



Comprehensive Annual Financial Report For the Fiscal Year Ended June 30, 2020



West Clermont Local School District

Cincinnati, OH

Amelia Elementary - Clough Pike Elementary - Holly Hill Elementary -
Merwin Elementary - Summerside Elementary - Willowville Elementary -
Withamsville-Tobasco Elementary - West Clermont Middle - West Clermont High



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Board of Education
West Clermont Local School District
4350 Aicholtz Rd Ste 220
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We have reviewed the *Independent Auditor's Report* of the West Clermont Local School District, Clermont County, prepared by Julian & Grube, Inc., 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 West Clermont Local School District is responsible for compliance with these laws and regulations.

A handwritten signature in black ink that reads "Keith Faber".

Keith Faber
Auditor of State
Columbus, Ohio

April 08, 2021

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Cincinnati, Ohio

COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

PREPARED BY:
OFFICE OF THE TREASURER/CFO
DANIEL M. ROMANO III

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**WEST CLERMONT LOCAL SCHOOL DISTRICT
CLERMONT COUNTY, OHIO**

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

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INTRODUCTORY SECTION

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January 25, 2021

To the Citizens and Board of Education of the West Clermont Local School District:

We are pleased to present the Comprehensive Annual Financial Report (CAFR) of the West Clermont Local School District ("District") for the fiscal year ended June 30, 2020. This report, prepared by the Treasurer's Office, includes an opinion from Keith Faber, Ohio Auditor of State. Responsibility for both the accuracy of the presented data, and the completeness and fairness of the presentation, including all disclosures, rests with the District. This report is prepared in conformance with generally accepted accounting principles (GAAP) as set forth by the Governmental Accounting Standards Board (GASB) and other recognized authoritative sources. This report will provide taxpayers of the West Clermont Local School District with comprehensive financial data in a format which will enable them to gain an understanding of the District's financial affairs. We have included all disclosures necessary to enable the reader to gain an understanding of the District's financial activities.

We will make this report available to the public online on the District's website (www.westcler.org) within the Treasurer's section. In addition, we will notify all West Clermont school buildings, the Clermont County Chamber of Commerce, Clermont County Administrative Offices, Union Township, Pierce Township, Batavia Township, Ohio Township, Monroe Township, other governments in Clermont County, Moody's financial rating services, and any other interested parties that this report has been released and where they can find it.

This Comprehensive Annual Financial Report is divided into three sections:

The Introductory Section includes this transmittal letter, a list of principal officials, and the District's organizational chart. In addition, we have also included a summary of the District's major initiatives - both current and future.

The Financial Section includes the independent auditor's report on the financial statements, management's discussion and analysis, basic financial statements, notes to the basic financial statements, combining statements for non-major funds and schedules that provide detailed information relative to the basic financial statements, required supplementary information, and notes to the required supplementary information.

The Statistical Section includes selective financial, economic, and demographic information that's generally presented on a multi-year basis for comparative purposes.

GAAP require that management provide a narrative introduction, an overview, and an analysis to accompany the basic financial statements in the form of Management Discussion and Analysis (MD&A). The District's MD&A can be found immediately following the independent auditors' report.

THE REPORTING ENTITY AND SERVICES PROVIDED

The District has reviewed its reporting entity definition in order to ensure conformance 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." In evaluating how to define the District for financial reporting purposes, we have considered all agencies, departments, and organizations making up the District (the primary government) and its potential component units, including charter schools. The District has no component units nor is it a component unit of any other governmental organization.

The District is associated with the Hamilton Clermont Cooperative Information Center, the Unified Purchasing Cooperative of the Ohio River Valley, the Southwest Ohio Organization of School Health, and the Great Oaks Institute of Technology & Career Development, all of which are jointly governed organizations. In addition, the District participates in the SchoolComp Group Retrospective Rating Plan, an insurance purchasing pool.

The District provides a full range of traditional and non-traditional educational programs and services. These include elementary and secondary curriculum offerings at the general, college preparatory, advanced placement, gifted, special education and vocational levels, a broad range of co-curricular and extra-curricular activities, special education programs, and community recreation activities.

The District receives pass-through grants from the Ohio Department of Education and distributes these grants to parochial schools located within the District, which include St. Bernadette, St. Thomas More, and St. Veronica. This financial activity is included in the entity as an Auxiliary Services special revenue fund because of the District's administrative involvement in the program. While these organizations share operational and service similarity with the District, they are legally separate and distinct entities. However, because of their independent nature, those parochial schools are not included in this report.

