Certified Public Accountants, A.C.

CLAYMONT CITY SCHOOL DISTRICT
TUSCARAWAS COUNTY
SINGLE AUDIT
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

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OHIO AUDITOR OF STATE
KEITH FABER

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Board of Education
Claymont City School District
201 North 3rd Street
Dennison, Ohio 44621

We have reviewed the *Independent Auditor's Report* of the Claymont City School District, Tuscarawas County, prepared by Perry & Associates, Certified Public Accountants, A.C., for the audit period July 1, 2019 through June 30, 2020. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. The Claymont City School District is responsible for compliance with these laws and regulations.

Keith Faber
Auditor of State
Columbus, Ohio

March 18, 2021

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TUSCARAWAS COUNTY, OHIO

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INDEPENDENT AUDITOR'S REPORT

January 15, 2021

Claymont City School District
Tuscarawas County
201 North Third Street
Dennison, Ohio 44621

To the Board of Education:

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of **Claymont City School District,** Tuscarawas County, Ohio (the District), as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of the Claymont City School District, Tuscarawas County, Ohio, as of June 30, 2020, and the respective changes in financial position thereof and the budgetary comparison for the General Fund thereof for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 17D to the financial statements, the financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the District. We did not modify our opinion regarding this matter.

As discussed in Note 3 to the financial statements, during the year ended June 30, 2020, the School District adopted new guidance in Governmental Accounting Standards Board (GASB) Statement No. 84, *Fiduciary Activities*. We did not modify our opinion regarding this matter.

Other Matters

Required Supplementary Information

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

Supplementary and Other Information

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

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 15, 2021, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Perry & Associates CPA's A.C.

Perry and Associates
Certified Public Accountants, A.C.
Marietta, Ohio

The management's discussion and analysis of the Claymont City School District's (the "District") financial performance provides an overall review of the District's financial activities for the fiscal year ended June 30, 2020. The intent of this discussion and analysis is to look at the District's financial performance as a whole; readers should also review the basic financial statements and the notes to the basic financial statements to enhance their understanding of the District's financial performance.

Financial Highlights

Key financial highlights for 2020 are as follows:

- In total, net position of governmental activities decreased $1,807,295, which represents a 40.60% decrease from the restated net position at June 30, 2019.

- General revenues accounted for $19,998,856 in revenue or 75.94% of all revenues. Program specific revenues in the form of charges for services and sales, operating grants and contributions accounted for $6,335,671 or 24.06% of total revenues of $26,334,527.

- The District had $28,141,822 in expenses related to governmental activities; only $6,335,671 of these expenses was offset by program specific charges for services, grants or contributions. General revenues supporting governmental activities (primarily taxes and unrestricted grants and entitlements) of $19,998,856 were not adequate to provide for these programs.

- The District's only major governmental fund is the general fund. The general fund had $22,192,544 in revenues and $22,625,107 in expenditures and other financing uses. During fiscal year 2020, the general fund's fund balance decreased $432,563, from a restated beginning fund balance of $3,972,084 to $3,539,521.

Using these Basic Financial Statements

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

The statement of net position and statement of activities provide information about the activities of the whole District, presenting both an aggregate view of the District's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. The fund financial statements also look at the District's most significant funds with all nonmajor governmental funds presented in the aggregate in one column. In the case of the District, the general fund is by far the most significant fund and the only governmental fund reported as a major fund.

Reporting the District as a Whole

Statement of Net Position and the Statement of Activities

While this document contains the large number of funds used by the District to provide programs and activities, the view of the District as a whole looks at all financial transactions and asks the question, "How did the District perform financially during fiscal year 2020?" The statement of net position and the statement of activities answer this question.

These statements include all assets, deferred outflows of resources, liabilities, deferred inflows of resources, revenues and expenses using the accrual basis of accounting, similar to the accounting used by most private-sector companies. This basis of accounting considers all of the current year's revenues and expenses, regardless of when cash is received or paid.

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

In the statement of net position and the statement of activities, the governmental activities include the District's programs and services, including instruction, support services, extracurricular activities, food service operations and other non-instructional services.

The District's statement of net position and statement of activities can be found on pages 15-16 of this report.

Reporting the District's Most Significant Funds

Fund Financial Statements

The analysis of the District's governmental funds begins on page 11. Fund financial reports provide detailed information about the District's major funds. The District uses many funds to account for a multitude of financial transactions; however, these fund financial statements focus on the District's most significant funds. The District's only major governmental fund is the general fund.

Governmental Funds

Most of the 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 the modified accrual basis of accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund financial statements provide a detailed short-term view of the 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 differences between the government as a whole, as reported in the statement of net position and the statement of activities, and the governmental funds are reconciled in the basic financial statements. The basic governmental fund financial statements can be found on pages 17-21 of this report.

Reporting the District's Fiduciary Responsibilities

The District also acts in a trustee capacity as an agent for individuals or other entities. These activities are reported in a custodial fund. All of the District's fiduciary activities are reported in the statement of changes in fiduciary net position on page 22. These activities are excluded from the District's other financial statements because the assets cannot be utilized by the District to finance its operations.

Notes to the Basic Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. These notes to the basic financial statements can be found on pages 23-66 of this report.

Required Supplementary Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the District's net pension liability. The required supplementary information can be found on pages 68-83 of this report.

The District as a Whole

The statement of net position provides the perspective of the District as a whole. The table on the following page provides a summary of the District's net position for 2020 and 2019. The net position at June 30, 2019 has been restated as described in Note 3.B.

Net Position

	Governmental Activities 2020	Restated Governmental Activities 2019
Assets		
Current and other assets	$ 12,666,449	$ 12,775,056
Capital assets, net	15,060,090	15,796,109
Total assets	27,726,539	28,571,165
Deferred Outflows of Resources		
Pension	4,865,971	6,702,673
OPEB	526,650	413,737
Total deferred outflows of resources	5,392,621	7,116,410
Liabilities		
Current liabilities	2,226,681	2,256,415
Long-term liabilities:		
Due within one year	716,967	664,882
Due in more than one year:		
Net pension liability	24,147,760	24,124,481
Net OPEB liability	2,125,460	2,556,249
Other amounts	2,279,043	2,757,761
Total liabilities	31,495,911	32,359,788
Deferred Inflows of Resources		
Property taxes levied for next year	3,897,770	3,799,558
Pensions	1,444,812	1,597,305
OPEB	2,539,031	2,381,993
Total deferred inflows of resources	7,881,613	7,778,856
Net Position		
Net investment in capital assets	13,516,992	14,073,638
Restricted	1,151,130	550,880
Unrestricted (deficit)	(20,926,486)	(19,075,587)
Total net position (deficit)	$ (6,258,364)	$ (4,451,069)

The net pension liability (NPL) is the largest single liability reported by the District at June 30, 2020 and is reported pursuant to GASB Statement 68, "Accounting and Financial Reporting for Pensions—an Amendment of GASB Statement 27." The School District has adopted GASB Statement 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions," which significantly revises accounting for costs and liabilities related to other postemployment benefits (OPEB). For reasons discussed below, many end users of this financial statement will gain a clearer understanding of the District's actual financial condition by adding deferred inflows related to pension and OPEB, the net pension liability and the net OPEB liability to the reported net position and subtracting deferred outflows related to pension and OPEB.

Governmental Accounting Standards Board standards are national and apply to all government financial reports prepared in accordance with generally accepted accounting principles. Prior accounting for pensions (GASB 27) and postemployment benefits (GASB 45) focused on a funding approach. This approach limited pension and OPEB costs to contributions annually required by law, which may or may not be sufficient to fully fund each plan's *net pension liability* or *net OPEB liability*. GASB 68 and GASB 75 take an earnings approach to pension and OPEB accounting; however, the nature of Ohio's statewide pension/OPEB plans and state law governing those systems requires additional explanation in order to properly understand the information presented in these statements.

GASB 68 and GASB 75 require the net pension liability and the net OPEB liability to equal the District's proportionate share of each plan's collective:

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

GASB notes that pension and OPEB obligations, whether funded or unfunded, are part of the "employment exchange" – that is, the employee is trading his or her labor in exchange for wages, benefits, and the promise of a future pension and other postemployment benefits. GASB noted that the unfunded portion of this promise is a present obligation of the government, part of a bargained-for benefit to the employee, and should accordingly be reported by the government as a liability since they received the benefit of the exchange. However, the 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.

The employee enters the employment exchange with the knowledge that the employer's promise is limited not by contract but by law. The employer enters the exchange also knowing that there is a specific, legal limit to its contribution to the retirement system. In Ohio, there is no legal means to enforce the unfunded liability of the pension/OPEB plan *as against the public employer*. State law operates to mitigate/lessen the moral obligation of the public employer to the employee, because all parties enter the employment exchange with notice as to the law. The retirement system is responsible for the administration of the pension and OPEB plans.

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

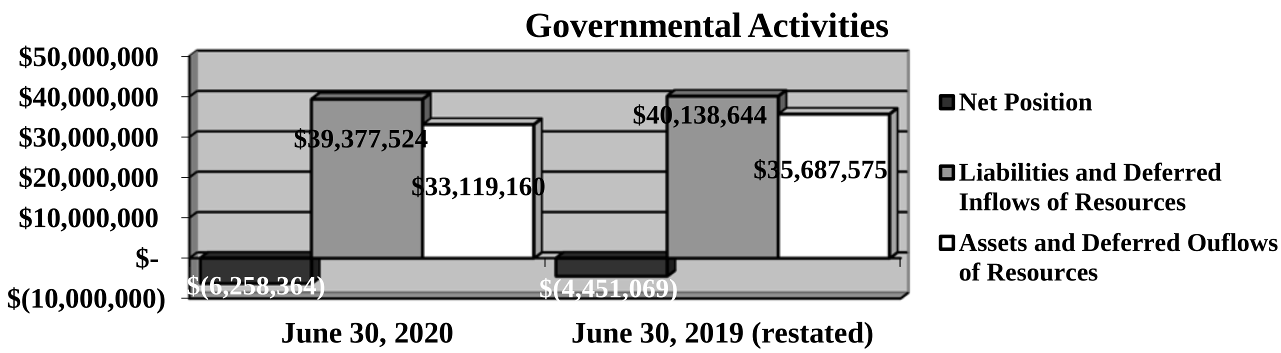
In accordance with GASB 68 and GASB 75, the District's statements prepared on an accrual basis of accounting include an annual pension expense and an annual OPEB expense for their proportionate share of each plan's *change* in net pension liability and net OPEB liability, respectively, not accounted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

Over time, net position can serve as a useful indicator of a government's financial position. At June 30, 2020, the District's liabilities and deferred inflows of resources exceeded assets and deferred outflows of resources by $6,258,364. Of this total, $1,151,130 is restricted in use.

At year-end, capital assets represented 54.32% of total assets. Capital assets include land, land improvements, buildings and improvements, furniture and equipment and vehicles. The District's net investment in capital assets at June 30, 2020 was $13,516,992. Capital assets are used to provide services to the students and are not available for future spending. Although the District's net investment in capital assets is reported net of related debt, the resources to repay the debt must be provided from other sources since capital assets may not be used to liquidate these liabilities.

A portion of the District's net position, $1,151,130, represents resources that are subject to external restriction on how they may be used. The remaining balance of unrestricted net position is a deficit of $20,926,486.

The graph below shows the District's governmental activities assets and deferred outflows of resources, liabilities and deferred inflows of resources, and net position as of June 30, 2020 and 2019. The net position at June 30, 2019 has been restated as described in Note 3.B.



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The table below shows the change in net position for fiscal years 2020 and 2019. The net position at June 30, 2019 has been restated as described in Note 3.B.

Changes in Net Position

	Governmental Activities 2020	Restated Governmental Activities 2019
Revenues		
Program revenues:		
Charges for services and sales	$ 1,267,485	$ 1,531,016
Operating grants and contributions	5,068,186	3,835,289
General revenues:		
Property taxes	4,682,196	4,425,720
Grants and entitlements	15,121,054	15,383,879
Investment earnings	100,392	150,718
Other	95,214	95,268
Total revenues	26,334,527	25,421,890
Expenses		
Program expenses:		
Instruction:		
Regular	13,843,342	10,994,063
Special	4,570,096	3,964,692
Vocational	107,361	78,344
Other	264,269	189,012
Support services:		
Pupil	1,272,364	1,055,864
Instructional staff	496,756	430,942
Board of education	144,168	309,380
Administration	1,804,817	1,340,979
Fiscal	447,048	382,945
Business	21,158	278,844
Operations and maintenance	2,359,479	2,323,926
Pupil transportation	830,666	698,249
Central	97,958	61,449
Operation of non-instructional services:		
Food service operations	904,444	846,207
Other non-instructional services	107,281	74,812
Extracurricular activities	805,431	685,485
Interest and fiscal charges	65,184	121,837
Total expenses	28,141,822	23,837,030
Change in net position	(1,807,295)	1,584,860
Net position (deficit) at beginning of year (restated)	(4,451,069)	(6,035,929)
Net position (deficit) at end of year	$ (6,258,364)	$ (4,451,069)

Governmental Activities

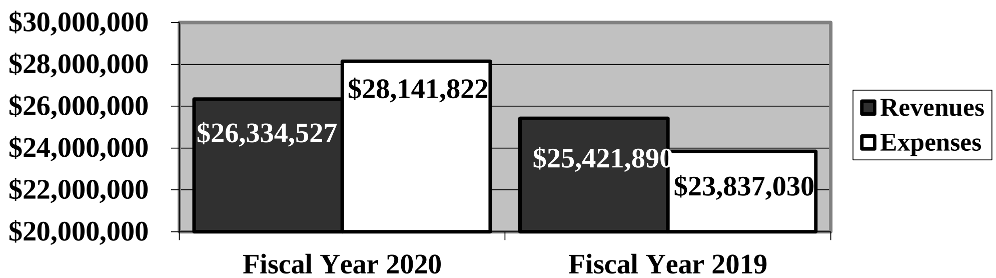
Net position of the District's governmental activities decreased $1,807,295 from the restated net position at June 30, 2019. Total governmental expenses of $28,141,822 were offset by program revenues of $6,335671 and general revenues of $19,998,856. Program revenues supported 22.51% of total governmental activities' expenses.

The primary sources of revenue for governmental activities are derived from property taxes and unrestricted grants and entitlements. These revenue sources represent 75.20% of total governmental revenue. Operating grants and contributions increase due to student health and wellness received from the State of Ohio and additional Title I money received from the Federal government. Property taxes increased due to better collections and an increase in assessed values from the previous year.

Expenses increased $4,304,792 or 18.06% from fiscal year 2019. This increase is the result of an increase of approximately $1.2 million in pension expense and $2.5 million in OPEB expense. The primary reason for these increases were the results of experience at the two pension and OPEB systems the District's employees belong to.

The graph below presents the District's governmental activities revenues and expenses for fiscal year 2020 and 2019.

Governmental Activities - Revenues and Expenses



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The statement of activities shows the cost of program services and the charges for services and grants offsetting those services. The following table shows, for governmental activities, the total cost of services and the net cost of services. That is, it identifies the cost of services supported by tax revenue and unrestricted State grants and entitlements. As stated above, fluctuations in the pension and OPEB expense makes it difficult to compare financial information between years. Pension and OPEB expense are components of program expenses reported on the statement of activities.

