percent net of investments expense, including inflation	7.75 percent net of investments expense, including inflation

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

Amounts report for 2017 through 2021 use mortality rates that are based on the RP-2014 Blue Collar Mortality Table with fully generational projection and a five year age set-back for both males and females. Amounts reported for fiscal year 2016 and prior, use mortality assumptions that are based on the 1994 Group Annuity Mortality Table set back one year for both men and women. Special mortality tables were used for the period after disability retirement.

Changes in Assumptions - STRS

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

Columbiana Exempted Village School District

Notes to Required Supplementary Information

For the Fiscal Year Ended June 30, 2023

	Fiscal Year 2022	Fiscal Years 2021-2018	Fiscal Year 2017 and Prior
Inflation	2.50 percent	2.50 percent	2.75 percent
Projected salary increases	From 2.5 percent to 12.5 percent based on age	12.50 percent at age 20 to 2.50 percent at age 65	12.25 percent at age 20 to 2.75 percent at age 70
Investment Rate of Return	7.00 percent, net of investment expenses, including inflation	7.45 percent, net of investment expenses, including inflation	7.75 percent, net of investment expenses, including inflation
Payroll Increases	3 percent	3 percent	3.5 percent
Cost-of-Living Adjustments (COLA)	0.0 percent, effective July 1, 2017	0.0 percent, effective July 1, 2017	2 percent simple applied as follows: for members retiring before August 1, 2013, 2 percent per year; for members retiring August 1, 2013 or later, 2 percent COLA commences on fifth anniversary of retirement date

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

Beginning with fiscal year 2018, post-retirement mortality rates for healthy retirees were 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.

Changes in Benefit Term – STRS

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

Columbiana Exempted Village School District

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

Net OPEB Liability

Changes in Assumptions – SERS

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

	2022	2021 and Prior
Inflation	2.40 percent	3.00 percent
Future Salary Increases, including inflation		
Wage Increases	3.25 percent to 13.58 percent	3.50 percent to 18.20 percent
Investment Rate of Return	7.00 percent net of investment expense, including inflation	7.50 percent net of investment expense, including inflation

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 2023	3.69 percent
Fiscal year 2022	1.92 percent
Fiscal year 2021	2.45 percent
Fiscal year 2020	3.13 percent
Fiscal year 2019	3.62 percent
Fiscal year 2018	3.56 percent
Fiscal year 2017	2.92 percent

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

Fiscal year 2023	4.08 percent
Fiscal year 2022	2.27 percent
Fiscal year 2021	2.63 percent
Fiscal year 2020	3.22 percent
Fiscal year 2019	3.70 percent
Fiscal year 2018	3.63 percent
Fiscal year 2017	2.98 percent

Changes in Assumptions – STRS

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

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

Columbiana Exempted Village School District

Notes to Required Supplementary Information

For the Fiscal Year Ended June 30, 2023

For fiscal year 2022, the discount rate was decreased from 7.45 percent to the long-term expected rate of return of 7.00.

For fiscal year 2023, the projected salary increases were changed from age based (2.5 percent to 12.50 percent) to service based (2.5 percent to 8.5 percent.)

Changes in Benefit Terms – STRS

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

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

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

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

For fiscal year 2022, there was no change to the claims costs process. Claim curves were updated to reflect the projected fiscal year ending June 30, 2022 premium based on June 30, 2021 enrollment distribution. The non-Medicare subsidy percentage was increased effective January 1, 2022 from 2.055 percent to 2.1 percent per year of service. The non-Medicare frozen subsidy base premium was increased effective January 1, 2022. The Medicare Part D Subsidy was updated to reflect it is expected to be negative in CY 2022. The Part B monthly reimbursement elimination date was postponed indefinitely.

For fiscal year 2023, healthcare trends were updated to reflect emerging claims and recoveries experience.