THE DISTRICT AND ITS FACILITIES

West Clermont is the 24th largest of Ohio's 610 school districts in terms of average daily membership. In addition, it is the largest school district in Clermont County. The District is comprised of portions of several townships in Clermont County, including Union Township, Pierce Township, Batavia Township, Ohio Township, and Monroe Township. Our enrollment for the 2019-20 school year was 8,429 students, which included students in grades pre-K through 12. For the 2019-20 school year, the District operated seven elementary schools, one middle school, and one high school. As of June 30, 2020, the ages of those building were as follows:

<u>Building</u>	<u>Constructed</u>	<u>Age</u>
Amelia Elementary	2010	9
Brantner Elementary	1963	56
Clough Pike Elementary	1968	51
Holly Hill Elementary	1982	37
Merwin Elementary	1969	50
Summerside Elementary	2019	1
Willowville Elementary	2019	1
Withamsville-Tobasco Elementary	2010	9
West Clermont Middle School	1961	58
West Clermont High School	2017	2

Following the District's Facilities Master Plan, construction of a new Summerside Elementary and a new Willowville Elementary began in the spring of 2018. The Facilities Master Plan was developed in collaboration with the Ohio Facilities Construction Commission (OFCC), which provided the District \$45 million to both construct these two facilities as well as renovate the existing Clough Pike Elementary building. Both Summerside Elementary and Willowville Elementary opened their doors on schedule in August 2019. The renovation of Clough Pike Elementary began as soon as the 2018-2019 school year came to a close, and was completed in August 2020. Brantner Elementary was closed at the end of the 2018-2019 school year and was used as to house the Clough Pike Elementary students during the 2019-2020 school year. The District implemented a redistricting plan in the Fall of 2019. Beginning with the 2019-20 school year, all students that had attended Brantner Elementary were placed at other schools within the District. The former Brantner Elementary building is scheduled for demolition in 2021.

ORGANIZATION OF THE SCHOOL DISTRICT

The Board of Education of the West Clermont Local School District ("Board") is composed of five members elected at large by the citizens of the District. The Board serves as the taxing authority, contracting body, and policy initiator of the operation of the District. The Board is also responsible for the adoption of the annual appropriation resolution and tax budget. The Board is a body politic and corporate, as defined by Section 3313.02 of the Ohio Revised Code, and has only those powers and authority conferred upon it by the Code. The current Board members, their terms, and years on the Board as of June 30, 2020 are:

<u>Board Member</u>	<u>Current Term</u>	<u>Total Years</u>
Tammy Brinkman	01/01/20 - 12/31/2023	8.50
Jim Rudy	01/01/18 - 12/31/2021	2.50
David Schaeff	01/01/18 - 12/31/2021	3.25
Michele Delaney	01/01/20 - 12/31/2023	1.06
Michael Chumley	01/01/20 - 12/31/2023	.5

The Superintendent is the chief executive officer of the District and is responsible directly to the Board for all educational and support operations of the District. The Board of Education appointed Mrs. Natasha Adams as Superintendent, effective July 1, 2018. Mrs. Adams has served students in the public education setting for 22 years as a classroom teacher, assistant principal, principal, and executive director of curriculum prior to her appointment at West Clermont.

The Treasurer is the chief financial officer of the District and is directly responsible to the Board for all financial operations, investments, custody of all District funds and assets, and serves as Secretary to the Board. Mrs. Kelly Sininger was named District Treasurer effective November 1, 2018 through July 31, 2020. Mr. Daniel M. Romano III joined the District as Treasurer on August 1, 2020 with 40 years of experience in governmental finance.

Treasurer's office personnel report directly to the Treasurer. All other District employees are responsible to the Superintendent and are employed by the Board upon the recommendation of the Superintendent.

EMPLOYEE RELATIONS

As of June 30, 2020, the District employed 737 full-time and 117 part-time employees.

The District's teachers are represented for collective bargaining purposes by the West Clermont Education Association (WCEA, an affiliate of the Ohio Education Association (OEA) and the National Education Association (NEA)). The District has a collective bargaining agreement with WCEA, which expires July 31, 2021. The District's support staff is represented by the West Clermont Helping Ohio's Public Employees (HOPE, an OEA and NEA Affiliate). The District has a collective bargaining agreement with HOPE, which expires June 30, 2021.

ECONOMIC CONDITION AND OUTLOOK

Located in Clermont County, the West Clermont Local School District serves a population of approximately 69,188 people. Within the District boundaries are the majority of Union Township, as well as portions of Pierce Township, Batavia Township, Ohio Township, and Monroe Township. These thriving communities are a blend of residential, business, high technology, and light industrial areas. Convenient access to State Route 32 and interstate connector I-275 has helped in the spectacular growth of the area during the last twenty years. The Greater Cincinnati area has long been noted as one of the premiere areas to live and work in the United States.