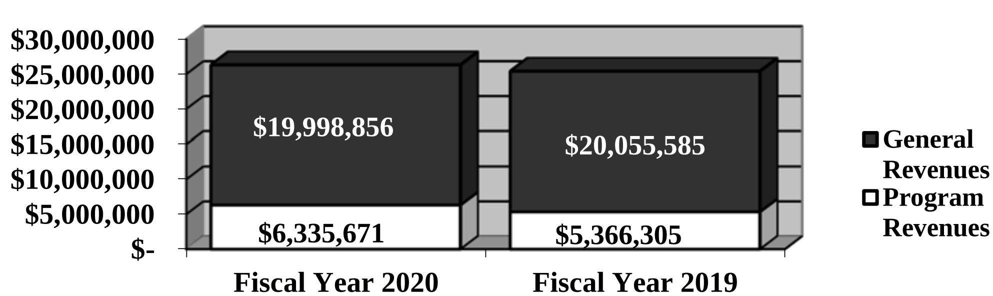
Governmental Activities

Program expenses	Total Cost of Services 2020	Net Cost of Services 2020	Total Cost of Services 2019	Net Cost of Services 2019
Instruction:				
Regular	$ 13,843,342	$ 12,409,758	$ 10,994,063	$ 9,609,847
Special	4,570,096	1,591,936	3,964,692	1,236,012
Vocational	107,361	2,087	78,344	(26,930)
Other	264,269	264,269	189,012	189,012
Support services:				
Pupil	1,272,364	555,048	1,055,864	1,015,740
Instructional staff	496,756	437,105	430,942	419,369
Board of education	144,168	144,168	309,380	309,380
Administration	1,804,817	1,802,180	1,340,979	1,338,477
Fiscal	447,048	447,048	382,945	382,945
Business	21,158	21,158	278,844	278,844
Operations and maintenance	2,359,479	2,323,517	2,323,926	2,286,404
Pupil transportation	830,666	780,581	698,249	675,899
Central	97,958	97,746	61,449	61,395
Operation of non-instructional services:				
Food service operations	904,444	295,142	846,207	120,140
Other non-instructional services	107,281	(2,714)	74,812	(12,936)
Extracurricular activities	805,431	571,938	685,485	465,290
Interest and fiscal charges	65,184	65,184	121,837	121,837
Total expenses	$ 28,141,822	$ 21,806,151	$ 23,837,030	$ 18,470,725

The dependence upon tax and other general revenues for governmental activities is apparent, as 75.95% of instruction activities are supported through taxes, grants and entitlements and other general revenues. For all governmental activities, general revenue support is 77.49%. The District's taxpayers and unrestricted grants and entitlements from the state of Ohio, as a whole, are the primary support for the District's students.

The graph below presents the District's governmental activities revenue for fiscal year 2020 and 2019.

Governmental Activities - General and Program Revenues



The District's Funds

The District's governmental funds reported a combined fund balance of $4,414,698, which is 7.80% lower than the restated fund balances at June 30, 2019, which totaled $4,788,266. The schedule below indicates the fund balances as of June 30, 2020 and June 30, 2019 and the net changes during fiscal year 2020. The fund balances at June 30, 2019 have been restated as described in Note 3.B.

Fund	Fund Balance June 30, 2020	Restated Fund Balance June 30, 2019	Change
General	$ 3,539,521	$ 3,972,084	$ (432,563)
Nonmajor governmental	875,177	816,182	58,995
Total	$ 4,414,698	$ 4,788,266	$ (373,568)

General Fund

The table that follows assists in illustrating the financial activities and changes in fund balance of the general fund.

	2020 Amount	2019 Amount	Change	Percentage Change
Revenues				
Taxes	$ 4,214,428	$ 4,018,430	$ 195,998	4.88 %
Tuition	988,920	1,222,823	(233,903)	(19.13) %
Earnings on investments	100,652	151,221	(50,569)	(33.44) %
Intergovernmental	16,610,126	16,873,654	(263,528)	(1.56) %
Other revenues	278,418	245,435	32,983	13.44 %
Total	$ 22,192,544	$ 22,511,563	$ (319,019)	(1.42) %
Expenditures				
Instruction	$ 15,480,463	$ 14,975,982	$ 504,481	3.37 %
Support services	6,254,549	7,019,877	(765,328)	(10.90) %
Non-instructional services	100	1,112	(1,012)	(91.01) %
Extracurricular activities	560,901	600,572	(39,671)	(6.61) %
Debt service	149,094	149,255	(161)	(0.11) %
Total	$ 22,445,107	$ 22,746,798	$ (301,691)	(1.33) %

In total, general fund revenues decreased 1.42% over the prior fiscal year. Tax revenues increased primarily due to fluctuations in the amounts collected and available for advance at year-end. These amounts are recorded as revenue in the applicable year. Fluctuations in the tax advance available vary depending upon when tax bills are sent, and collections are made, will affect the tax revenue reported in accordance with GAAP. Tuition decreased due to a decrease in open enrollment students during the year. Intergovernmental revenue decreased due to a decrease in State foundation money. The State of Ohio decreased school foundation funding due to the COVID pandemic.

General fund expenditures decreased by 1.33%. The largest component of this decrease occurred among the District's support service expenditures which decreased due to the COVID pandemic.

General Fund Budgeting Highlights

The District's budget is prepared according to the Ohio Revised Code 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.

For the general fund in fiscal year 2020, the original budgeted revenues and other financing sources were $22,386,999 which was the same as the final budgeted revenues and financing sources of $22,386,999. Actual revenues and other financing sources of $21,999,430 were $387,569 lower than budgeted revenues and other financing sources. Most of this variance is based on less than anticipated intergovernmental – state revenues during the year.

General fund original appropriations (appropriated expenditures plus other financing uses) of $23,997,489 were decreased in the final budgeted expenditures and other financing uses to $23,764,994. The actual budget basis expenditures and other financing uses for fiscal year 2020 totaled $22,869,297 and were $895,697 less than final budgeted appropriations as savings were realized in operational and maintenance expenditures.

Capital Assets and Debt Administration

Capital Assets

At the end of fiscal year 2020, the District had $15,060,090 invested in land, land improvements, buildings and improvements, furniture and equipment, and vehicles. This entire amount is reported in the District's governmental activities.

The following table shows June 30, 2020 balances compared to June 30, 2019:

Capital Assets at June 30
(Net of Depreciation)

	Governmental Activities	
	2020	2019
Land	$ 318,293	$ 318,293
Land improvements	198,214	184,553
Building and improvements	13,751,660	14,465,942
Furniture and equipment	458,294	525,794
Vehicles	333,629	301,527
Total	$ 15,060,090	$ 15,796,109

The District had additions of $168,576, current year depreciation of $902,642 and disposals, net of accumulated depreciation of $1,953.

See Note 9 to the basic financial statements for additional information regarding the District's capital assets.

Debt Administration

At June 30, 2020 the District had $822,817 in general obligation bonds (the issue is comprised of current interest bonds, general obligation bonds and capital appreciation bonds) and $711,000 in lease purchase obligations. Of this total, $525,817 is due within one year and $1,008,000 is due in greater than one year.

The following table summarizes the bonds and capital lease obligations outstanding.

Outstanding Debt, at Year End

	Governmental Activities 2020	Governmental Activities 2019
Current interest bonds	$ 800,000	$ 800,000
Capital appreciation bonds (including accreted interest)	-	364,818
General obligation bonds	22,817	45,147
Lease purchase obligation	711,000	822,000
Total	$ 1,533,817	$ 2,031,965

At June 30, 2020 the District's overall legal debt margin was $18,137,857 (including available funds of $501,490) and an unvoted debt margin of $182,032.

See Note 10 to the basic financial statements for detail regarding the District's debt administration.

Current Financial Related Activities

Due to the commitment of the Board of Education and administration, the District has carefully managed its general fund budget in order to optimally utilize the dollars available to educate the students it serves while minimizing the need for additional property tax millage. The unencumbered budgetary basis balance of the general fund was $4,566,303 at June 30, 2020 which is $637,373 less than the previous year.

The District will continue its commitment to operate effective and efficient educational facilities with the ongoing support and cooperation of the Claymont Education Association, Ohio Association of Public School Employees, District administration and the Board of Education.

Contacting the District's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need additional financial information contact Ms. Kim Beckley, Treasurer/CFO, Claymont City School District, 201 N. 3rd Street, Dennison, Ohio 44621-1278.

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CLAYMONT CITY SCHOOL DISTRICT
TUSCARAWAS COUNTY, OHIO

STATEMENT OF NET POSITION
JUNE 30, 2020

	Governmental Activities
Assets:	
Equity in pooled cash and investments.	$ 5,655,550
Receivables:	
Property taxes	4,954,592
Accounts.	1,552
Accrued interest	1,215
Intergovernmental	511,809
Prepayments	97,488
Materials and supplies inventory.	937
Inventory held for resale.	2,502
Net OPEB asset	1,440,804
Capital assets:	
Nondepreciable capital assets	318,293
Depreciable capital assets, net.	14,741,797
Capital assets, net	15,060,090
Total assets.	27,726,539
Deferred outflows of resources:	
Pension	4,865,971
OPEB	526,650
Total deferred outflows of resources	5,392,621
Liabilities:	
Accounts payable.	17,945
Accrued wages and benefits payable	1,734,479
Intergovernmental payable	95,015
Pension and postemployment benefits payable. .	376,038
Accrued interest payable	3,204
Long-term liabilities:	
Due within one year.	716,967
Due in more than one year:	
Net pension liability	24,147,760
Net OPEB liability	2,125,460
Other amounts due in more than one year .	2,279,043
Total liabilities	31,495,911
Deferred inflows of resources:	
Property taxes levied for the next fiscal year. .	3,897,770
Pension.	1,444,812
OPEB.	2,539,031
Total deferred inflows of resources	7,881,613
Net position:	
Net investment in capital assets	13,516,992
Restricted for:	
Capital projects	9,675
Classroom facilities maintenance	319,559
Debt service.	533,724
Locally funded programs	31,958
State funded programs.	34,395
Federally funded programs	110,252
Student activities	93,424
Other purposes	18,143
Unrestricted (deficit)	(20,926,486)
Total net position (deficit)	$ (6,258,364)

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CLAYMONT CITY SCHOOL DISTRICT
TUSCARAWAS COUNTY, OHIO

STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

		Program Revenues		Net (Expense) Revenue and Changes in Net Position
	Expenses	Charges for Services and Sales	Operating Grants and Contributions	Governmental Activities
Governmental activities:				
Instruction:				
Regular	$ 13,843,342	$ 811,216	$ 622,368	$ (12,409,758)
Special	4,570,096	243,344	2,734,816	(1,591,936)
Vocational	107,361	-	105,274	(2,087)
Other	264,269	-	-	(264,269)
Support services:				
Pupil	1,272,364	-	717,316	(555,048)
Instructional staff	496,756	-	59,651	(437,105)
Board of education	144,168	-	-	(144,168)
Administration	1,804,817	2,637	-	(1,802,180)
Fiscal	447,048	-	-	(447,048)
Business	21,158	-	-	(21,158)
Operations and maintenance	2,359,479	1,016	34,946	(2,323,517)
Pupil transportation	830,666	-	50,085	(780,581)
Central	97,958	5	207	(97,746)
Operation of non-instructional services:				
Food service operations	904,444	15,040	594,262	(295,142)
Other non-instructional services	107,281	-	109,995	2,714
Extracurricular activities	805,431	194,227	39,266	(571,938)
Interest and fiscal charges	65,184	-	-	(65,184)
Total governmental activities	$ 28,141,822	$ 1,267,485	$ 5,068,186	(21,806,151)
General revenues:				
Property taxes levied for:				
General purposes				4,230,058
Debt service				384,773
Classroom facilities maintenance				67,365
Grants and entitlements not restricted to specific programs				15,121,054
Investment earnings				100,392
Miscellaneous				95,214
Total general revenues				19,998,856
Change in net position				(1,807,295)
Net position (deficit) at beginning of year (restated)				(4,451,069)
Net position (deficit) at end of year				$ (6,258,364)

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CLAYMONT CITY SCHOOL DISTRICT
TUSCARAWAS COUNTY, OHIO

BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2020

	General	Nonmajor Governmental Funds	Total Governmental Funds
Assets:			
Equity in pooled cash and investments	$ 4,701,056	$ 954,494	$ 5,655,550
Receivables:			
Property taxes	4,501,285	453,307	4,954,592
Accounts	950	602	1,552
Accrued interest	1,215	-	1,215
Interfund loans	149,553	-	149,553
Intergovernmental	7,159	504,650	511,809
Prepayments	96,838	650	97,488
Materials and supplies inventory	-	937	937
Inventory held for resale	-	2,502	2,502
Loans to other funds	10,521	-	10,521
Total assets	$ 9,468,577	$ 1,917,142	$ 11,385,719
Liabilities:			
Accounts payable	$ 5,607	$ 12,338	$ 17,945
Accrued wages and benefits payable	1,530,591	203,888	1,734,479
Compensated absences payable	18,933	-	18,933
Intergovernmental payable	92,219	2,796	95,015
Pension and postemployment benefits payable	339,748	36,290	376,038
Interfund loans payable	-	149,553	149,553
Loans from other funds	-	10,521	10,521
Total liabilities	1,987,098	415,386	2,402,484
Deferred inflows of resources:			
Property taxes levied for the next fiscal year	3,543,809	353,961	3,897,770
Delinquent property tax revenue not available	390,394	40,221	430,615
Intergovernmental revenue not available	7,159	232,397	239,556
Accrued interest not available	596	-	596
Total deferred inflows of resources	3,941,958	626,579	4,568,537
Fund balances:			
Nonspendable:			
Materials and supplies inventory	-	937	937
Prepaids	96,838	650	97,488
Long-term loans	10,521	-	10,521
Unclaimed monies	1,916	-	1,916
Restricted:			
Debt service	-	501,490	501,490
Capital improvements	-	9,675	9,675
Classroom facilities maintenance	-	313,671	313,671
Non-public schools	-	24,075	24,075
Other purposes	-	50,709	50,709
Extracurricular activities	-	93,424	93,424
Student health and wellness	-	2,447	2,447
Assigned:			
Student instruction	101,678	-	101,678
Student and staff support	155,087	-	155,087
Extracurricular activities	45	-	45
Subsequent year appropriations	958,813	-	958,813
School supplies	10,720	-	10,720
Other purposes	212	-	212
Unassigned (deficit)	2,203,691	(121,901)	2,081,790
Total fund balances	3,539,521	875,177	4,414,698
Total liabilities, deferred inflows and fund balances	$ 9,468,577	$ 1,917,142	$ 11,385,719

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CLAYMONT CITY SCHOOL DISTRICT
TUSCARAWAS COUNTY, OHIO

RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO
NET POSITION OF GOVERNMENTAL ACTIVITIES
JUNE 30, 2020

Total governmental fund balances		$ 4,414,698
Amounts reported for governmental activities on the statement of net position are different because:		
Capital assets used in governmental activities are not current financial resources and therefore are not reported in the funds.		15,060,090
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred inflows in the funds.		
Property taxes receivable	$ 430,615	
Accrued interest receivable	596	
Intergovernmental receivable	239,556	
Total		670,767
Unamortized premiums on bonds issued are not recognized in the funds.		(9,281)
Accrued interest payable is not due and payable in the current period and therefore is not reported in the funds.		(3,204)
The net pension liability is not due and payable in the current period; therefore, the liability and related deferred inflows/ outflows are not reported in governmental funds:		
Deferred outflows of resources - pension	4,865,971	
Deferred inflows of resources - pension	(1,444,812)	
Net pension liability	(24,147,760)	
Total		(20,726,601)
The net OPEB liability/asset is not due and payable in the current period; therefore, liability/asset and related deferred inflows/outflows are not reported in governmental funds.		
Deferred outflows - OPEB	526,650	
Deferred Inflows - OPEB	(2,539,031)	
Net OPEB asset	1,440,804	
Net OPEB liability	(2,125,460)	
Total		(2,697,037)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.		
General obligation bonds	(822,817)	
Lease purchase obligations	(711,000)	
Compensated absences	(1,433,979)	
Total		(2,967,796)
Net position (deficit) of governmental activities		$ (6,258,364)