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**COLUMBIANA EXEMPTED VILLAGE SCHOOL DISTRICT
COLUMBIANA COUNTY**

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

FEDERAL GRANTOR Pass Through Grantor Program / Cluster Title	Federal AL Number	Grant Year	Receipts	Expenditures
U.S. DEPARTMENT OF AGRICULTURE				
Passed Through Ohio Department of Education				
<i>Child Nutrition Cluster</i>				
Non-Cash Assistance (Food Distribution):	10.555	2023	\$ 24,960	\$ 24,960
Cash Assistance:				
National School Breakfast Program	10.553	2023	35,009	47,726
National School Lunch Program	10.555	2023	139,922	194,064
COVID-19 National School Lunch Program	10.555	2023	30,090	52,386
Cash Assistance Subtotal			<u>205,021</u>	<u>294,176</u>
Total Child Nutrition Cluster (Cash and Non-cash)			<u>229,981</u>	<u>319,136</u>
COVID-19 EBT Administrative Funds	10.649	2023	<u>628</u>	<u>628</u>
Total U.S. Department of Agriculture			<u>230,609</u>	<u>319,764</u>
U.S. DEPARTMENT OF EDUCATION				
Passed Through Ohio Department of Education				
Title 1 Grants to Local Educational Agencies	84.010A	2022	172,710	44,100
	84.010A	2023		173,329
Total Title 1 Grants to Local Educational Agencies			<u>172,710</u>	<u>217,429</u>
Special Education Cluster:				
Special Education Grants to States (IDEA Part B)	84.027	2022	18,031	2,661
	84.027	2022	43,385	43,385
		2023		202,720
		2023		34,128
Total Special Education Grants to States			<u>61,416</u>	<u>282,894</u>
Special Education - Preschool Grants	84.173A	2022	4,562	4,562
	84.173A	2023		5,829
Total Special Education - Preschool Grants			<u>4,562</u>	<u>10,391</u>
Total Special Education Cluster			<u>65,978</u>	<u>293,285</u>
English Language Acquisition Grants	84.365	2023	166	166
Supporting Effective Instruction State Grants (Title II-A)	84.367A	2023		27,898
Student Support and Academic Enrichment Program	84.424A	2023		10,899

**COLUMBIANA EXEMPTED VILLAGE SCHOOL DISTRICT
COLUMBIANA COUNTY**

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

FEDERAL GRANTOR Pass Through Grantor Program / Cluster Title	Federal AL Number	Grant Year	Receipts	Expenditures
U.S. DEPARTMENT OF EDUCATION (Continued)				
Passed Through Ohio Department of Education (continued)				
Education Stabilization Fund (ESF) Under the Coronavirus Aid, Relief, and Economic Security Act				
COVID-19 - Elementary and Secondary School Emergency Relief (ESSER II)	84.425D	2021	210,193	271,080
COVID-19 - Elementary and Secondary School Emergency Relief (ESSER II)	84.425D	2022	30,550	30,550
COVID-19 - American Rescue Plan Elementary and and Secondary School Emergency Relief (ESSER III)	84.425D	2023	36,922	36,922
COVID-19 - American Rescue Plan Elementary and and Secondary School Emergency Relief (ESSER III)	84.425U	2023	283,237	498,236
Total Education Stabilization Fund (ESF) Under the Coronavirus Aid, Relief and Economic Security Act			<u>560,902</u>	<u>836,788</u>
Total U.S. Department of Education			<u>799,756</u>	<u>1,386,465</u>
U.S. DEPARTMENT OF TREASURY				
Passed Through Ohio Department of Treasury				
COVID-19 Ohio School Safety Grant:				
COVID-19 Ohio School Safety Grant	21.027	2023	150,000	
Total U.S. Department of Treasury			<u>150,000</u>	
U.S. FEDERAL COMMUNICATIONS COMMISSION				
Passed Through State of Ohio Federal Communications Commission				
COVID-19 FCC Emergency Connectivity Fund	32.009	2023	176,000	84,000
Total U.S. Federal Communications Commission			<u>176,000</u>	<u>84,000</u>
Total Receipts and Expenditures of Federal Awards			<u>\$1,356,365</u>	<u>\$1,790,229</u>

The accompanying notes are an integral part of this schedule.

**COLUMBIANA EXEMPTED VILLAGE 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 Columbiana Exempted Village 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 – NUTRITION CLUSTER

In 2022, the District had federal receipts that were greater than expenditures in the amount totaling \$89,155, and this entire amount is included as expenditures on the schedule.

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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

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

To the Board of Education:

We have audited, in accordance with 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 Columbiana Exempted Village 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. We noted the financial impact of COVID-19 and the continuing emergency measures 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**

Columbiana Exempted Village School District
Columbiana County
700 Columbiana-Waterford Road
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 Columbiana Exempted Village 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 Columbiana Exempted Village School District's major federal program for the year ended June 30, 2023. Columbiana Exempted Village 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, Columbiana Exempted Village 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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**COLUMBIANA EXEMPTED VILLAGE SCHOOL DISTRICT
COLUMBIANA COUNTY**

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

1. SUMMARY OF AUDITOR'S RESULTS

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

**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



COLUMBIANA EXEMPTED VILLAGE SCHOOL DISTRICT

COLUMBIANA COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

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



Certified for Release 3/28/2024

88 East Broad Street, Columbus, Ohio 43215
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This report is a matter of public record and is available online at
www.ohioauditor.gov