A strong industrial base in Union Township is currently in mid-development stage. A tax incentive district supports this multi-use development. The District has entered into agreements with the Union Township trustees to provide the District reimbursement for lost tax revenue as a result of the tax incentives used to attract new businesses. In addition, significant residential growth in all segments continues to provide a stable tax base for the District for many years. With general economic conditions improving, prospects for continued growth look favorable. We are always striving to provide the very best opportunities to every child, while carefully guarding the District's resources.

Prior to 2020, the last operating tax levy was passed in May 2009. At that time the residents of the District approved a 6.9 mill substitute continuing levy. That levy continued the collections of the 5-year emergency levy that passed in March of 2004. In this fiscal year, the Board voted to place a new 7.99 mill emergency operating levy for ten years on the March 2020 ballot. This levy was approved by voters and additional information regarding this new levy is included below within *Major Initiatives*.

ENROLLMENT

The District is growing as we restructure our facilities and revise our programs and services to attract and retain students.

<u>School Year</u>	<u>PreK-5</u>	<u>6-8</u>	<u>9-12</u>	<u>Total Enrollment</u>
2014-2015	3921	1820	2364	8105
2015-2016	3926	1781	2432	8139
2016-2017	3958	1864	2450	8272
2017-2018	3957	1897	2506	8360
2018-2019	4041	1906	2440	8387
2019-2020	4119	1907	2403	8429

SERVICES PROVIDED

The District provides a wide variety of education and support services, as mandated by the Ohio Revised Code or Board directives.

The District provides transportation for over 4,443 public school students and 153 private school students each day. The District fleet of 82 buses travel over 5,648 miles each day, transporting to 31 different sites. In addition to making more than 366 daily runs, the District transported both public and non-public students on 276 extra-curricular trips during the year.

The child nutrition department served 475,519 plate lunches throughout the District's kitchens. This was accomplished through the full operation of ten kitchens. The District currently offers a breakfast program at all buildings.

In addition to transportation and child nutrition support services, students in the District also receive guidance, psychological, and limited health services free of charge. The guidance services are designed to help students match their natural skills with vocational and/or academic programs to help them achieve their full potential in life. Psychological services include the testing and identification of students for special education programs. Limited health services are provided by 4 registered nurses and 14 health aides throughout the District.

The District offers regular instructional programs daily to students in grades K-12. Approximately 213 students participated in the specific trades through Great Oaks Institute of Technology and Career Development programs. About 1,391 students receive special services, due to physical or mental handicapping conditions. In grades K-12, approximately 1044 students have been identified as gifted.

MAJOR INITIATIVES

Elementary Attendance Boundary Changes

The District's Master Facilities Plan was created in collaboration with the OFCC in 2001 and continues to be updated and carried out. As part of the plan, OFCC deemed Brantner Elementary too costly to renovate and required that it not be used for K-12 programming once the construction and renovation of Summerside Elementary, Willowville Elementary, and Clough Pike Elementary was complete. The impending closing of the elementary, as well as enrollment growth, dictated the need to review our elementary attendance boundaries. In the fall of 2018, the District launched an extensive and open community process to discuss, review, and select an updated attendance boundary for each of our elementary schools. The new attendance boundaries were successfully implemented at the beginning of the 2019-20 school year.

Strategic Planning

Under the direction of Superintendent Adams, the District embarked on a strategic planning process with the community in the spring of 2019. The process began with the following question: What do our graduates need to be successful in learning and life? From here, we invited dozens of parent representatives from each school to attend a "Beyond the Brick & Mortar" presentation to discuss our current reality and hopes for the future. The strategic planning team gathered information from 14 focus groups comprised of parents, students, staff and residents, who were asked to respond to questions regarding the strengths of our District and the areas for growth and improvement. The administrative team completed both a S.W.O.T. (Strengths, Weaknesses, Opportunities & Threats) analysis and a district capacity analysis, as well as participated in brainstorming sessions.

The strategic planning team used all of this information to develop a vision statement, mission statement and strategic themes to support the aspirational vision of the West Clermont School Board of Education. In September 2019, the Board of Education approved the District's new vision, mission and strategic themes.

Vision: Together as One Community, We LEARN. LEAD. SUCCEED.

Mission: Commit to excellence with every learner, every day, every way.