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CLAYMONT CITY SCHOOL DISTRICT
TUSCARAWAS COUNTY, OHIO

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	General	Nonmajor Governmental Funds	Total Governmental Funds
Revenues:			
From local sources:			
Property taxes	$ 4,214,428	$ 450,643	$ 4,665,071
Tuition	988,720	-	988,720
Earnings on investments	100,652	339	100,991
Charges for services	-	15,061	15,061
Extracurricular	54,548	139,846	194,394
Classroom materials and fees	65,673	-	65,673
Rental income	1,000	-	1,000
Contributions and donations	11,766	103,586	115,352
Contract services	2,637	-	2,637
Other local revenues	142,994	8,631	151,625
Intergovernmental - state	16,517,465	1,045,686	17,563,151
Intergovernmental - federal	92,661	2,224,573	2,317,234
Total revenues	22,192,544	3,988,365	26,180,909
Expenditures:			
Current:			
Instruction:			
Regular	11,977,848	579,419	12,557,267
Special	3,159,672	1,126,196	4,285,868
Vocational	85,114	-	85,114
Other	257,829	-	257,829
Support services:			
Pupil	507,091	709,387	1,216,478
Instructional staff	400,456	31,389	431,845
Board of education	143,470	-	143,470
Administration	1,688,029	-	1,688,029
Fiscal	411,848	8,457	420,305
Business	20,409	-	20,409
Operations and maintenance	2,167,495	99,497	2,266,992
Pupil transportation	825,185	-	825,185
Central	90,566	300	90,866
Operation of non-instructional services:			
Food service operations	-	862,208	862,208
Other operation of non-instructional	100	102,677	102,777
Extracurricular activities	560,901	170,940	731,841
Debt service:			
Principal retirement	133,330	39,492	172,822
Interest and fiscal charges	15,764	26,000	41,764
Accretion on capital appreciation bonds	-	355,508	355,508
Total expenditures	22,445,107	4,111,470	26,556,577
Excess expenditures over revenues	(252,563)	(123,105)	(375,668)
Other financing sources (uses):			
Transfers in	-	180,000	180,000
Transfers (out)	(180,000)	-	(180,000)
Total other financing sources (uses)	(180,000)	180,000	-
Net change in fund balances	(432,563)	56,895	(375,668)
Fund balances at beginning of year (restated)	3,972,084	816,182	4,788,266
Increase in reserve for inventory	-	2,100	2,100
Fund balances at end of year	$ 3,539,521	$ 875,177	$ 4,414,698

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CLAYMONT CITY SCHOOL DISTRICT
TUSCARAWAS COUNTY, OHIO

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

Net change in fund balances - total governmental funds		$ (375,668)
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.		
Capital asset additions	$ 168,576	
Current year depreciation	(902,642)	
Total		(734,066)
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, disposals, trade-ins, and donations) is to decrease net position.		(1,953)
Governmental funds report expenditures for inventory when purchased. However, in the statement of activities, they are reported as an expense when consumed.		2,100
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Property taxes	17,125	
Earnings on investments	(260)	
Other local revenues	(46,467)	
Intergovernmental	183,220	
Total		153,618
Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities on the statement of net position. Principal payments during the year were:		
Bonds	61,822	
Accreted interest on capital appreciation bonds	355,508	
Lease purchase obligations	111,000	
Total		528,330
In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due. The following items resulted in additional interest being reported in the statement of activities:		
Change in accrued interest payable	211	
Accreted interest on capital appreciation bonds	(30,182)	
Amortization of bond premiums	6,551	
Total		(23,420)
Contractually required contributions are reported as expenditures in governmental funds; however, the statement of activities reports these amounts as deferred outflows.		1,900,150
Except for amounts reported as deferred inflows/outflows, changes in the net pension liability are reported as pension expense in the statement of activities.		(3,607,638)
Contractually required OPEB contributions are reported as expenditures in governmental funds; however, the statement of activities reports these amounts as deferred outflows.		52,122
Except for amounts reported as deferred inflows/outflows, changes in the net OPEB liability are reported as pension expense in the statement of activities.		394,278
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.		(95,148)
Change in net position of governmental activities		$ (1,807,295)

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CLAYMONT CITY SCHOOL DISTRICT
TUSCARAWAS COUNTY, OHIO

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Budgeted Amounts			Variance with Final Budget
	Original	**Final**	**Actual**	**Positive (Negative)**
Revenues:				
From local sources:				
Property taxes	$ 3,933,599	$ 3,599,999	$ 4,082,893	$ 482,894
Tuition	1,217,893	1,240,000	988,720	(251,280)
Earnings on investments	73,663	75,000	98,229	23,229
Classroom materials and fees	83,485	85,000	66,663	(18,337)
Rental income	982	1,000	1,000	-
Contributions and donations	1,964	2,000	1,995	(5)
Contract services	-	-	2,637	2,637
Other local revenues	24,554	25,000	36,410	11,410
Intergovernmental - state	16,871,749	17,178,000	16,517,712	(660,288)
Intergovernmental - federal	104,110	106,000	95,453	(10,547)
Total revenues	22,311,999	22,311,999	21,891,712	(420,287)
Expenditures:				
Current:				
Instruction:				
Regular	23,540,413	23,536,456	12,019,380	11,517,076
Special	150,470	75,235	3,296,595	(3,221,360)
Vocational	1,056	528	81,289	(80,761)
Other	-	-	257,238	(257,238)
Support services:				
Pupil	26,642	13,321	522,256	(508,935)
Instructional staff	-	-	402,996	(402,996)
Board of education	60,000	30,000	169,885	(139,885)
Administration	-	-	1,680,296	(1,680,296)
Fiscal	-	-	413,719	(413,719)
Business	-	-	21,001	(21,001)
Operations and maintenance	200,556	100,278	2,263,422	(2,163,144)
Pupil transportation	12,752	6,376	827,198	(820,822)
Central	5,600	2,800	93,370	(90,570)
Operation of non-instructional services	-	-	100	(100)
Extracurricular activities	-	-	490,214	(490,214)
Debt service:				
Principal	-	-	133,330	(133,330)
Interest and fiscal charges	-	-	15,764	(15,764)
Total expenditures	23,997,489	23,764,994	22,688,053	1,076,941
Excess of expenditures over revenues	(1,685,490)	(1,452,995)	(796,341)	656,654
Other financing sources (uses):				
Refund of prior year's expenditures	75,000	75,000	107,718	32,718
Refund of prior year's receipts	-	-	(744)	(744)
Transfers (out)	-	-	(180,000)	(180,000)
Other uses	-	-	(500)	(500)
Total other financing sources (uses)	75,000	75,000	(73,526)	(148,526)
Net change in fund balance	(1,610,490)	(1,377,995)	(869,867)	508,128
Fund balance at beginning of year	5,203,676	5,203,676	5,203,676	-
Prior year encumbrances appropriated	232,495	232,495	232,495	-
Fund balance at end of year	$ 3,825,681	$ 4,058,176	$ 4,566,304	$ 508,128

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CLAYMONT CITY SCHOOL DISTRICT
TUSCARAWAS COUNTY, OHIO

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
CUSTODIAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Custodial
Additions:	
Extracurricular collections fo OHSAA	$ 23,478
Total additions.	23,478
Deductions:	
Extracurricular distributions for OHSAA	23,478
Total deductions	23,478
Change in net position	-
Net position at beginning of year (restated)	-
Net position at end of year	$ -

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

NOTE 1 - DESCRIPTION OF THE SCHOOL DISTRICT

Claymont City School District (the "District") is a body politic and corporate established for the purpose of exercising the rights and privileges conveyed to it by the constitution and laws of the State of Ohio.

The District is located within the City of Uhrichsville and the Village of Dennison, Ohio. It operates under a locally-elected five-member Board and provides educational services as authorized and mandated by State and federal agencies. The Board controls the District's seven instructional support facilities staffed by 99 classified employees, 153 certified teaching personnel and 15 administrators, who provide services to approximately 1,761 students. The District operates one preschool, one primary school K-1st grade, one elementary school 2nd – 3rd grade, one intermediate school 4th - 5th grade, one middle school 6th - 8th grade, one high school 9th - 12th grade and one garage.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The basic financial statements of the District have been prepared in conformity with accounting principles generally accepted in the United States of America (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 District's significant accounting policies are described below.

A. Reporting Entity

The reporting entity has been defined in accordance with GASB Statement No. 14, "*The Financial Reporting Entity*" as amended by GASB Statement No. 39, "*Determining Whether Certain Organizations Are Component Units*" and GASB Statement No. 61, "*The Financial Reporting Entity: Omnibus an Amendment of GASB Statements No. 14 and No. 34*". The reporting entity is composed of the primary government and component units. The primary government consists of all funds, departments, boards and agencies that are not legally separate from the District. For the District, this includes general operations, food service, and student related activities of the District.

Component units are legally separate organizations for which the District is financially accountable. The District is financially accountable for an organization if the District appoints a voting majority of the organization's Governing Board and (1) the District is able to significantly influence the programs or services performed or provided by the organization; or (2) the District is legally entitled to or can otherwise access the organization's resources; or (3) the District is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or (4) the District is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the District in that the District approves the budget, the issuance of debt or the levying of taxes. Certain organizations are also included as component units if the nature and significance of the relationship between the primary government and the organization is such that exclusion by the primary government would render the primary government's financial statements incomplete or misleading. Based upon the application of these criteria, the District has no component units. The basic financial statements of the reporting entity include only those of the District (the primary government).

The following entities, which perform activities within the District's boundaries for the benefit of its residents, are excluded from the basic financial statements because the District is not financially accountable for these entities nor are they fiscally dependent on the District.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

City of Uhrichsville and the Village of Dennison
The City of Uhrichsville and the Village of Dennison are separate bodies politic and corporate. A mayor and council are elected independent of any District relationships, and administer the provision of traditional municipal services. Council acts as the taxing and budgeting authority for the City and for the Village.

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

JOINTLY GOVERNED ORGANIZATIONS

Buckeye Joint Vocational School District (JVSD)
The JVSD is a separate body politic and corporate, established by the Ohio Revised Code to provide for the vocational and special education needs of the students. The JVSD's Board of Education is comprised of representatives from the Board of each participating school district. The JVSD's Board is responsible for approving its own budgets, appointing personnel and accounting and finance related activities. The District's students may attend the JVSD. Each school district's control is limited to its representation on the JVSD's Board. During fiscal year 2020, no monies were paid to the JVSD by the District.

Ohio Mid-Eastern Regional Educational Services Agency (OME-RESA)
Ohio Mid-Eastern Regional Educational Service Agency (OME-RESA) is a jointly governed organization created as a regional council of governments pursuant to State statutes. OME-RESA provides financial accounting services, an education management information system, cooperative purchase services and legal services to member districts. OME-RESA has eleven participating counties consisting of Belmont, Carroll, Columbiana, Coshocton, Guernsey, Harrison, Jefferson, Muskingum, Monroe, Noble, and Tuscarawas counties. OME-RESA operates under the direction of a Board consisting of one representative from each of the participating school districts. The Jefferson County Educational Service Center office serves as the fiscal agent and receives funding from the State Department of Education. The continued existence of OMERESA is not dependent on the District's continued participation and no equity interest exists. OMERESA has no outstanding debt. During fiscal year 2020, the District paid $66,942 to OME-RESA for various services. To obtain financial information, write to the Ohio Mid-Eastern Regional Educational Service Agency, 2230 Sunset Boulevard Suite 2, Steubenville, Ohio 43952.

Tuscarawas County Tax Incentive Review Council (TCTIRC)
TCTIRC is a jointly governed organization, created as a regional council of governments pursuant to State Statutes. TCTIRC has 56 members, consisting of three members appointed by the County Commissioners, 22 members appointed by municipal corporations, 12 members appointed by township trustees, two members from the county auditor's office, 16 members appointed by boards of education located within the county, and one member representing the Economic Development and Finance Alliance. TCTIRC reviews and evaluates the performance of each Enterprise Zone Agreement. This body is advisory in nature and cannot directly impact an existing Enterprise Zone Agreement; however, the council can make written recommendations to the legislative authority which approved the agreement. There is no cost associated with being a member of this council. The continued existence of the TCTIRC is not dependent on the District's continued participation and no equity interest exists. During fiscal year 2020, no monies were paid to the TCTIRC from the District.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

PUBLIC ENTITY RISK POOLS

Stark County Schools Council of Governments
The Stark County Schools Council of Governments Health Benefit Plan is a shared risk pool, with participants from Stark, Summit, Portage, Tuscarawas, Medina, and Wayne Counties. The consortium is governed by an assembly, which consists of one representative from each participating District (usually the superintendent or designee). The assembly elects officers for two-year terms to serve on the Board of Directors. The assembly exercises control over the operation of the consortium. All consortium revenues are generated from charges for services. Financial information can be obtained by writing to the Stark County Educational Service Center, 2100 38th Street, Canton, Ohio 44709.

RELATED ORGANIZATION

Claymont Public Library
The Claymont Public Library is a related organization to the District. The School Board members are responsible for appointing the trustees of the Public Library; however, the School Board cannot influence the Library's operation nor does the Library represent a potential financial benefit or burden to the District. Although the District does serve as the taxing authority and may issue tax relief related debt on behalf of the Library, its role is limited to a ministerial function. Once the Library determines to present a levy to voters, including the determination of the rate and duration, the District must place the levy on the ballot. The Library may issue debt and determines its own budget. During fiscal year 2020, no monies were paid to the Library by the District. Financial information can be obtained from the Claymont Public Library, 215 E. 3rd Street, Uhrichsville, Ohio 44683.

B. Fund Accounting

The District uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self balancing set of accounts. There are three categories of funds: governmental, proprietary and fiduciary. The District does not have any proprietary funds.

GOVERNMENTAL FUNDS

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

General fund - The general fund is used to account for and report all financial resources not accounted for and reported in another fund. The general fund balance is available for any purpose provided it is expended or transferred according to the general laws of Ohio.

Other governmental funds of the District are used to account for (a) financial resources that are restricted, committed, or assigned to expenditures for capital outlays including the acquisition or construction of capital facilities and other capital assets, (b) specific revenue sources that are restricted or committed to an expenditure for specified purposes other than debt service or capital projects and (c) financial resources that are restricted, committed, or assigned to expenditures for principal and interest.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

FIDUCIARY FUNDS

Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds and custodial funds. Trust funds are distinguished from custodial funds by the existence of a trust agreement or equivalent arrangements that have certain characteristics. Custodial funds are used to report fiduciary activities that are not required to be reported in a trust fund. The District's only fiduciary fund is a custodial fund that accounts for Ohio High School Athletic Association (OHSAA) tournament money.

C. Basis of Presentation and Measurement Focus

Government-Wide Financial Statements - The statement of net position and the statement of activities display information about the District as a whole. These statements include the financial activities of the primary government, except for fiduciary funds.

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

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

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

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

Fiduciary funds present a statement of changes in fiduciary net position which reports additions to and deductions from custodial funds.

D. Basis of Accounting

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

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

Revenues - Exchange and Nonexchange 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 District, available means expected to be received within sixty days of fiscal year end.

Nonexchange transactions, in which the District receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied (see Note 6).

Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted, matching requirements, in which the District must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the District on a reimbursement basis. On a modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

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

Deferred Outflows of Resources and Deferred Inflows of Resources - In addition to assets, the government-wide statement of net position will report a separate section for deferred outflows of resources. Deferred outflows of resources, represents a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. For the District, see Note 14 and Note 15 for deferred outflows of resources related the District's net pension liability and net OPEB liability/asset, respectively.

In addition to liabilities, both the government-wide statement of net position and the governmental fund financial statements report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. For the District, deferred inflows of resources include property taxes, interest and unavailable revenue. Property taxes represent amounts for which there is an enforceable legal claim as of June 30, 2020, but which were levied to finance fiscal year 2021 operations. These amounts have been recorded as a deferred inflow of resources on both the government-wide statement of net position and the governmental fund financial statements. Accrued interest not available is reported only on the governmental funds balance sheet and represents interest accrued on investments and not remitted to the District. Unavailable revenue is reported only on the governmental funds balance sheet and represents receivables which will not be collected within the available period. For the District unavailable revenue includes, but is not limited to, delinquent property taxes and intergovernmental grants. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available.

For the District, see Note 14 and Note 15 for deferred inflows of resources related to the District's net pension liability and net OPEB liability/asset, respectively. This deferred inflow of resources is only reported on the government-wide statement of net position.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

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

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

E. Budgets

The budgetary process is prescribed by provisions of the Ohio Revised Code and entails the preparation of budgetary documents within an established timetable. The major documents prepared are the tax budget, the certificate of estimated resources and the appropriation resolution, all of which are prepared on the budgetary basis of accounting. The certificate of estimated resources and the appropriations resolution are subject to amendment throughout the year with the legal restriction that appropriations cannot exceed estimated resources, as certified.

All funds, other than custodial funds, are legally required to be budgeted and appropriated. The primary level of budgetary control has been established by the Board of Education at the fund level. Any budgetary modifications at this level may only be made by resolution of the Board of Education.

Advances in and advances out are not required to be budgeted since they represent a temporary cash flow resource and are intended to be repaid.

TAX BUDGET

On July 25, 2002, the Tuscarawas County Budget Commission voted to waive the requirement that school districts adopt a tax budget as required by Section 5705.28 of the Ohio Revised Code, by January 15 and the filing by January 20. In order to complete other necessary documents, the Budget Commission now requires certain information to be filed by March 14. Information required includes the general fund five year forecast submitted to the Department of Education, projected revenues and expenditures line items for all levy funds, projected revenues and debt requirements (principal and interest) and amortization schedules for the debt service fund, and balances and total anticipated activity for all other funds.

ESTIMATED RESOURCES

The Board of Education accepts, by formal resolution, the tax rates as determined by the County Budget Commission and receives the Commission's certificate of estimated resources, which states the projected revenue of each fund. Prior to July 1, the District must revise its budget so that total contemplated expenditures from any fund during the ensuing year will not exceed the amount stated in the certificate of estimated resources. The revised budget then serves as the basis for the appropriation measure. On or about July 1, the certificate is amended to include any unencumbered cash balances from the preceding year. The certificate may be further amended during the year if projected increases or decreases in revenue are identified by the District. The amounts reported in the budgetary statements reflect the amounts in the original and final amended certificate of estimated resources issued during fiscal year 2020.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

APPROPRIATIONS

Upon receipt from the County Auditor of an amended certificate of estimated resources based on final assessed values and tax rates or a certificate saying no new certificate is necessary, the annual appropriation resolution must be legally enacted by the Board of Education at the fund level of expenditures, which is the legal level of budgetary control. Prior to the passage of the annual appropriation resolution, the Board of Education may pass a temporary appropriation measure to meet the ordinary expenses of the District. The appropriation resolution must be within the estimated resources as certified by the County Budget Commission and the total of expenditures and encumbrances may not exceed the appropriation totals at the fund level. Any revisions that alter the appropriations at the legal level of control must be approved by the Board of Education. The District Treasurer maintains budgetary information at the function and object level and has the authority to allocate appropriations at the function and object level in all funds without resolution by the Board of Education.

The Board of Education may pass supplemental fund appropriations so long as the total appropriations by fund do not exceed the amounts set forth in the most recent certificate of estimated resources. Supplemental appropriations were legally enacted by the Board during fiscal year 2020.

The budget figures, which appear in the statement of budgetary comparisons, represent the original and final appropriation amounts, including all supplemental appropriations. Formal budgetary integration is employed as a management control device during the year for all funds other than agency funds, consistent with statutory provisions.

LAPSING OF APPROPRIATIONS

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

F. Cash and Investments

To improve cash management, cash received by the District is pooled. Monies for all funds are maintained in this pool. Individual fund integrity is maintained through the District’s records. Each fund’s interest in the pool is presented as “equity in pooled cash and investments” on the basic financial statements.

During fiscal year 2020, investments were limited to Federal Home Loan Mortgage Corporation (FHLMC) securities, Federal National Mortgage Association (FNMA) securities, Federal Farm Credit Bank (FFCB) securities, U.S. Treasury notes, U.S. government money market mutual funds, the State Treasury Asset Reserve of Ohio (STAR Ohio) and STAR Plus. Except for investments in STAR Ohio and STAR Plus, all investments are reported at fair value, which is based on quoted market prices.

In fiscal year 2020, the District invested in STAR Plus, a federally insured cash account powered by the Federally Insured Cash Account (FICA) program. STAR Plus enables political subdivisions to generate a competitive yield on cash deposits in a network of carefully selected FDIC-insured banks via a single, convenient account. STAR Plus offers attractive yields with no market or credit risk, weekly liquidity and penalty free withdrawals. All deposits with STAR Plus have full FDIC insurance with no term commitment on deposits.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

In fiscal year 2020, the District invested in STAR Ohio. STAR Ohio is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but has adopted Governmental Accounting Standards Board (GASB), Statement No. 79, "Certain External Investment Pools and Pool Participants." The District measures its investment in STAR Ohio at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides a NAV per share that approximates fair value.

For fiscal year 2020, there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, notice must be given 24 hours in advance of all deposits and withdrawals exceeding $25 million. STAR Ohio reserves the right to limit the transaction to $100 million, requiring the excess amount to be transacted the following business day(s), but only to the $100 million limit. All accounts of the participant will be combined for these purposes.

Under existing Ohio statutes, the Board of Education has, by resolution, specified funds to receive an allocation of interest earnings. Interest revenue credited to the general fund during fiscal year 2020 amounted to $100,652, which includes $13,898 assigned from other District funds.

For presentation on the basic financial statements, investments of the cash management pool and investments with original maturities of three months or less at the time they are purchased by the District are considered to be cash equivalents. Investments with an initial maturity of more than three months are reported as investments.

An analysis of the District's investment account at year end is provided in Note 4.

G. Inventory

On government-wide and fund financial statements, inventories are presented at the lower of cost or market on a first-in, first-out basis. Donated commodities are presented at their entitlement value. Inventories are accounted for using the purchase method on the fund financial statements, in which an expenditure is recognized upon the purchase of inventory, and using the consumption method on the government-wide statements, in which inventories are expensed when used.

H. Capital Assets

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

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their acquisition values as of the date received. The District maintains a capitalization threshold of $5,000 for its general capital assets. 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.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

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

Description	Governmental Activities Estimated Lives
Land improvements	20 years
Buildings and improvements	25 - 50 years
Furniture and equipment	5 - 20 years
Vehicles	6 - 10 years

I. Interfund Balances

On fund financial statements, receivables and payables resulting from short-term interfund loans are classified as "interfund loans receivable/payable." Long-term interfund loans that will not be repaid within the next fiscal year are classified as "loans to/from other funds" and are shown as nonspendable fund balances on the balance sheet because they are not spendable, available resources. These amounts are eliminated in the governmental activities column on the statement of net position.

J. Compensated Absences

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

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

The total liability for vacation and sick leave payments has been calculated using pay rates in effect at June 30, 2020 and reduced to the maximum payment allowed by labor contract and/or statute, plus any additional salary related payments.

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

For governmental fund financial statements, compensated absences are recognized as liabilities and expenditures as payments come due each period upon the occurrence of employee resignations and retirements.

K. Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities, and long-term obligations are reported in the government-wide financial statements.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

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 year. Bonds are recognized as a liability on the fund financial statements when due. Net pension/OPEB liability should be recognized in the governmental funds to the extent that benefit payments are due and payable and the pension/OPEB plan's fiduciary net position is not sufficient for payment of those benefits.

L. Bond and Lease Issuance Costs and Bond Premiums and Discounts

On both the government-wide financial statements and the fund financial statements, bond and lease issuance costs are recognized in the period in which these items are incurred.

On the government-wide financial statements, bond premiums and discounts are amortized over the term of the bonds using the straight-line method, which approximates the effective interest method. Bond premiums are presented as an addition to the face amount of the bonds and bond discounts are presented as a reduction to the face amount of the bonds. On the governmental fund financial statements, bond premiums and discounts are recognized in the period in which these items are incurred. The reconciliation between the face value of bonds and the amount reported on the statement of net position is presented in Note 10.

M. Fund Balance

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

Nonspendable - The nonspendable fund balance classification includes amounts that cannot be spent because they are not in spendable form or legally required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash. It also includes the long-term amount of loans receivable in the general fund.

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

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

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

Assigned - Amounts in the assigned fund balance classification are intended to be used by the District for specific purposes, but do not meet the criteria to be classified as restricted nor committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the general fund, assigned amounts represent intended uses established by policies of the District Board of Education, which includes giving the Treasurer the authority to constrain monies for intended purposes. The Board of Education may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriation in the subsequent year's appropriated 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 only used to report a deficit fund balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

The District applies restricted resources first when expenditures are incurred for purposes for which restricted and unrestricted (committed, assigned, and unassigned) fund balance is 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.

N. Net Position

Net position represents the difference between assets and deferred outflows and liabilities and deferred inflows. The net position component "net investment in capital assets," consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction or improvement of those assets or related debt also should be included in this component of net position. Net position is reported as restricted when there are limitations imposed on its use either through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. The amount restricted for other purposes represents amounts restricted for food service and expenses for the District's educational foundation fund (a nonmajor governmental fund).

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

O. Prepayments

Certain payments to vendors reflect the costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. These items are reported as assets on the balance sheet using the consumption method. A current asset for the prepaid amounts is recorded at the time of the purchase and the expenditure/expense is reported in the year in which services are consumed. At fiscal year end, because prepayments are not available to finance future governmental fund expenditures, fund balances are nonspendable on the fund financial statements by an amount equal to the carrying value of the assets.

P. Estimates

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

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

Q. Interfund Activity

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

R. Pensions/Other Postemployment Benefits (OPEB)

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

S. Parochial and Private Schools

Within the District boundaries, the Immaculate Conception School is operated through the Columbus Catholic Diocese. Current State legislation provides funding to this parochial school. These monies are received and disbursed on behalf of the parochial school by the Treasurer of the District, as directed by the parochial school. The fiduciary responsibility of the District for these monies is reflected in a nonmajor governmental fund for financial reporting purposes.

T. Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the Board of Education and that are either unusual in nature or infrequent in occurrence. Neither type of transaction occurred during fiscal year 2020.

U. Fair Value Measurements

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

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE

A. Change in Accounting Principles

For fiscal year 2020, the District has implemented GASB Statement No. 84, "*Fiduciary Activities*" and GASB Statement No. 90, "*Majority Equity Interests - an amendment to GASB Statements No. 14 and No. 61*".

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE - (Continued)

GASB Statement No. 84 establishes specific criteria for identifying activities that should be reported as fiduciary activities and clarifies whether and how business-type activities should report their fiduciary activities. Due to the implementation of GASB Statement No. 84, the District will no longer be reporting agency funds. The District reviewed its agency funds and certain funds will be reported in the new fiduciary classification of custodial funds, while other funds have been reclassified as governmental funds. These fund reclassifications resulted in the restatement of the District's financial statements.

GASB Statement No. 90 improves the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and improve the relevance of financial statement information for certain component units. It defines a majority equity interest and specifies that a majority equity interest in a legally separate organization should be reported as an investment if a government's holding of the equity interest meets the definition of an investment. The implementation of GASB Statement No. 90 did not have an effect on the financial statements of the District.

B. Restatement of Net Position and Fund Balances

The implementation of GASB 84 had the following effect on fund balance as reported at June 30, 2019:

	General	Other Governmental Funds	Total Governmental Funds
Fund Balance as previously reported	$ 3,971,111	$ 759,835	$ 4,730,946
GASB Statement No. 84	973	56,347	57,320
Restated Fund Balance, at June 30, 2019	$ 3,972,084	$ 816,182	$ 4,788,266

The implementation of the GASB 84 pronouncement had the following effect on the net position as reported at June 30, 2019:

	Governmental Activities
Net position as previously reported	$ (4,508,389)
GASB Statement No. 84	57,320
Restated net position at June 30, 2019	$ (4,451,069)

Due to the implementation of GASB Statement No.84, the new classification of custodial funds is reporting a beginning net position of $0. Also, related to the implementation of GASB Statement No. 84, the District will no longer be reporting agency funds. At June 30, 2019, agency funds reported assets and liabilities of $43,783. Also, related to the implementation of GASB Statement No. 84, the District will no longer be reporting private-purpose trust funds. At June 30, 2019, private-purpose trust funds reported a net position of $13,537.

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE - (Continued)

C. Deficit Fund Balances

Fund balances at June 30, 2020 included the following individual fund deficits:

Nonmajor funds	Deficit
Food service	$ 62,597
Management information systems	1,785
Public school preschool	4,500
Miscellaneous federal grants	3,659
WIA	2,000
Title VI-B	19,189
Elementary and secondary school emerg.	322
Title I	6,510
IDEA Preschool	3,019
Title II-A	16,770

The general fund is liable for any deficit in these funds and provides transfers when cash is required, not when accruals occur. The deficit fund balances resulted from adjustments for accrued liabilities.

NOTE 4 - DEPOSITS AND INVESTMENTS

State statutes classify monies held by the District into three categories.

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

Inactive deposits are public deposits that the Board of Education has identified as not required for use within the current 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 or by savings or deposit accounts including passbook accounts.

Interim monies may be deposited or invested in the following securities:

1. United States Treasury Notes, Bills, Bonds, or any other obligation or security issued by the United States Treasury or any other obligation guaranteed as to principal and interest by the United States;

2. Bonds, notes, debentures, or any other obligations or securities 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;

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

3. Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;

4. Bonds and other obligations of the State of Ohio, and with certain limitations including a requirement for maturity within ten years from the date of settlement, bonds and other obligations of political subdivisions of the State of Ohio, if training requirements have been met;

5. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;

6. No-load money market mutual funds consisting exclusively of obligations described items (1) and (2) above 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, the State Treasury Asset Reserve of Ohio (STAR Ohio and STAR Ohio Plus);

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.

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

Investments 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. Except as noted above, an investment must mature within five years from the date of purchase unless matched to a specific obligation or debt of the 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.

A. Deposits with Financial Institutions

At June 30, 2020, the carrying amount of all District deposits was $962,324. Based on the criteria described in GASB Statement No. 40, "*Deposits and Investment Risk Disclosures*", as of June 30, 2020, $1,042,008 of the District's bank balance of $1,422,526 was exposed to custodial risk as discussed below, while $380,518 was covered by the FDIC.

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

Custodial credit risk is the risk that, in the event of bank failure, the District will not be able to recover deposits or collateral securities that are in the possession of an outside party. The District has no deposit policy for custodial credit risk beyond the requirements of State statute. Ohio law requires that deposits either be insured or protected by (1) eligible securities pledged to the District and deposited with a qualified trustee by the financial institution as security for repayment whose fair value at all times shall be at least 105 percent of the deposits being secured, or (2) participation in the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution. OPCS requires the total fair value of the securities pledged to be 102 percent of the deposits being secured or a rate set by the Treasurer of State. For fiscal year 2020, the District's financial institutions pledged eligible securities whose fair value was at least 105 percent of the deposits being secured. Although all statutory requirements for the deposit of money had been followed, noncompliance with Federal requirements could potentially subject the District to a successful claim by the FDIC.

B. Investments

As of June 30, 2020, the District had the following investments and maturities:

		Investment Maturities			
Measurement/Investment type	Measurement Value	6 months or less	7 to 12 months	19 to 24 months	Greater than 24 months
Fair value:					
FHLMC	$ 110,009	$ -	$ -	$ 60,008	$ 50,001
FNMA	60,008	-	-	-	60,008
FFCB	185,128	-	99,868	-	85,260
U.S. Treasury Notes	181,425	-	181,425		
U.S. Government Money Market Mutual Fund	1,949	1,949	-	-	-
Amortized cost:					
STAR Ohio	4,154,707	4,154,707	-	-	-
Total	$ 4,693,226	$ 4,156,656	$ 281,293	$ 60,008	$ 195,269

The weighted average maturity of investments is 0.21 years.

The District's investments in U.S. government money market mutual funds are valued using quoted market prices in active markets (Level 1 inputs). The District's investments in federal agency securities (FHLMC, FNMA, FFCB) and U.S. Treasury notes are valued using quoted market prices that are not considered to be active, dealer quotations or alternative pricing sources for similar assets or liabilities for which all significant inputs are observable, either directly or indirectly (Level 2 inputs).

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

Credit Risk: STAR Ohio and the U.S. government money market mutual fund carry ratings of AAAm by Standard & Poor's. Ohio law requires that STAR Ohio maintain the highest rating provided by at least one nationally recognized standard rating service. The District's federal agency securities (FHLMC, FNMA, FFCB) and U.S. Treasury notes were rated Aaa by Moody's Investor Services and AA+ by Standard and Poor's. The U.S. Treasury bills were rated P-1 by Moody's Investor Services and A-1+ by Standard and Poor's.