Strategic Themes:

- Equip and Engage Every Learner
- Grow Academic Achievement and Educational Opportunity
- Embrace Innovative Learning
- Optimize Partnerships & Align Resources

Core Values:

- **R:** Relationships
- **I:** Innovation
- **S:** Student-Centered
- **E:** Empowerment

This important work continued in the fall of 2019 to activate our internal teams and engage with partners to work through a deep dive and the finalization of a working, metrics-driven plan for each of the four components. The District shared the comprehensive plan with all stakeholders in early 2020. For more information about the planning process and our strategic plan, please visit our website: <http://www.westcler.k12.oh.us/content/wcsdstrategicplan>

Financial Health & March 2020 Ballot Issue

The discussion to submit a ballot issue to the voters in 2020 for operating dollars was part of Board discussions for two years. Discussions began with the former Superintendent and Treasurer who retired in July and October 2018, respectively. During the interview process for the new Superintendent and Treasurer, the Board gave significant emphasis to the topic of a ballot issue. With Superintendent Natasha Adams and Treasurer Kelly Sininger in place by November 2018, the board and administration prioritized three interrelated financial areas of focus:

- Updating the five-year forecast
- Family & community engagement (strategic plan & financial health)
- Preparing for a 2020 ballot issue

The District updated their five-year operating forecast in May 2019 and again in November 2019. The forecast projected minimal growth in state funding and local property taxes and indicated that the current level of programs and services were not sustainable without additional resources.

In May 2019, a full year in advance of the proposed levy, Superintendent Adams and Treasurer Sininger began Financial Health Conversations. These gatherings included face-to-face meetings with our staff, families and community with the goal to encourage engagement and increase awareness of the District's educational priorities and financial needs. In addition, the District mailed financial health literature to District residents. In September 2019, the District commissioned a professional community survey to determine the community's awareness of the District's financial health and provide input on additional local support.

Using information from the five-year forecast and the input obtained from our community, the Board voted in November 2019 to place a 7.99 mill emergency operating levy on the March 2020 ballot. If the levy was successful, it would generate \$11,500,000 per year and be collected for ten years beginning in January 2021. As mentioned above, this levy was successfully approved by voters.

FINANCIAL INFORMATION

The District's accounting system is organized on a "fund" basis. Each fund is a distinct, self-balancing entity. The District maintains records for general governmental operations on a budgetary basis system of accounting as prescribed by State statute. Cash basis accounting differs from accounting principles generally accepted in the United States of America as promulgated by the GASB.

INTERNAL ACCOUNTING AND BUDGETARY CONTROLS

The management of the District is responsible for establishing and maintaining internal controls designed to ensure that the assets of the District are protected from loss, theft, or misuse, and to ensure that adequate accounting data is compiled to allow for the preparation of the financial statements in a conformity with accounting principles generally accepted in the United States of America. The District's internal accounting controls are designed to provide reasonable, but not absolute, assurance regarding: (1) the safeguarding of assets against loss from unauthorized use or disposition and (2) the reliability of financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance is based on the assumption that: (1) the cost of a control should not exceed the benefits likely to be derived from its implementation; and (2) the valuation of cost and benefits requires estimates and judgments by management.

The District utilizes a fully automated accounting system as well as an automated system of control for capital assets and payroll. These systems, coupled with the manual auditing of each voucher prior to payment, ensure that the financial information generated is both accurate and reliable.

At the beginning of each fiscal year, the Board adopts either a temporary appropriation measure or a permanent appropriation measure for that fiscal year. If a temporary measure is first adopted, the Board must adopt a permanent appropriation within three months. The District's most significant fund budgeted is the General fund.

Annual appropriations may not exceed the County Budget Commission's official estimate of resources. The County Auditor must certify that the Board's appropriation measures, including any supplements or amendments, do not exceed the amount set forth in the latest of those official estimates.

Activities of all funds (except agency) are included in the annual appropriated budget. All disbursements and transfers of cash between funds require appropriation authority from the Board. Budgets are controlled at the fund level of expenditures. All purchase order requests must be approved by the individual program managers and certified by the Treasurer; necessary funds are then encumbered and purchase orders are released to vendors.

The manual accounting system used by the District provides interim financial reports which detail year-to-date expenditures and encumbrances versus the original appropriation plus any additional appropriations made to date. In addition to interim financial statements, each program manager is furnished monthly reports showing the status of the budget account(s) for which he or she is responsible. Each program manager may request additional financial reports during the month when necessary.

As an additional safeguard, all employees involved with receiving and depositing funds are covered by a blanket bond and certain individuals in policy-making roles are covered by a separate, higher bond.

The basis of accounting and the various funds utilized by the District are fully described in the notes to the basic financial statements. Additional information on the District's budgetary accounts can also be found in the notes to the basic financial statements.

INDEPENDENT AUDIT

Provisions of State statute require that the District's financial statements be subjected to an annual examination by an independent auditor. The unmodified opinion rendered by the Ohio Auditor of State on the District's basic financial statements, combining statements, and individual fund schedules is included in the financial section of this Comprehensive Annual Financial Report. Pursuant to statute, the State prescribes a uniform accounting system to standardize accounting classification and financial reporting for all units of local education agencies in Ohio. The District adopted and has been in conformance with that system effective with its annual financial report since the 1979 calendar year.