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

Custodial Credit Risk: For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The District's federal agency securities (FHLMC, FNMA, FFCB), U.S. Treasury notes, and U.S. Treasury bills are exposed to custodial credit risk in that they are uninsured, unregistered, and held by the counterparty's trust department or agent, but not in the District's name. The District has no investment policy dealing with investment custodial risk beyond the requirements of State statute.

Concentration of Credit Risk: The District places no limit on the amount that may be invested in any one issuer. The following table includes the percentage of each investment type held by the District at June 30, 2020:

Measurement/Investment type	Measurement Value	% of Total
Fair value:		
FLHMC	$ 110,009	2.34
FNMA	60,008	1.28
FFCB	185,128	3.94
U.S. Treasury Notes	181,425	3.87
U.S. Government Money Market Mutual Fund	1,949	0.04
Amortized cost:		
STAR Ohio	4,154,707	88.53
Total	$ 4,693,226	100.00

C. Reconciliation of Cash and Investments to the Statement of Net Position

The following is a reconciliation of cash and investments as reported in the note above to cash and investments as reported on the statement of net position as of June 30, 2020:

Cash and investments per note	
Carrying amount of deposits	$ 962,324
Investments	4,693,226
Total	$ 5,655,550
Cash and investments per statement of net position	
Governmental activities	$ 5,655,550

NOTE 5 - INTERFUND TRANSACTIONS

A. Interfund transfers for the fiscal year ended June 30, 2020, consisted of the following, as reported on the fund statements:

	Amount
Transfers from general fund to:	
Nonmajor governmental funds	$ 180,000

Transfers are used to move revenues from the fund that statute or budget required to collect them to the fund that statute or budget requires to expend them and to use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations. Interfund transfers between governmental funds are eliminated on the government-wide financial statements.

B. Long-term interfund balances at June 30, 2020, as reported on the fund financial statements, consist of the following long-term loans to/from other funds.

	Amount
Long-term loans from general fund to:	
Nonmajor governmental funds	$ 10,521

The primary purpose of the interfund balances is to cover costs in specific funds where revenues were not received by June 30. The long-term interfund balances of $10,521 are not expected to be repaid within one year. Interfund balances between governmental funds are eliminated on the government-wide financial statements; therefore, no internal balances at June 30, 2020 are reported on the statement of net position.

C. Short-term interfund balances at June 30, 2020, as reported on the fund financial statements, consist of the following interfund loans receivable/payable.

Interfund Loan Receivable	Interfund Loan Payable	Amount
General fund	Nonmajor governmental funds	$ 149,553

The primary purpose of the interfund loans is to cover negative cash balances at fiscal year-end. Interfund balances between governmental funds are eliminated on the government-wide financial statements; therefore, no internal balances at June 30, 2020 are reported on the statement of net position.

NOTE 6 - PROPERTY TAXES

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

NOTE 6 - PROPERTY TAXES - (Continued)

Property taxes include amounts levied against all real property and public utility property. Real property tax revenues received in calendar year 2020 represent the collection of calendar year 2019 taxes. Real property taxes received in calendar year 2020 were levied after April 1, 2019, on the assessed values as of January 1, 2019, the lien date. Assessed values for real property taxes are established by State statute at 35 percent of appraised market value. Real property taxes are payable annually or semiannually. If paid annually, payment is due December 31; if paid semiannually, the first payment is due December 31, with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established. Public utility property tax revenues received in calendar year 2020 represent the collection of calendar year 2019 taxes. Public utility real and personal property taxes received in calendar year 2020 became a lien on December 31, 2018, were levied after April 1, 2019, and are collected with real property taxes. Public utility real property is assessed at 35 percent of true value; public utility tangible personal property is currently assessed at varying percentages of true value.

The District receives property taxes from Tuscarawas County. The County Auditor periodically advances to the District its portion of the taxes collected. Second-half real property tax payments collected by the County by June 30, 2020, are available to finance fiscal year 2020 operations. The amount available as an advance at June 30, 2020 was $567,082 in the general fund, $50,810 in the bond retirement fund (a nonmajor governmental fund), and $8,315 in the classroom facilities maintenance fund (a nonmajor governmental fund). This amount is recorded as revenue. The amount available for advance at June 30, 2019 was $435,547 in the general fund, $38,3462 in the bond retirement fund (a nonmajor governmental fund), and $6,948 in the classroom facilities maintenance fund (a nonmajor governmental fund). The amount of second-half real property taxes available for advance at fiscal year-end can vary based on the date the tax bills are sent.

Accrued property taxes receivable includes real property, public utility property and delinquent tangible personal property taxes which are measurable as of June 30, 2020 and for which there is an enforceable legal claim. Although total property tax collections for the next fiscal year are measurable, only the amount of real property taxes available as an advance at June 30 was levied to finance current fiscal year operations and is reported as revenue at fiscal year-end. The portion of the receivable not levied to finance current fiscal year operations is offset by a credit to deferred inflow of resources.

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

The assessed values upon which the fiscal year 2020 taxes were collected are:

	2019 Second Half Collections		2020 First Half Collections	
	Amount	Percent	Amount	Percent
Agricultural/residential and other real estate	$ 155,421,180	83.05	$ 172,622,450	84.27
Public utility personal	31,719,100	16.95	32,226,070	15.73
Total	$ 187,140,280	100.00	$ 204,848,520	100.00
Tax rate per $1,000 of assessed valuation	$ 29.70		$ 29.50	

NOTE 7 - RECEIVABLES

Receivables at June 30, 2020 consisted of property taxes, accounts, accrued interest, and intergovernmental grants and entitlements. All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes, the stable condition of State programs and the current year guarantee of federal funds. A summary of the principal items of receivables reported on the statement of net position follows:

Governmental activities:	
Property taxes	$ 4,954,592
Accounts	1,552
Accrued interest	1,215
Intergovernmental	511,809
Total	$ 5,469,168

Receivables have been disaggregated on the face of the basic financial statements. All receivables are expected to be collected within the subsequent year.

NOTE 8 - LEASE-PURCHASE AGREEMENT

On June 15, 2016, the District entered into a lease-purchase obligation for the financing of the replacement of the Junior High roof and air conditioning unit, replacement of the Junior high handicapped lift, repairs of the Intermediate school's walls and columns, the High School parking lot replacement and for the Stadium electric service relocation. The lease payments will be recorded as expenditures in the general fund.

A liability in the amount of the present value of minimum lease payments has been recorded in the statement of net position. Capital assets have been capitalized in the amount of $883,013. This amount represents the costs of the replacements and improvements as June 30, 2020.

The following is a schedule of the future long-term minimum lease payments required under the lease-purchase agreement and the present value of the future minimum lease payments as of June 30, 2020:

Fiscal Year Ending June 30,	Amount
2021	125,828
2022	125,593
2023	125,320
2024	125,998
2025	125,626
2026	125,215
Total minimum lease payments	753,580
Less: amount representing interest	(42,580)
Total	$ 711,000

NOTE 9 - CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2020, was as follows:

	Balance 6/30/19	Additions	Deductions	Balance 6/30/20
Capital assets, not being depreciated:				
Land	$ 318,293	$ -	$ -	$ 318,293
Total capital assets, not being depreciated	318,293	-	-	318,293
Capital assets, being depreciated:				
Land improvements	643,370	31,374	(9,000)	665,744
Buildings and improvements	31,795,543	27,305	-	31,822,848
Furniture and equipment	4,530,892	16,307	(79,452)	4,467,747
Vehicles	1,504,676	93,590	(44,562)	1,553,704
Total capital assets, being depreciated	38,474,481	168,576	(133,014)	38,510,043
Less: accumulated depreciation				
Land improvements	(458,817)	(17,713)	9,000	(467,530)
Buildings and improvements	(17,329,601)	(741,587)	-	(18,071,188)
Furniture and equipment	(4,005,098)	(81,854)	77,499	(4,009,453)
Vehicles	(1,203,149)	(61,488)	44,562	(1,220,075)
Total accumulated depreciation	(22,996,665)	(902,642)	131,061	(23,768,246)
Governmental activities capital assets, net	$ 15,796,109	$ (734,066)	$ (1,953)	$ 15,060,090

Depreciation expense was charged to governmental functions as follows:

Instruction:	
Regular	$ 608,441
Special	42,078
Vocational	17,488
Support services:	
Pupil	5,205
Instructional staff	17,850
Administration	8,973
Operations and maintenance	85,423
Pupil transportation	62,996
Central	4,229
Food service operations	15,874
Operation of non-instructional	1,052
Extracurricular activities	33,033
Total depreciation expense	$ 902,642

NOTE 10 - LONG-TERM OBLIGATIONS

The District's long-term obligations activity during fiscal year 2020 consisted of the following.

	Balance Outstanding 6/30/19	Additions	Reductions	Balance Outstanding 6/30/20	Amounts Due in One Year
General obligation bonds:					
Series 2005 - refunding bonds					
Capital appreciation bonds	$ 39,492	$ -	$ (39,492)	$ -	$ -
Accreted interest on capital appreciation bonds	325,326	30,182	(355,508)	-	-
Series 2015 - refunding bonds					
Current interest bonds	800,000	-	-	800,000	390,000
Series 2015 - limited tax - phone system					
Current interest bonds	45,147	-	(22,330)	22,817	22,817
Other long-term obligations:					
Lease purchase obligation series, 2016	822,000	-	(111,000)	711,000	113,000
Net pension liability	24,124,481	340,220	(316,941)	24,147,760	-
Net OPEB liability	2,556,249	-	(430,789)	2,125,460	-
Compensated absences	1,374,846	270,560	(192,494)	1,452,912	191,150
Total governmental activities	$ 30,087,541	$ 640,962	$ (1,468,554)	29,259,949	$ 716,967
Add: unamortized premium				9,281	
Total on statement of net position				$ 29,269,230	

General obligation bonds are direct obligations of the District for which the full faith, credit and resources are pledged and are payable from taxes levied on all taxable property of the District.

Lease purchase obligations will be paid from the general fund. See Note 8 for more information pertaining to the District's lease purchase obligations.

For the net pension liability the District pays obligations related to employee compensation from the fund benefitting from their service. See Note 14 for detail on the net pension liability.

For the net OPEB liability the District pays obligations related to employee compensation from the fund benefitting from their service. See Note 15 for detail on the net OPEB liability.

Compensated absences will be paid from the general fund, food service fund (a nonmajor governmental fund), the public school preschool fund (a nonmajor governmental fund), Title VI-B fund (a nonmajor governmental fund), Title I fund (a nonmajor governmental fund), and the improving teacher quality fund (a nonmajor governmental fund). See Note 11 for more information regarding compensated absences.

Series 2005 – Refunding Bonds

On July 6, 2005, the District issued Series 2005 general obligation refunding bonds to advance refund the Series 1997 current interest and capital appreciation bonds.

NOTE 10 - LONG-TERM OBLIGATIONS - (Continued)

This issue was comprised of both current interest bonds, par value $4,330,000, and capital appreciation bonds, par value $204,588. The current interest bonds were refunded in fiscal year 2015. The interest rates on the current interest bonds range from 2.75% to 3.60% with a final stated maturity on December 1, 2021. The capital appreciation bonds matured on December 1, 2016 (effective interest 4.20%), December 1, 2017 (effective interest 4.30%), December 1, 2018 (effective interest 4.40%) and December 1, 2019 (effective interest 4.50%) at a redemption price equal to 100% of the principal, plus accrued interest to the redemption date.

The Series 2005 refunding bonds were repaid from the bond retirement fund (a nonmajor governmental fund). At June 30, 2020, there were no further obligations outstanding.

<u>Series 2015 – Refunding Bonds</u>
On March 3, 2015, the District issued Series 2015 general obligation refunding bonds to currently refund the Series 2005 current interest bonds. The issuance proceeds of $1,195,000 were used to purchase securities which were placed in an irrevocable trust to provide resources for all future debt service payments on the refunded debt. This refunded debt is considered defeased (in-substance) and accordingly, has been removed from the statement of net position. At June 30, 2020, $810,000 of the refunded debt was outstanding.

This issue is comprised of current interest bonds, par value $1,195,000. The interest rates on the current interest bonds range of 3.25% with a final stated maturity on December 1, 2021. The Series 2015 refunding bonds will be repaid from the debt service fund (a nonmajor governmental fund). The following is a summary of the future debt service requirements to maturity for the Series 2015 refunding bonds:

Fiscal Year	Current Interest Bonds		
Year Ending June 30,	Principal	Interest	Total
2021	$ 390,000	$ 19,663	$ 409,663
2022	410,000	6,663	416,663
Total	$ 800,000	$ 26,326	$ 826,326

In September 2015, the District issued $108,918 in limited tax general obligation bonds. The bonds were used to purchase a new phone system for the District. The interest rate for the bonds is 2.18% with a maturity of December 1, 2020. During fiscal year 2020, the District made principal payments and interest payments of $22,330 and $741 respectively on the bonds. The principal and interest payments will be recorded as expenditures in the general fund.

The following is a summary of the future debt service requirements to maturity for the 2015 series limited tax general obligation bonds:

Fiscal Year	Current Interest Bonds		
Year Ending June 30,	Principal	Interest	Total
2021	$ 22,817	$ 249	$ 23,066

NOTE 10 - LONG-TERM OBLIGATIONS - (Continued)

Legal Debt Margin

The Ohio Revised Code provides that voted net general obligation debt of the District shall never exceed 9% of the total assessed valuation of the District. The code further provides that unvoted indebtedness shall not exceed 1/10 of 1% of the property valuation of the District. The code additionally states that unvoted indebtedness related to energy conservation debt shall not exceed 9/10 of 1% of the property valuation of the District. The assessed valuation used in determining the District's legal debt margin has been modified by House Bill 530 which became effective March 30, 2006. In accordance with House Bill 530, the assessed valuation used in the District's legal debt margin calculation excluded tangible personal property used in business, telephone or telegraph property, interexchange telecommunications company property, and personal property owned or leased by a railroad company and used in railroad operations. The effects of these debt limitations at June 30, 2020, are a voted debt margin of $18,137,857 (including available funds of $501,490) and an unvoted debt margin of $182,032.

NOTE 11 - EMPLOYEE BENEFITS

Compensated Absences

The criteria for determining vacation and sick leave components are derived from negotiated agreements and State laws. Classified, eleven and twelve-month administrative employees earn 10 to 25 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 and other administrators 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 260 days for all employees. Upon retirement, classified and certified employees receive one-fourth of their total sick leave accumulation, up to a maximum of 50 days. Compensated absences will be paid from the fund from which the employee is paid.

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NOTE 12 - RISK MANAGEMENT

A. Property and Liability

The District is exposed to various risks of loss related to torts; theft or damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During fiscal year 2020, the District contracted with the Ohio School Plan for the following insurance coverage as follows:

Type of Coverage		Coverage
Property Coverage:	$	105,079,158
Blanket buildings and contents		
Auto Liability		2,000,000
Uninsured Motorist		1,000,000
Commercial General Liability:		2,000,000
Each occurence		
Fire damages		500,000
General aggregate		4,000,000
Products/completed operations aggregate		2,000,000
Employers Stop Gap Liability:		
Bodily injury by accident		2,000,000
Bodily injury by disease		2,000,000
Aggregate limit		2,000,000
Errors and Omissions:		
Each errors and ommissions injury limit		2,000,000
Aggregate limit		4,000,000

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

B. Medical, Dental and Vision Insurance

The District participates in the Stark County Schools Council of Governments Health Benefit Plan, a risk sharing pool to provide medical/surgical benefits for employees. The Stark County Schools Council has selected Mutual Health Services to provide third party administrative services in claims processing. Employees may elect to choose from two Preferred Provider Organizations (PPO) with a co-insurance of 90% in-network and 80% non-network. The provider organizations are Aultcare and Medical Mutual. A preferred provider drug program is also included in the insurance program. The employee pays a 20% co-payment to the provider and the remaining 80% is directly billed to the insurance company. Caremark serves as the preferred provider for the drug program. During fiscal year 2020, the District paid $1,690.19 for certified and $1,743.69 for classified family plans or $679.71 for certified and $707.71 for classified individual coverage per month to the Stark County Educational Service Center who serves as the fiscal agent for the Health Benefits Plan. The premium is paid by the fund that pays the salary for the employee and is based on a rate determined by an actuary for the Health Benefits Plan.