AWARDS

GFOA Certificate of Achievement for Excellence in Financial Reporting

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the District for its comprehensive annual financial report for the fiscal year ending June 30, 2019. This was the seventeenth consecutive year that the District has achieved this prestigious award. In order to be awarded a Certificate of Achievement for Excellence in Financial Reporting, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement for Excellence in Financial Reporting is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement for Excellence in Financial Reporting Program's requirements and we are submitting it to GFOA to determine its eligibility for another certificate.

ASBO Certificate of Excellence in Financial Reporting

The Association of School Business Officials International (ASBO) awards a Certificate of Excellence in Financial Reporting to school districts that publish Comprehensive Annual Financial Reports which substantially conform to the principles and standards of financial reporting as recommended and adopted by the Association of School Business Officials. The award is granted only after an intensive review of the financial report by an expert panel of certified public accountants and practicing school business officials.

The District received the Certificate of Excellence in Financial Reporting for the fiscal year ended June 30, 2019. This was the seventeenth year the District has received this award. We believe that the current report, which will be submitted to ASBO for review, will continue to conform to ASBO's principles and standards.

ACKNOWLEDGEMENT

The preparation of this Comprehensive Annual Financial Report was made possible by the dedicated service of the entire Treasurer's staff. A sincere note of appreciation is extended to Toni Meyer, our Assistant Treasurer, for her efforts. We also give special recognition to the Consulting Division of Julian & Grube, Inc. for their assistance in the preparation of the CAFR as well as to the Audit Division of Julian & Grube, Inc. for their audit of the CAFR.

Finally, this report would not have been possible without the leadership and support of the District's Board of Education. The publication of this CAFR is a major step in reinforcing the accountability and transparency of the District to the taxpayers of our community.

Respectfully submitted,



Daniel Romano III
Treasurer and CFO



Natasha Adams
Superintendent and CEO

WEST CLERMONT LOCAL SCHOOL DISTRICT
LIST OF PRINCIPAL OFFICIALS
JUNE 30, 2020

BOARD OF EDUCATION

President	Tammy Brinkman
Vice President	Jim Rudy
Board Member	Michael Chumley*
Board Member	David Schaeff
Board Member	Michele Delaney