The District also provides dental and vision benefits, which are administered by the Health Benefits Plan. Mutual Health Services serves as the third party administrator to provide claims processing services these plans. During fiscal year 2020, the monthly premium for dental coverage was $230.56 for family coverage and $93.46 for individual coverage. During fiscal year 2020, the premium for vision coverage was $48.97 for family coverage and $19.72 for individual coverage. The premiums for these coverages are also paid into the insurance pool.

NOTE 12 - RISK MANAGEMENT - (Continued)

C. Life Insurance

The District provides life insurance and accidental death and dismemberment insurance to most employees. Life insurance is provided through Dearborn National Life Insurance.

D. Workers' Compensation

The District paid the State Workers' Compensation System a premium for employee injury coverage. The premium is calculated by multiplying the monthly total gross payroll by a factor that the State calculates. The District utilizes CompManagement, Inc. as a third party administrator.

NOTE 13 - OTHER COMMITMENTS

The District utilizes encumbrance accounting as part of its budgetary controls. Encumbrances outstanding at year end may be reported as part of restricted, committed, or assigned classifications of fund balance. At year end, the District's commitments for encumbrances in the governmental funds were as follows:

Fund	Year-End Encumbrances
General fund	$ 220,424
Nonmajor governmental funds	284,468
Total	$ 504,892

NOTE 14 - DEFINED BENEFIT PENSION PLANS

Net Pension Liability

The net pension liability reported on the statement of net position represents a liability to employees for pensions. Pensions are a component of exchange transactions—between an employer and its employees—of salaries and benefits for employee services. Pensions 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 liability represents the District's proportionate share of each pension plan's collective actuarial present value of projected benefit payments attributable to past periods of service, net of each pension plan's fiduciary net position. The net pension liability calculation is dependent on critical long-term variables, including estimated average life expectancies, earnings on investments, cost of living adjustments and others. While these estimates use the best information available, unknowable future events require adjusting this estimate annually.

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

NOTE 14 - DEFINED BENEFIT PENSION PLANS - (Continued)

GASB 68 assumes the liability is solely the obligation of the employer, because (1) they benefit from employee services; and (2) State statute requires all funding to come from these employers. All contributions to date have come solely from these employers (which also includes costs paid in the form of withholdings from employees). State statute requires the pension plans to amortize unfunded liabilities within 30 years. If the amortization period exceeds 30 years, each pension plan's board must propose corrective action to the State legislature. Any resulting legislative change to benefits or funding could significantly affect the net pension liability. Resulting adjustments to the net pension liability would be effective when the changes are legally enforceable.

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

Plan Description - School Employees Retirement System (SERS)

Plan Description - The 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, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by Ohio Revised Code Chapter 3309. SERS issues a publicly available, stand-alone financial report that includes financial statements, required supplementary information and detailed information about SERS' fiduciary net position. That report can be obtained by visiting the SERS website at www.ohsers.org 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 after August 1, 2017
Full benefits	Age 65 with 5 years of services credit: or 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; or 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% for the first thirty years of service and 2.5% for years of service credit over 30. Final average salary is the average of the highest three years of salary.

Effective January 1, 2018, SERS cost-of-living adjustment (COLA) changed from a fixed 3% annual increase to one based on the Consumer Price Index (CPI-W) with a cap of 2.5% and a floor of 0%. SERS also has the authority to award or suspend the COLA, or to adjust the COLA above or below CPI-W. SERS suspended the COLA increases for 2018, 2019 and 2020 for current retirees, and confirmed their intent to implement a four-year waiting period for the state of a COLA for future retirees.

NOTE 14 - DEFINED BENEFIT PENSION PLANS - (Continued)

Funding Policy - Plan members are required to contribute 10% of their annual covered salary and the District is required to contribute 14% 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% for plan members and 14% 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, 2020, the allocation to pension, death benefits, and Medicare B was 14.0%.

The District's contractually required contribution to SERS was $443,151 for fiscal year 2020. Of this amount, $75,616 is reported as pension and postemployment benefits payable.

Plan Description - State Teachers Retirement System (STRS)

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

New members have a choice of three retirement plans; a Defined Benefit (DB) Plan, a Defined Contribution (DC) Plan and a Combined Plan. Benefits are established by Ohio Revised Code Chapter 3307. The DB Plan offers an annual retirement allowance based on final average salary multiplied by a percentage that varies based on years of service. Effective August 1, 2015, the calculation will be 2.2% of final average salary for the five highest years of earnings multiplied by all years of service. Effective July 1, 2017, the cost-of-living adjustment was reduced to zero. Members are eligible to retire at age 60 with five years of qualifying service credit, or age 55 with 28 years of service, or 33 years of service regardless of age. Eligibility changes will be phased in until August 1, 2026, when retirement eligibility for unreduced benefits will be five years of service credit and age 65, or 35 years of service credit and at least age 60.

The DC Plan allows members to place all their member contributions and 9.53% of the 14% employer contributions into an investment account. Investment allocation decisions are determined by the member. The remaining 4.47% of the 14% 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% of the 14% member rate goes to the DC Plan and the remaining 2% 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 after termination of employment at age 50 or later.

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.

NOTE 14 - DEFINED BENEFIT PENSION PLANS - (Continued)

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. Eligible survivors of members who die before service retirement may qualify for monthly benefits. New members on or after July 1, 2013, must have at least ten years of qualifying service credit to apply for disability benefits. Members in the DC Plan who become disabled are entitled only to their account balance. 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. For fiscal year 2019, plan members were required to contribute 14% of their annual covered salary. The District was required to contribute 14%; the entire 14% was the portion used to fund pension obligations. The fiscal year 2019 contribution rates were equal to the statutory maximum rates.

The District's contractually required contribution to STRS was $1,456,999 for fiscal year 2020. Of this amount, $248,300 is reported as pension and postemployment benefits 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, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on the District's share of contributions to the pension plan relative to the projected contributions of all participating entities.

Following is information related to the proportionate share and pension expense:

	SERS	STRS	Total
Proportion of the net pension liability prior measurement date	0.09126350%	0.08594625%	
Proportion of the net pension liability current measurement date	0.08206160%	0.08699251%	
Change in proportionate share	-0.00920190%	0.00104626%	
Proportionate share of the net pension liability	$ 4,909,889	$ 19,237,871	$ 24,147,760
Pension expense	$ 736,618	$ 2,871,020	$ 3,607,638

NOTE 14 - DEFINED BENEFIT PENSION PLANS - (Continued)

At June 30, 2020, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	SERS	STRS	Total
Deferred outflows of resources			
Differences between expected and actual experience	$ 124,505	$ 156,629	$ 281,134
Changes of assumptions	-	2,259,859	2,259,859
Difference between employer contributions and proportionate share of contributions/ change in proportionate share	69,606	355,222	424,828
Contributions subsequent to the measurement date	443,151	1,456,999	1,900,150
Total deferred outflows of resources	$ 637,262	$ 4,228,709	$ 4,865,971

	SERS	STRS	Total
Deferred inflows of resources			
Differences between expected and actual experience	$ -	$ 83,278	$ 83,278
Net difference between projected and actual earnings on pension plan investments	63,024	940,238	1,003,262
Difference between employer contributions and proportionate share of contributions/ change in proportionate share	309,981	48,291	358,272
Total deferred inflows of resources	$ 373,005	$ 1,071,807	$ 1,444,812

$1,900,150 reported as deferred outflows of resources related to pension resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2021.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

	SERS	STRS	Total
Fiscal Year Ending June 30:			
2021	$ (4,434)	$ 1,395,320	$ 1,390,886
2022	(206,008)	278,410	72,402
2023	(4,194)	(119,037)	(123,231)
2024	35,742	145,210	180,952
Total	$ (178,894)	$ 1,699,903	$ 1,521,009

NOTE 14 - DEFINED BENEFIT PENSION PLANS - (Continued)

Actuarial Assumptions - SERS

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

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

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

Key methods and assumptions used in calculating the total pension liability in the latest actuarial valuation, prepared as of June 30, 2019, are presented below:

Wage inflation	3.00%
Future salary increases, including inflation	3.50% to 18.20%
COLA or ad hoc COLA	2.50%
Investment rate of return	7.50% net of investments expense, including inflation
Actuarial cost method	Entry age normal (level percent of payroll)

For 2019, the mortality rates were based on the RP-2014 Blue Collar Mortality Table with fully generational projection and a five-year age set-back for both males and females. Mortality among service retired members, and beneficiaries were based upon the RP-2014 Blue Collar Mortality Table with fully generational projection with Scale BB, 120% of male rates, and 110% of female rates. Mortality among disabled members was based upon the RP-2000 Disabled Mortality Table, 90% for male rates and 100% for female rates, set back five years is used for the period after disability retirement.

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

The long-term return expectation for the Pension Plan Investments has been determined 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 a 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.

NOTE 14 - DEFINED BENEFIT PENSION PLANS - (Continued)

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash	1.00 %	0.50 %
US Equity	22.50	4.75
International Equity	22.50	7.00
Fixed Income	19.00	1.50
Private Equity	10.00	8.00
Real Assets	15.00	5.00
Multi-Asset Strategies	10.00	3.00
Total	100.00 %	

Discount Rate - The total pension liability was calculated using the discount rate of 7.50%. 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 earning were calculated using the long-term assumed investment rate of return (7.50%). 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 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 7.50%, 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 (6.50%), or one percentage point higher (8.50%) than the current rate.

	1% Decrease	Current Discount Rate	1% Increase
District's proportionate share of the net pension liability	$ 6,880,510	$ 4,909,889	$ 3,257,277

Actuarial Assumptions - STRS

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results used in the July 1, 2019, actuarial valuation are presented below:

	July 1, 2019
Inflation	2.50%
Projected salary increases	12.50% at age 20 to 2.50% at age 65
Investment rate of return	7.45%, net of investment expenses, including inflation
Payroll increases	3.00%
Cost-of-living adjustments (COLA)	0.00%

NOTE 14 - DEFINED BENEFIT PENSION PLANS - (Continued)

For the July 1, 2019, actuarial valuation, post-retirement mortality rates for healthy retirees are based on the RP-2014 Annuitant Mortality Table with 50% of rates through age 69, 70% of rates between ages 70 and 79, 90% of rates between ages 80 and 84, and 100% 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% of rates for males and 100% 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.

Actuarial assumptions used in the July 1, 2019 valuation are based on the results of an actuarial experience study for the period July 1, 2011 through June 30, 2016.

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

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

*Target weights will be phased in over a 24-month period concluding on July 1, 2019.

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

Discount Rate - The discount rate used to measure the total pension liability was 7.45% as of June 30, 2019. The projection of cash flows used to determine the discount rate assumes 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. Projected employer contributions that are intended to fund the service costs of future plan members and their beneficiaries, as well as projected contributions from future plan members, are not 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, 2019. Therefore, the long-term expected rate of return on pension plan investments of 7.45% was applied to all periods of projected benefit payment to determine the total pension liability as of June 30, 2019.

NOTE 14 - DEFINED BENEFIT PENSION PLANS - (Continued)

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

	1% Decrease	Current Discount Rate	1% Increase
District's proportionate share of the net pension liability	$ 28,114,005	$ 19,237,871	$ 11,723,769

NOTE 15 - DEFINED BENEFIT OPEB PLANS

Net OPEB Liability/Asset

The net OPEB liability/asset reported on the statement of net position represents a liability/asset to employees for OPEB. OPEB is a component of exchange transactions–between an employer and its employees—of salaries and benefits for employee services. 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 OPEB is a present obligation because it was created as a result of employment exchanges that already have occurred.

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

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

GASB 75 assumes the liability is solely the obligation of the employer, because they benefit from employee services. OPEB contributions come from these employers and health care plan enrollees which pay a portion of the health care costs in the form of a monthly premium. The Ohio Revised Code permits, but does not require, the retirement systems to provide healthcare to eligible benefit recipients. Any change to benefits or funding could significantly affect the net OPEB liability/asset. Resulting adjustments to the net OPEB liability/asset would be effective when the changes are legally enforceable. The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits.

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

NOTE 15 - DEFINED BENEFIT OPEB PLANS - (Continued)

Plan Description - School Employees Retirement System (SERS)

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

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

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% of covered payroll to the Health Care Fund in accordance with the funding policy. For the fiscal year ended June 30, 2020, SERS did not allocate any employer contributions to post-employment 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 2020, this amount was $19,600. Statutes provide that no employer shall pay a health care surcharge greater than 2% of that employer's SERS-covered payroll; nor may SERS collect in aggregate more than 1.5% of the total statewide SERS-covered payroll for the health care surcharge. For fiscal year 2020, the District's surcharge obligation was $52,122.

The surcharge added to the allocated portion of the 14% employer contribution rate is the total amount assigned to the Health Care Fund. The District's contractually required contribution to SERS was $52,122 for fiscal year 2020. Of this amount, $52,122 is reported as due to other governments/intergovernmental payable/pension and postemployment benefits payable.

Plan Description - State Teachers Retirement System (STRS)

Plan Description – The State Teachers Retirement System of Ohio (STRS) administers a cost-sharing Health Plan administered for eligible retirees who participated in the defined benefit or combined pension plans offered by STRS. Ohio law authorizes STRS to offer this plan. Benefits include hospitalization, physicians' fees, prescription drugs and partial reimbursement of monthly Medicare Part B premiums. Medicare Part B premium reimbursements will be discontinued effective January 1, 2021. The Plan is included in the report of STRS which can be obtained by visiting www.strsoh.org or by calling (888) 227-7877.

NOTE 15 - DEFINED BENEFIT OPEB PLANS - (Continued)

Funding Policy – Ohio Revised Code Chapter 3307 authorizes STRS to offer the Plan and gives the Retirement Board discretionary authority over how much, if any, of the health care costs will be absorbed by STRS. Active employee members do not contribute to the Health Care Plan. Nearly all health care plan enrollees, for the most recent year, pay a portion of the health care costs in the form of a monthly premium. Under Ohio law, funding for post-employment health care may be deducted from employer contributions, currently 14% of covered payroll. For the fiscal year ended June 30, 2020, STRS did not allocate any employer contributions to post-employment health care.

OPEB Liabilities/Assets, 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, 2019, and the total OPEB liability/asset used to calculate the net OPEB liability/asset was determined by an actuarial valuation as of that date. The District's proportion of the net OPEB liability/asset was based on the District's share of contributions to the respective retirement systems relative to the contributions of all participating entities.

Following is information related to the proportionate share and OPEB expense:

	SERS	STRS	Total
Proportion of the net OPEB liability prior measurement date	0.09214130%	0.08594625%	
Proportion of the net OPEB liability/asset current measurement date	0.08451840%	0.08699251%	
Change in proportionate share	-0.00762290%	0.00104626%	
Proportionate share of the net OPEB liability	$ 2,125,460	$ -	$ 2,125,460
Proportionate share of the net OPEB asset	$ -	$ (1,440,804)	$ (1,440,804)
OPEB expense	$ 44,984	$ (439,262)	$ (394,278)

At June 30, 2020, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	SERS	STRS	Total
Deferred outflows of resources			
Differences between expected and actual experience	$ 31,200	$ 130,620	$ 161,820
Net difference between projected and actual earnings on OPEB plan investments	5,100	-	5,100
Changes of assumptions	155,240	30,285	185,525
Difference between employer contributions and proportionate share of contributions/ change in proportionate share	98,950	23,133	122,083
Contributions subsequent to the measurement date	52,122	-	52,122
Total deferred outflows of resources	$ 342,612	$ 184,038	$ 526,650

NOTE 15 - DEFINED BENEFIT OPEB PLANS - (Continued)

	SERS	STRS	Total
Deferred inflows of resources			
Differences between expected and actual experience	$ 466,949	$ 73,303	$ 540,252
Net difference between projected and actual earnings on OPEB plan investments	-	90,492	90,492
Changes of assumptions	119,103	1,579,674	1,698,777
Difference between employer contributions and proportionate share of contributions/ change in proportionate share	201,535	7,975	209,510
Total deferred inflows of resources	$ 787,587	$ 1,751,444	$ 2,539,031

$52,122 reported as deferred outflows of resources related to OPEB resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability/asset in the year ending June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

	SERS	STRS	Total
Fiscal Year Ending June 30:			
2021	$ (143,056)	$ (342,076)	$ (485,132)
2022	(75,638)	(342,076)	(417,714)
2023	(74,145)	(305,808)	(379,953)
2024	(74,385)	(293,087)	(367,472)
2025	(85,633)	(289,498)	(375,131)
Thereafter	(44,240)	5,139	(39,101)
Total	$ (497,097)	$ (1,567,406)	$ (2,064,503)

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.

NOTE 15 - DEFINED BENEFIT OPEB PLANS - (Continued)

Key methods and assumptions used in calculating the total OPEB liability in the latest actuarial valuation date of June 30, 2019 are presented below:

Wage inflation	3.00%
Future salary increases, including inflation	3.50% to 18.20%
Investment rate of return	7.50% net of investments expense, including inflation
Municipal bond index rate:	
Measurement date	3.13%
Prior measurement date	3.62%
Single equivalent interest rate, net of plan investment expense, including price inflation:	
Measurement date	3.22%
Prior measurement date	3.70%
Medical trend assumption:	
Measurement date	
Medicare	5.25 to 4.75%
Pre-Medicare	7.00 to 4.75%
Prior measurement date	
Medicare	5.375 to 4.75%
Pre-Medicare	7.25 to 4.75%

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

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

The long-term expected rate of return on plan assets is reviewed as part of the actuarial five-year experience study. The most recent study covers fiscal years 2010 through 2015, and was adopted by the Board on April 21, 2016. Several factors are considered in evaluating the long-term rate of return assumption including long-term historical data, estimates inherent in current market data, and a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return were developed by the investment consultant for each major asset class. These ranges were combined to produce the long-term expected rate of return, 7.50%, 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.

NOTE 15 - DEFINED BENEFIT OPEB PLANS - (Continued)

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash	1.00 %	0.50 %
US Equity	22.50	4.75
International Equity	22.50	7.00
Fixed Income	19.00	1.50
Private Equity	10.00	8.00
Real Assets	15.00	5.00
Multi-Asset Strategies	10.00	3.00
Total	100.00 %	

Discount Rate - The discount rate used to measure the total OPEB liability at June 30, 2019 was 3.22%. The discount rate used to measure total OPEB liability prior to June 30, 2019 was 3.70%. The projection of cash flows used to determine the discount rate assumed that contributions will be made from members and the System at the state statute contribution rate of 2.00% of projected covered employee payroll each year, which includes a 1.50% payroll surcharge and 0.50% of contributions from the basic benefits plan. Based on these assumptions, the OPEB plan's fiduciary net position was projected to become insufficient to make future benefit payments during the fiscal year ending June 30, 2025. Therefore, the long-term expected rate of return on OPEB plan assets was used to present value the projected benefit payments through the fiscal year ending June 30, 2024 and the Fidelity General Obligation 20-year Municipal Bond Index rate of 3.13%, as of June 30, 2019 (i.e. municipal bond rate), was used to present value the projected benefit payments for the remaining years in the projection. A municipal bond rate of 3.62% was used as of June 30, 2018. The total present value of projected benefit payments from all years was then used to determine the single rate of return that was used as the discount rate. The projection of future benefit payments for all current plan members was until the benefit payments ran out.

Sensitivity of the 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 (2.22%) and higher (4.22%) than the current discount rate (3.22%). 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 3.75%) and higher (8.00% decreasing to 5.75%) than the current rate.

	1% Decrease	Current Discount Rate	1% Increase
District's proportionate share of the net OPEB liability	$ 2,579,905	$ 2,125,460	$ 1,764,123

	1% Decrease	Current Trend Rate	1% Increase
District's proportionate share of the net OPEB liability	$ 1,702,924	$ 2,125,460	$ 2,686,063

NOTE 15 - DEFINED BENEFIT OPEB PLANS - (Continued)

Actuarial Assumptions - STRS

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results used in the July 1, 2019, actuarial valuation, compared with July 1, 2018, are presented below:

	July 1, 2019		July 1, 2018	
Inflation	2.50%		2.50%	
Projected salary increases	12.50% at age 20 to 2.50% at age 65		12.50% at age 20 to 2.50% at age 65	
Investment rate of return	7.45%, net of investment expenses, including inflation		7.45%, net of investment expenses, including inflation	
Payroll increases	3.00%		3.00%	
Cost-of-living adjustments (COLA)	0.00%		0.00%	
Discounted rate of return	7.45%		7.45%	
Blended discount rate of return	N/A		N/A	
Health care cost trends				
	Initial	Ultimate	Initial	Ultimate
Medical				
Pre-Medicare	5.87%	4.00%	6.00%	4.00%
Medicare	4.93%	4.00%	5.00%	4.00%
Prescription Drug				
Pre-Medicare	7.73%	4.00%	8.00%	4.00%
Medicare	9.62%	4.00%	-5.23%	4.00%

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

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

Actuarial assumptions used in the June 30, 2019 valuation are based on the results of an actuarial experience study for the period July 1, 2011 through June 30, 2016.

Assumption Changes Since the Prior Measurement Date - There were no changes in assumptions since the prior measurement date of June 30, 2018.

Benefit Term Changes Since the Prior Measurement Date - 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% to 1.984% 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% for the Medicare plan. The Medicare Part B monthly reimbursement elimination date was postponed to January 1, 2021.

NOTE 15 - DEFINED BENEFIT OPEB PLANS - (Continued)

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

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

* Target weights will be phased in over a 24-month period concluding on July 1, 2019.

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

Discount Rate - The discount rate used to measure the total OPEB asset was 7.45% as of June 30, 2019. The projection of cash flows used to determine the discount rate assumes STRS Ohio 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. Therefore, the long-term expected rate of return on health care plan investments of 7.45% was used to measure the total OPEB asset as of June 30, 2019.

Sensitivity of the 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, 2019, calculated using the current period discount rate assumption of 7.45%, as well as what the net OPEB asset would be if it were calculated using a discount rate that is one percentage point lower (6.45%) or one percentage point higher (8.45%) than the current assumption. Also shown is the net OPEB asset as if it were calculated using health care cost trend rates that are one percentage point lower or one percentage point higher than the current health care cost trend rates.

	1% Decrease	Current Discount Rate	1% Increase
District's proportionate share of the net OPEB asset	$ 1,229,440	$ 1,440,804	$ 1,618,513

	1% Decrease	Current Trend Rate	1% Increase
District's proportionate share of the net OPEB asset	$ 1,633,806	$ 1,440,804	$ 1,204,424

NOTE 16 - BUDGETARY BASIS OF ACCOUNTING

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

The statement of revenue, expenditures and changes in fund balance - budget and actual (non-GAAP budgetary basis) presented for the general fund is presented on the budgetary basis to provide a meaningful comparison of actual results with the budget. The major differences between the budget basis and the GAAP basis are that:

(a) Revenues and other financing sources are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis);

(b) Expenditures and other financing uses are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis);

(c) In order to determine compliance with Ohio law, and to reserve that portion of the applicable appropriation, total outstanding encumbrances (budget basis) are recorded as the equivalent of an expenditure, as opposed to assigned or committed fund balance for that portion of outstanding encumbrances not already recognized as an account payable (GAAP basis);

(d) Investments are reported at fair value (GAAP) basis as opposed to cost (budget basis);

(e) Advances-in and advances-out are operating transactions (budget basis) as opposed to balance sheet transactions (GAAP basis); and,

(f) Some funds are included in the general fund (GAAP basis), but have separate legally adopted budgets (budget basis).

The adjustments necessary to convert the results of operations for the year on the budget basis to the GAAP basis for the general fund is as follows:

Net Change in Fund Balance

	General fund
Budget basis	$ (869,867)
Net adjustment for revenue accruals	229,457
Net adjustment for expenditure accruals	77,185
Net adjustment for other sources/uses	(106,474)
Funds budgeted elsewhere	5,104
Adjustment for encumbrances	232,032
GAAP basis	$ (432,563)

Certain funds that are legally budgeted in separate special revenue funds are considered part of the general fund on a GAAP basis. These include the uniform school supplies fund, the public school support fund and the unclaimed monies fund.

NOTE 17 - CONTINGENCIES

A. Grants

The District receives significant financial assistance from numerous federal, state, and local agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the District; however, in the opinion of management, any such disallowed claims will not have a material effect on the financial position of the District.

B. Litigation

The District is involved in no material litigation as either plaintiff or defendant.

C. Foundation Funding

District Foundation funding is based on the annualized full-time equivalent (FTE) enrollment of each student. Effective for the 2019-2020 school year, traditional Districts must comply with minimum hours of instruction, instead of a minimum number of school days each year. The funding formula the Ohio Department of Education (ODE) is legislatively required to follow will continue to adjust as enrollment information is updated by the District, which can extend past the fiscal year-end. As of the date of this report, ODE has not finalized the impact of enrollment adjustments to the June 30, 2020 Foundation funding for the District; therefore, the financial statement impact is not determinable at this time. ODE and management believe this will result in either a receivable to or liability of the District.

D. COVID-19

The United States and the State of Ohio declared a state of emergency in March 2020 due to the COVID-19 pandemic. The financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the District. The District’s investment portfolio and the investments of the pension and other employee benefit plans are subject to increased market volatility, which could result in a significant decline in fair value, consistent with the general decline in financial markets. However, because the values of individual investments fluctuate with market conditions, the amount of losses that will be recognized in subsequent periods, if any, cannot be determined. In addition, the impact on the District’s future operating costs, revenues, and any recovery from emergency funding, either federal or state, cannot be estimated.

NOTE 18 - SET-ASIDES

The District is required by State law to annually set-aside certain general fund revenue amounts, as defined by statutory formula, for the acquisition and construction of capital improvements. Amounts not spent by the end of the fiscal year or offset by similarly restricted resources received during the year must be held in cash at fiscal year-end. This amount must be carried forward to be used for the same purpose in future years. Expenditures exceeding the set-aside requirement may not be carried forward to the next fiscal year.

NOTE 18 - SET-ASIDES - (Continued)

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

	Capital Improvements
Set-aside balance June 30, 2019	$ -
Current year set-aside requirement	344,554
Current year offsets	(73,563)
Prior year offset from bond proceeds	(270,991)
Total	$ -
Balance carried forward to fiscal year 2021	$ -
Set-aside balance June 30, 2020	$ -

NOTE 19 - TAX ABATEMENT AGREEMENTS ENTERED INTO BY OTHER GOVERNMENTS

Mill Township and the Village of Dennison entered into Community Reinvestment Area (CRA) agreements with various property owners for the abatement of property taxes to encourage economic development into the Township. Under the agreements, the property owner's property taxes assessed to the District have been abated. During fiscal year 2020, the School District's property taxes were reduced by approximately $4,549.

NOTE 20 - SUBSEQUENT EVENT

On August 11, 2020, the District issued Series 2020 Certificates of Participation (COPs) in the amount of $6,500,000. The proceeds will be used for acquisition, construction, equipping, improving, installation and renovation of school building facilities consisting of real and personal property at 4205 Indian Hill Road, Uhrichsville, Ohio 44683 and 11th and Uhrich Street, Uhrichsville, Ohio 44683. The COPs carry interest rates ranging from 2.125-3.00% and have a final maturity date of December 1, 2049.

REQUIRED SUPPLEMENTARY INFORMATION

CLAYMONT CITY SCHOOL DISTRICT
TUSCARAWAS COUNTY, OHIO

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF
THE NET PENSION LIABILITY
SCHOOL EMPLOYEES RETIREMENT SYSTEM (SERS) OF OHIO

LAST SEVEN FISCAL YEARS

	2020	**2019**	**2018**	**2017**
District's proportion of the net pension liability	0.08206160%	0.09126350%	0.08507310%	0.08629200%
District's proportionate share of the net pension liability	$ 4,909,889	$ 5,226,830	$ 5,082,930	$ 6,315,778
District's covered payroll	$ 2,872,941	$ 2,909,533	$ 2,874,300	$ 2,800,414
District's proportionate share of the net pension liability as a percentage of its covered payroll	170.90%	179.64%	176.84%	225.53%
Plan fiduciary net position as a percentage of the total pension liability	70.85%	71.36%	69.50%	62.98%

Note: Information prior to 2014 was unavailable. Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

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

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

	2016	2015	2014
	0.08104840%	0.08310000%	0.08310000%
	$ 4,624,700	$ 4,205,644	$ 4,941,690
	$ 2,439,977	$ 2,414,719	$ 2,317,854
	189.54%	174.17%	213.20%
	69.16%	71.70%	65.52%

CLAYMONT CITY SCHOOL DISTRICT
TUSCARAWAS COUNTY, OHIO

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF
THE NET PENSION LIABILITY
STATE TEACHERS RETIREMENT SYSTEM (STRS) OF OHIO

LAST SEVEN FISCAL YEARS

	2020	**2019**	**2018**	**2017**
District's proportion of the net pension liability	0.08699251%	0.08594625%	0.08621481%	0.08565504%
District's proportionate share of the net pension liability	$ 19,237,871	$ 18,897,651	$ 20,480,513	$ 28,671,324
District's covered payroll	$ 10,265,857	$ 9,813,579	$ 9,680,921	$ 9,005,871
District's proportionate share of the net pension liability as a percentage of its covered payroll	187.40%	192.57%	211.56%	318.36%
Plan fiduciary net position as a percentage of the total pension liability	77.40%	77.31%	75.30%	66.80%

Note: Information prior to 2014 was unavailable. Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

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

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

2016	2015	2014
0.08287296%	0.08438585%	0.08438585%
$ 22,903,662	$ 20,525,559	$ 24,449,912
$ 8,785,979	$ 8,621,900	$ 8,960,054
260.68%	238.06%	272.88%
72.10%	74.70%	69.30%

CLAYMONT CITY SCHOOL DISTRICT
TUSCARAWAS COUNTY, OHIO

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF DISTRICT PENSION CONTRIBUTIONS
SCHOOL EMPLOYEES RETIREMENT SYSTEM (SERS) OF OHIO

LAST TEN FISCAL YEARS

	2020	2019	2018	2017
Contractually required contribution	$ 443,151	$ 387,847	$ 392,787	$ 402,402
Contributions in relation to the contractually required contribution	(443,151)	(387,847)	(392,787)	(402,402)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -
District's covered payroll	$ 3,165,364	$ 2,872,941	$ 2,909,533	$ 2,874,300
Contributions as a percentage of covered payroll	14.00%	13.50%	13.50%	14.00%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

2016	2015	2014	2013	2012	2011
$ 392,058	$ 321,589	$ 334,680	$ 320,791	$ 316,952	$ 292,893
(392,058)	(321,589)	(334,680)	(320,791)	(316,952)	(292,893)
$ -	$ -	$ -	$ -	$ -	$ -
$ 2,800,414	$ 2,439,977	$ 2,414,719	$ 2,317,854	$ 2,356,520	$ 2,330,095
14.00%	13.18%	13.86%	13.84%	13.45%	12.57%

CLAYMONT CITY SCHOOL DISTRICT
TUSCARAWAS COUNTY, OHIO

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF DISTRICT PENSION CONTRIBUTIONS
STATE TEACHERS RETIREMENT SYSTEM (STRS) OF OHIO

LAST TEN FISCAL YEARS

	2020	2019	2018	2017
Contractually required contribution	$ 1,456,999	$ 1,437,220	$ 1,373,901	$ 1,355,329
Contributions in relation to the contractually required contribution	(1,456,999)	(1,437,220)	(1,373,901)	(1,355,329)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -
District's covered payroll	$ 10,407,136	$ 10,265,857	$ 9,813,579	$ 9,680,921
Contributions as a percentage of covered payroll	14.00%	14.00%	14.00%	14.00%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