*Position effective 1/1/2020

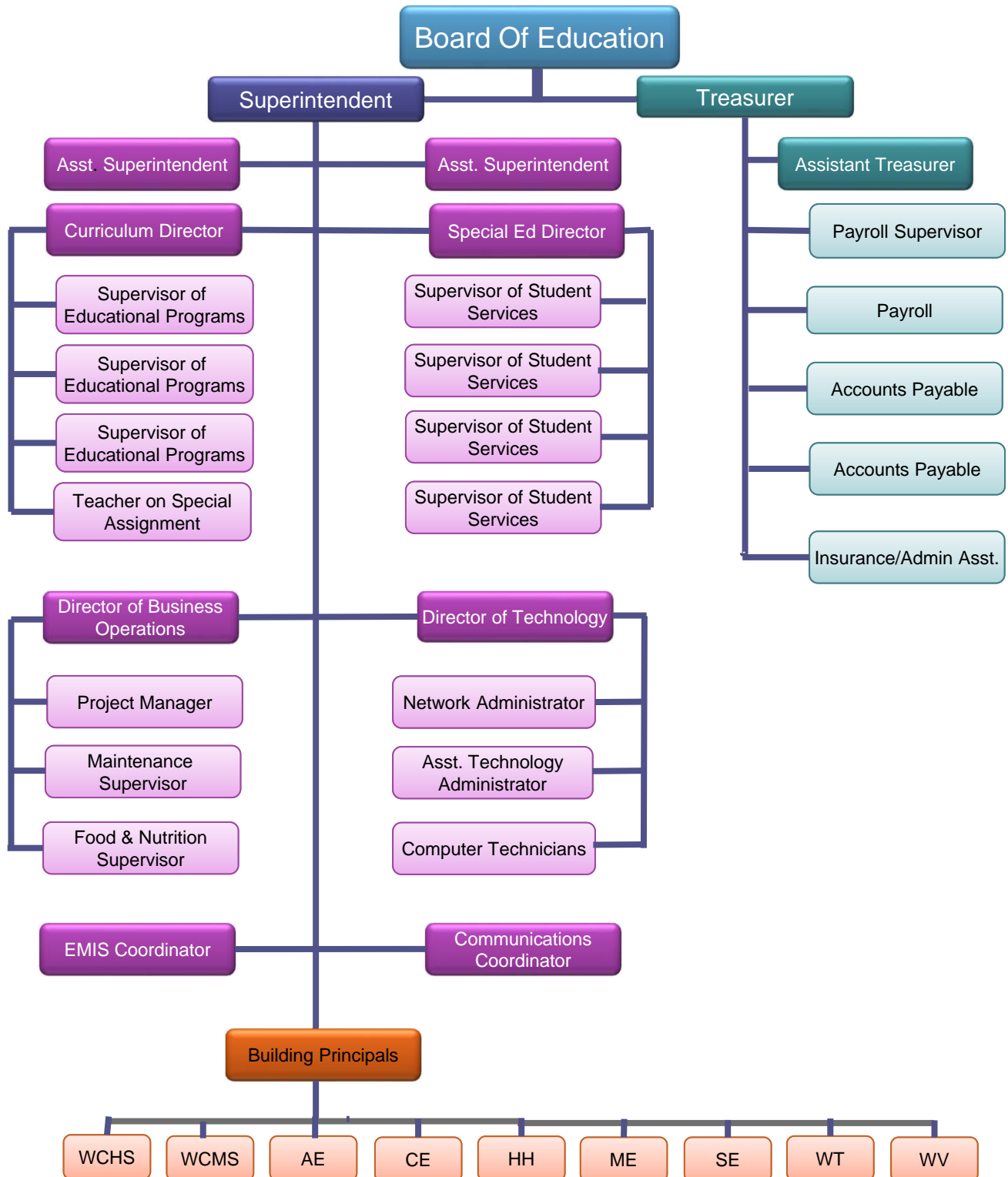
ADMINISTRATIVE OFFICIALS

Superintendent	Natasha Adams
Treasurer	Kelly Sininger*
Assistant Superintendent.....	Mike Overbey
Assistant Superintendent.....	Dr. David Fultz
Director of Curriculum & Instruction.....	Ellen Preston
Director of Special Education.....	Benjamin Jenkins
Director of Operations	Lance Perry
Director of Technology.....	Larry Parece

*Daniel M. Romano, III hired as Treasurer effective 8/1/2020

West Clermont School District Organizational Chart

Effective June 30, 2020





Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**West Clermont Local School District
Ohio**

For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

June 30, 2019

Christopher P. Morill

Executive Director/CEO



ASSOCIATION OF
SCHOOL BUSINESS OFFICIALS
INTERNATIONAL

**The Certificate of Excellence in Financial Reporting
is presented to**

West Clermont Local School District

**for its Comprehensive Annual Financial Report (CAFR)
for the Fiscal Year Ended June 30, 2019.**

The CAFR meets the criteria established for
ASBO International's Certificate of Excellence.



A handwritten signature in black ink, reading 'Claire Hertz'. The signature is written in a cursive style and is positioned above a horizontal line.

Claire Hertz, SFO
President

A handwritten signature in black ink, reading 'David J. Lewis'. The signature is written in a cursive style and is positioned above a horizontal line.

David J. Lewis
Executive Director

FINANCIAL SECTION

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Independent Auditor's Report

West Clermont Local School District
Clermont County
4350 Aicholtz Road, Suite 220
Cincinnati, Ohio 45245

To the Board of Education:

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the West Clermont Local School District's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the West Clermont Local School District's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

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 West Clermont Local School District, Clermont County, Ohio, as of June 30, 2020, and the respective changes in financial position, thereof and the budgetary comparison for the general fund for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matters

As described in Note 3 to the financial statements, in 2020, the West Clermont Local School District adopted new accounting guidance, GASBS No. 84, *Fiduciary Activities* and had a prior period adjustment due to a new appraisal of its capital assets. As described in Note 21 to the financial statements, the financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the West Clermont Local School District. Our opinions are not modified with respect to these matters.

Other Matters

Required Supplementary Information

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

Supplementary and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the West Clermont Local School District's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements and schedules, and statistical section, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and schedules are fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 25, 2021, on our consideration of the West Clermont Local School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the West Clermont Local School District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the West Clermont Local School District's internal control over financial reporting and compliance.

A handwritten signature in cursive script that reads "Julian & Grube, Inc." The signature is written in black ink and is positioned above the printed name of the firm.

Julian & Grube, Inc.
January 25, 2021

**WEST CLERMONT LOCAL SCHOOL DISTRICT
CLERMONT COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

The management's discussion and analysis of the West Clermont Local 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 fiscal year 2020 are as follows:

- In total, net position of governmental activities decreased \$12,443,911 from \$13,270,982 as restated at June 30, 2019, to \$827,071 at June 30, 2020. See Note 3.B in the notes to the financial statements for details on the restatement of net position at the beginning of the year.
- General revenues accounted for \$79,104,334 in revenue or 83.45% of all revenues. Program specific revenues in the form of charges for services and sales, grants and contributions accounted for \$15,686,304 or 16.55% of all revenues. The District had total revenues of \$94,790,638.
- The District had \$107,234,549 in expenses related to governmental activities; only \$15,686,304 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) were not adequate to provide for these programs.
- The District's major governmental funds are the General Fund and Classroom Facilities Fund. The General Fund had \$77,068,762 in revenues and \$82,924,503 in expenditures and other financing uses. During fiscal year 2020, the General Fund's fund balance decreased from \$18,625,479 to \$12,769,738.
- The District's Classroom Facilities Fund had \$9,829,308 in revenues and \$17,422,899 in expenditures. The District began the construction of two new elementary buildings during fiscal year 2019. The construction project is in conjunction with the Ohio Facilities Construction Commission (OFCC).