2016	2015	2014	2013	2012	2011
$ 1,260,822	$ 1,230,037	$ 1,120,847	$ 1,164,807	$ 1,211,366	$ 1,179,120
(1,260,822)	(1,230,037)	(1,120,847)	(1,164,807)	(1,211,366)	(1,179,120)
$ -	$ -	$ -	$ -	$ -	$ -
$ 9,005,871	$ 8,785,979	$ 8,621,900	$ 8,960,054	$ 9,318,200	$ 9,070,154
14.00%	14.00%	13.00%	13.00%	13.00%	13.00%

CLAYMONT CITY SCHOOL DISTRICT
TUSCARAWAS COUNTY, OHIO

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF
THE NET OPEB LIABILITY
SCHOOL EMPLOYEES RETIREMENT SYSTEM (SERS) OF OHIO

LAST FOUR FISCAL YEARS

	2020	2019	2018	2017
District's proportion of the net OPEB liability	0.08451840%	0.09214130%	0.08624510%	0.08732772%
District's proportionate share of the net OPEB liability	$ 2,125,460	$ 2,556,249	$ 2,314,592	$ 2,489,163
District's covered payroll	$ 2,872,941	$ 2,909,533	$ 2,874,300	$ 2,800,414
District's proportionate share of the net OPEB liability as a percentage of its covered payroll	73.98%	87.86%	80.53%	88.89%
Plan fiduciary net position as a percentage of the total OPEB liability	15.57%	13.57%	12.46%	11.49%

Note: Information prior to 2017 was unavailable. Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

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

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

CLAYMONT CITY SCHOOL DISTRICT
TUSCARAWAS COUNTY, OHIO

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF
THE NET OPEB LIABILITY/ASSET
STATE TEACHERS RETIREMENT SYSTEM (STRS) OF OHIO

LAST FOUR FISCAL YEARS

	2020	2019	2018	2017
District's proportion of the net OPEB liability/asset	0.08699251%	0.08594625%	0.08621481%	0.08565504%
District's proportionate share of the net OPEB liability/(asset)	$ (1,440,804)	$ (1,381,068)	$ 3,363,784	$ 4,580,854
District's covered payroll	$ 10,265,857	$ 9,813,579	$ 9,680,921	$ 9,005,871
District's proportionate share of the net OPEB liability/asset as a percentage of its covered payroll	14.03%	14.07%	34.75%	50.87%
Plan fiduciary net position as a percentage of the total OPEB liability/asset	174.70%	176.00%	47.10%	37.30%

Note: Information prior to 2017 was unavailable. Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

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

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

CLAYMONT CITY SCHOOL DISTRICT
TUSCARAWAS COUNTY, OHIO

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF DISTRICT OPEB CONTRIBUTIONS
SCHOOL EMPLOYEES RETIREMENT SYSTEM (SERS) OF OHIO

LAST TEN FISCAL YEARS

	2020	2019	2018	2017
Contractually required contribution	$ 52,122	$ 67,927	$ 62,348	$ 46,615
Contributions in relation to the contractually required contribution	(52,122)	(67,927)	(62,348)	(46,615)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -
District's covered payroll	$ 3,165,364	$ 2,872,941	$ 2,909,533	$ 2,874,300
Contributions as a percentage of covered payroll	1.65%	2.36%	2.14%	1.62%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

2016		2015		2014		2013		2012		2011	
$	42,409	$	62,417	$	43,622	$	38,291	$	59,042	$	67,330
	(42,409)		(62,417)		(43,622)		(38,291)		(59,042)		(67,330)
$	-	$	-	$	-	$	-	$	-	$	-
$	2,800,414	$	2,439,977	$	2,414,719	$	2,317,854	$	2,356,520	$	2,330,095
	1.51%		2.56%		1.81%		1.65%		2.51%		2.89%

CLAYMONT CITY SCHOOL DISTRICT
TUSCARAWAS COUNTY, OHIO

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF DISTRICT OPEB CONTRIBUTIONS
STATE TEACHERS RETIREMENT SYSTEM (STRS) OF OHIO

LAST TEN FISCAL YEARS

	2020	2019	2018	2017
Contractually required contribution	$ -	$ -	$ -	$ -
Contributions in relation to the contractually required contribution	-	-	-	-
Contribution deficiency (excess)	$ -	$ -	$ -	$ -
District's covered payroll	$ 10,407,136	$ 10,265,857	$ 9,813,579	$ 9,680,921
Contributions as a percentage of covered payroll	0.00%	0.00%	0.00%	0.00%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

2016		2015		2014		2013		2012		2011	
$	-	$	-	$	88,174	$	89,601	$	93,182	$	90,702
	-		-		(88,174)		(89,601)		(93,182)		(90,702)
$	-	$	-	$	-	$	-	$	-	$	-
$	9,005,871	$	8,785,979	$	8,621,900	$	8,960,054	$	9,318,200	$	9,070,154
	0.00%		0.00%		1.00%		1.00%		1.00%		1.00%

PENSION

SCHOOL EMPLOYEES RETIREMENT SYSTEM (SERS) OF OHIO

Changes in benefit terms: There were no changes in benefit terms from the amounts reported for fiscal years 2014-2017. For fiscal year 2018, SERS changed from a fixed 3% annual increase to a Cost of Living Adjustment (COLA) based on the changes in the Consumer Price Index (CPI-W), with a cap of 2.5% and a floor of 0%. There were no changes in benefit terms from the amounts previously reported for fiscal years 2019-2020.

Changes in assumptions: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal years 2014-2016. For fiscal year 2017, the following changes of assumptions affected the total pension liability since the prior measurement date: (a) the assumed rate of inflation was reduced from 3.25% to 3.00%, (b) payroll growth assumption was reduced from 4.00% to 3.50%, (c) assumed real wage growth was reduced from 0.75% to 0.50%, (d) Rates of withdrawal, retirement and disability were updated to reflect recent experience, (e) mortality among active members was updated to RP-2014 Blue Collar Mortality Table with fully generational projection and a five year age set-back for both males and females, (f) mortality among service retired members, and beneficiaries was updated to the following RP-2014 Blue Collar Mortality Table with fully generational projection with Scale BB, 120% of male rates, and 110% of female rates, (g) mortality among disabled members was updated to RP-2000 Disabled Mortality Table, 90% for male rates and 100% for female rates, set back five years is used for the period after disability retirement and (h) the discount rate was reduced from 7.75% to 7.50%. There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal years 2018-2020.

STATE TEACHERS RETIREMENT SYSTEM (STRS) OF OHIO

Changes in benefit terms: There were no changes in benefit terms from the amounts reported for fiscal years 2014-2017. For fiscal year 2018, STRS decreased the Cost of Living Adjustment (COLA) to zero. There were no changes in benefit terms from amounts previously reported for fiscal years 2019-2020.

Changes in assumptions: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal years 2014-2017. For fiscal year 2018, the following changes of assumption affected the total pension liability since the prior measurement date: (a) the long term expected rate of return was reduced from 7.75% to 7.45%, (b) the inflation assumption was lowered from 2.75% to 2.50%, (c) the payroll growth assumption was lowered to 3.00%, (d) total salary increases rate was lowered by decreasing the merit component of the individual salary increases, in addition to a decrease of 0.25% due to lower inflation (e) the healthy and disabled mortality assumptions were updated to the RP-2014 mortality tables with generational improvement scale MP-2016 and (f) rates of retirement, termination and disability were modified to better reflect anticipated future experience. There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2020.

(Continued)

OTHER POSTEMPLOYMENT BENEFITS (OPEB)

SCHOOL EMPLOYEES RETIREMENT SYSTEM (SERS) OF OHIO

Changes in benefit terms: There were no changes in benefit terms from the amounts previously reported for fiscal years 2017-2020.

Changes in assumptions: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2017. For fiscal year 2018, the following changes of assumptions affected the total OPEB liability since the prior measurement date: (a) assumed rate of inflation was reduced from 3.25% to 3.00%, (b) payroll growth assumption was reduced from 4.00% to 3.50%, (c) assumed real wage growth was reduced from 0.75% to 0.50%, (d) rates of withdrawal, retirement, and disability were updated to reflect recent experience, (e) mortality among active members was updated to the following: RP-2014 Blue Collar Mortality Table with fully generational projection and a five-year age set-back for both males and females, (f) mortality among service retired members, and beneficiaries was updated to the following: RP-2014 Blue Collar Mortality Table with fully generational projection with Scale BB, 120% of male rates, and 110% of female rates, (g) mortality among disabled members was updated to the following: RP-2000 Disabled Mortality Table, 90% for male rates and 100% for female rates, set back five years is used for the period after disability retirement, (h) the municipal bond index rate increased from 2.92% to 3.56% and (i) the single equivalent interest rate, net of plan investment expense, including price inflation increased from 2.98% to 3.63%. For fiscal year 2019, the following changes of assumptions affected the total OPEB liability since the prior measurement date: (a) the discount rate increased from 3.63% to 3.70%, (b) the health care cost trend rates for Medicare were changed from a range of 5.50%-5.00% to a range of 5.375%-4.75% and Pre-Medicare were changed from a range of 7.50%-5.00% to a range of 7.25%-4.75%, (c) the municipal bond index rate increased from 3.56% to 3.62% and (d) the single equivalent interest rate, net of plan investment expense, including price inflation increased from 3.63% to 3.70%. For fiscal year 2020, the following changes of assumptions affected the total OPEB liability since the prior measurement date: (a) the discount rate decreased from 3.70% to 3.22%, (b) the health care cost trend rates for Medicare were changed from a range of 5.375%-4.75% to a range of 5.25%-4.75% and Pre-Medicare were changed from a range of 7.25%-4.75% to a range of 7.00%-4.75%, (c) the municipal bond index rate decreased from 3.62% to 3.13% and (d) the single equivalent interest rate, net of plan investment expense, including price inflation decreased from 3.70% to 3.22%.

STATE TEACHERS RETIREMENT SYSTEM (STRS) OF OHIO

Changes in benefit terms: There were no changes in benefit terms from the amounts previously reported for fiscal year 2017. For fiscal year 2018, STRS reduced the subsidy multiplier for non-Medicare benefit recipients from 2.1% to 1.9% per year of service. Medicare Part B premium reimbursements were discontinued for certain survivors and beneficiaries and all remaining Medicare Part B premium reimbursements will be discontinued beginning January 2019. For fiscal year 2019, STRS increased the subsidy multiplier for non-Medicare benefit recipients from 1.9% to 1.944% per year of service effective January 1, 2019. The non-Medicare frozen subsidy base premium was increased January 1, 2019 and all remaining Medicare Part B premium reimbursements will be discontinued beginning January 1, 2020. For fiscal year 2020, STRS increase the subsidy percentage from 1.944% to 1.984% effectice January 1, 2020. The Medicare subsidy percentages were adjusted effective January 1, 2021 to 2.1% for the Medicare plan. The Medicare Part B monthly reimbursement elimination date was postponed to January 1, 2021.

Changes in assumptions: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2017. For fiscal year 2018, the following changes of assumption affected the total OPEB liability since the prior measurement date: (a) the discount rate was increased from 3.26% to 4.13% based on the methodology defined under GASB Statement No. 74, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans (OPEB), (b) the long term expected rate of return was reduced from 7.75% to 7.45%, (c) valuation year per capita health care costs were updated, and the salary scale was modified, (d) 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 and (e) 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 following changes of assumptions affected the total OPEB liability/asset since the prior measurement date: (a) the discount rate was increased from the blended rate of 4.13% to the long-term expected rate of return of 7.45% based on the methodology defined under GASB Statement No. 74, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans (OPEB) and (b) decrease in health care cost trend rates from 6.00%-11.00% initial; 4.50% ultimate down to Medical Pre-Medicare 6.00% and Medicare 5.00% initial; 4.00% ultimate and Prescription Drug Pre-Medicare 8.00% and Medicare (5.23%) initial; 4.00% ultimate. For fiscal year 2020, health care cost trend rates were changed to the following: medical pre-medicare from 6.00% initial - 4.00% ultimate down to 5.87% initial - 4.00% ultimate; medical medicare from 5.00% initial - 4.00% ultimate down to 4.93% initial - 4.00% ultimate; prescription drug pre-medicare from 8.00% initial - 4.00% ultimate down to 7.73% initial - 4.00% ultimate and (5.23%) initial - 4.00% ultimate up to 9.62% initial - 4.00% ultimate.

CLAYMONT CITY SCHOOL DISTRICT
TUSCARAWAS COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

Federal Grantor / *Pass Through Grantor /* Program Title	Grant Year	Federal CFDA Number	Expenditures
U.S. DEPARTMENT OF AGRICULTURE			
Passed Through The Ohio Department of Education:			
Child Nutrition Cluster:			
National School Breakfast Program	2020	10.553	$ 106,501
COVID-19 National School Breakfast Program	2020	10.553	24,316
Total CFDA 10.553			130,817
National School Lunch Program	2020	10.555	383,515
COVID-19 National School Lunch Program	2020	10.555	52,438
National Commodities Program - Noncash Assistance	2020	10.555	66,725
Total CFDA 10.555			502,678
Total Child Nutrition Cluster			633,495
Total U.S. Department of Agricultur			633,495
U.S. DEPARTMENT OF EDUCATION			
Passed Through The Ohio Department of Education:			
School Quality Improvement - Supplement	2020	84.010A	3,833
School Quality Improvement	2020	84.010A	295,287
Title I Grants to Local Educational Agencies	2019	84.010	56,052
Title I Grants to Local Educational Agencies	2020	84.010	593,129
Total Title I Grants to Local Educational Agencies			948,301
Special Education Cluster			
Special Education Grants to States (IDEA B)	2019	84.027	47,010
Special Education Grants to States (IDEA B)	2020	84.027	439,321
Total CFDA 84.027			486,331
Special Education Restoration Funds	2019	84.173	2,220
Special Education Restoration Funds	2020	84.173	9,323
Special Education Preschool Grants	2019	84.173	6,942
Special Education Preschool Grants	2020	84.173	6,696
Total CFDA 84.173			25,181
Total Special Education Grants to States			511,512
Title V-B Rural Education	2020	84.358	5,197
Total V-B Rural Education			5,197
Title II-A Improving Teacher Quality State Grants	2020	84.367	93,009
Total Title II-A Improving Teacher Quality State Grants			93,009
Title IV-A Student Support and Academic Enrichment	2020	84.424	43,519
Total – U.S. Department of Educatioı			1,601,538
Total Expenditures of Federal Award			$ 2,235,033

See the accompanying notes to the Schedule of Federal Expenditures.

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
2 CFR 200.510(b)(6)
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

NOTE A – BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of the District under programs of the federal government for the year ended June 30, 2020. 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 or changes in net position 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.

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

January 15, 2021

Claymont City School District
Tuscarawas County
201 North Third Street
Dennison, Ohio 44621

To the Board of Education:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the **Claymont City School District**, Tuscarawas County (the District) as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated January 15, 2021, in which we noted the School District restated beginning net position and fund balance to account for the implementation of GASB Statement No. 84, Fiduciary Activities. In addition, we noted in our report that, the financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the District.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

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Marietta, Ohio

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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

January 15, 2021

Claymont City School District
Tuscarawas County
201 North Third Street
Dennison, Ohio 44621

To the Board of Education:

Report on Compliance for the Major Federal Program

We have audited **Claymont City School District's** (the District) compliance with the applicable requirements described in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could directly and materially affect the District's major federal program for the year ended June 30, 2020. The *Summary of Auditor's Results* in the accompanying schedule of audit findings identifies the District's major federal program.

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion on the Major Federal Program

In our opinion, Claymont City School District complied, in all material respects with the compliance requirements referred to above that could directly and materially affect its major federal program for the year ended June 30, 2020.

Report on Internal Control Over Compliance

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

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

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

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

Perry & Associates CPA's A.C.

Perry and Associates
Certified Public Accountants, A.C.
Marietta, Ohio

CLAYMONT CITY SCHOOL DISTRICT
TUSCARAWAS COUNTY

SCHEDULE OF AUDIT FINDINGS
2 CFR § 200.515
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

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 other 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 other 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):**	Title I Grants to Local Educational Agencies, CFDA #84.010
(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?**	Yes

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

None

3. FINDINGS FOR FEDERAL AWARDS

None

OHIO AUDITOR OF STATE
KEITH FABER

CLAYMONT CITY SCHOOL DISTRICT

TUSCARAWAS 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 3/30/2021

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