Using the Basic Financial Statements

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand 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 other nonmajor funds presented in total in one column. In the case of the District, the General Fund and Classroom Facilities Fund are by far the most significant funds, and the only governmental funds reported as major funds.

**WEST CLERMONT LOCAL SCHOOL DISTRICT
CLERMONT COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

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 we do financially during 2020?" The statement of net position and the statement of activities answer this question. These statements include all assets, liabilities, deferred inflows and outflows 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 will take into account 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 that 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 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 in the statement of activities, the governmental activities include the District's programs and services, including instruction, support services, operation and maintenance of plant, pupil transportation, extracurricular activities, and food service operations.

The District's statement of net position and statement of activities can be found on pages 17-18 of this report.

Reporting the District's Most Significant Funds

Fund Financial Statements

The analysis of the District's major governmental funds begins on page 13. 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 major governmental funds are the General Fund and Classroom Facilities 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 an accounting method called modified accrual accounting, which measures cash and all other financial assets than 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 relationship (or differences) between governmental activities (reported on the statement of net position and in the statement of activities) and governmental funds is reconciled in the basic financial statements. The basic governmental fund financial statements can be found on pages 19-23 of this report.

**WEST CLERMONT LOCAL SCHOOL DISTRICT
CLERMONT COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

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 25-71 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 and net OPEB liability/asset. The required supplementary information can be found on pages 74-89 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 fiscal years 2020 and 2019. See Note 3.B for detail on the restatement for the implementation of GASB No. 84 and a prior period adjustment to capital assets.

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**WEST CLERMONT LOCAL SCHOOL DISTRICT
CLERMONT COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	Net Position	
	Governmental	(Restated) Governmental
	Activities 2020	Activities 2019
<u>Assets</u>		
Current and other assets	\$ 80,362,141	\$ 98,159,839
Capital assets, net	<u>178,176,082</u>	<u>163,898,202</u>
Total assets	<u>258,538,223</u>	<u>262,058,041</u>
<u>Deferred outflows of resources</u>	<u>23,188,103</u>	<u>27,555,573</u>
<u>Liabilities</u>		
Current liabilities	10,291,663	11,156,264
Long-term liabilities:		
Due within one year	2,328,641	2,970,490
Due in more than one year:		
Net pension liability	85,023,706	81,656,451
Net OPEB liability	8,986,018	9,325,598
Other amounts	<u>122,232,935</u>	<u>124,113,164</u>
Long-term liabilities	<u>218,571,300</u>	<u>218,065,703</u>
Total liabilities	<u>228,862,963</u>	<u>229,221,967</u>
<u>Deferred inflows of resources</u>	<u>52,036,292</u>	<u>47,120,665</u>
<u>Net position</u>		
Net investment in capital assets	55,180,433	36,586,934
Restricted	9,066,969	29,523,065
Unrestricted (deficit)	<u>(63,420,331)</u>	<u>(52,839,017)</u>
Total net position	<u>\$ 827,071</u>	<u>\$ 13,270,982</u>

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

GASB 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.

**WEST CLERMONT LOCAL SCHOOL DISTRICT
CLERMONT COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

GASB 68 and GASB 75 require the net pension liability and the net OPEB liability/asset 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 asset/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 asset/liability, respectively, not accounted for as deferred inflows/outflows.

Analysis of Net Position

Over time, net position can serve as a useful indicator of a government's financial position. At June 30, 2020, the District's assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$827,071.

Current and other assets decreased while capital assets, net increased, primarily as a result of \$17 million in additions to construction in progress during fiscal year 2020 on the OFCC project. At fiscal year-end, capital assets represented 68.92% of total assets. Capital assets include land, construction in progress, land and other improvements, buildings and improvements, equipment and vehicles. Capital assets are used to provide services to the students and are not available for future spending. A \$4.8 million net OPEB asset related to the State Teachers Retirement System (STRS) was reported in fiscal year 2020 (see Note 15).

Deferred outflows related to pension decreased primarily due to changes in assumptions by the STRS. See Note 14 for more detail.

**WEST CLERMONT LOCAL SCHOOL DISTRICT
CLERMONT COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

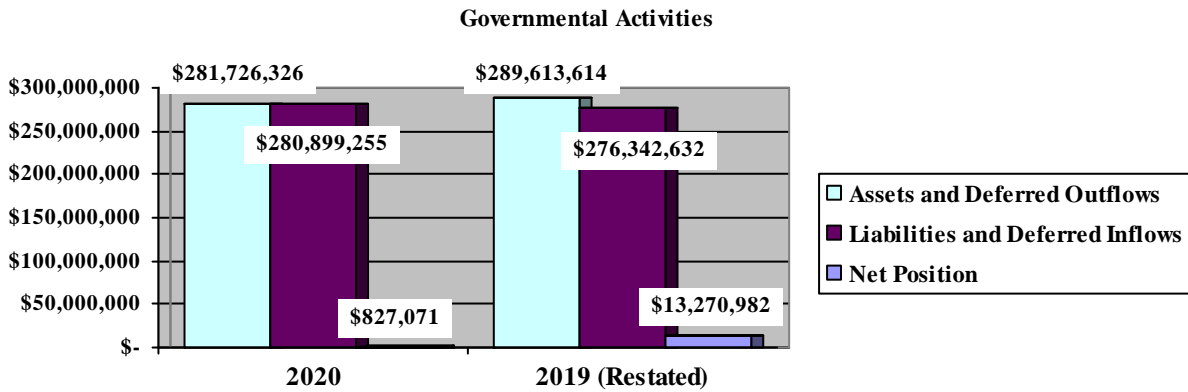
Current liabilities decreased primarily due to decreases in contracts payable related to the OFCC project.

Long-term liabilities increased primarily due to an increase in the net pension liability. These liabilities are outside of the control of the District. The District contributes its statutorily required contributions to the pension systems; however, it is the pension systems that collect, hold, and distribute pensions and OPEB to District employees, not the District.

Deferred inflows related to OPEB increased primarily due to changes in assumptions by STRS. See Note 15 for more detail.

The net investment in capital assets at June 30, 2020 was \$55,180,433. A portion of the District's net position, \$9,066,969, represents resources that are subject to external restriction on how they may be used. Restricted net position decreased from the prior year primarily from a reduction in net position restricted for capital projects related to the OFCC construction project. The remaining balance of unrestricted net position is a deficit of \$63,420,331.

The chart below shows the District's governmental activities assets and deferred outflows, liabilities and deferred inflows and net position at June 30, 2020 and 2019 (restated).



The table on the following page shows the change in net position for fiscal years 2020 and 2019 (restated). See Note 3.B for detail on the restatement for the implementation of GASB No. 84.

**WEST CLERMONT LOCAL SCHOOL DISTRICT
CLERMONT COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

Change in Net Position

	Governmental Activities 2020	(Restated) Governmental Activities 2019
<u>Revenues</u>		
Program revenues:		
Charges for services and sales	\$ 3,593,847	\$ 4,067,479
Operating grants and contributions	11,972,433	12,751,790
Capital grants and contributions	120,024	235,064
General revenues:		
Property taxes and PILOT	46,604,596	46,445,433
Grants and entitlements	31,489,686	31,287,161
Other	<u>1,010,052</u>	<u>1,547,057</u>
Total revenues	<u>94,790,638</u>	<u>96,333,984</u>
<u>Expenses</u>		
Program expenses:		
Instruction:		
Regular	49,133,718	39,536,053
Special	13,929,270	11,087,265
Vocational	140,200	245,859
Other	8,668	10,778
Support services:		
Pupil	6,818,496	5,779,278
Instructional staff	2,040,494	1,772,038
Board of education	341,723	55,479
Administration	7,442,436	5,564,469
Fiscal	1,861,524	2,031,386
Business	285,763	199,633
Operations and maintenance	8,302,457	7,476,360
Pupil transportation	6,614,418	6,814,369
Central	145,965	329,327
Operation of non-instructional services:		
Other non-instructional services	177,313	480,606
Food service operations	3,364,204	2,579,294
Extracurricular activities	1,524,865	1,353,674
Interest and fiscal charges	<u>5,103,035</u>	<u>5,153,380</u>
Total expenses	<u>107,234,549</u>	<u>90,469,248</u>
Change in net position	(12,443,911)	5,864,736
Net position at beginning of year (restated)	<u>13,270,982</u>	<u>7,406,246</u>
Net position at end of year	<u>\$ 827,071</u>	<u>\$ 13,270,982</u>

**WEST CLERMONT LOCAL SCHOOL DISTRICT
CLERMONT COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

Governmental Activities

Net position of the District's governmental activities decreased \$12,443,911. Total governmental expenses of \$107,234,549 were offset by program revenues of \$15,686,304 and general revenues of \$79,104,334. Program revenues supported 14.63% of the total governmental expenses. Total revenues for fiscal year 2020 were 1.60% lower than the prior year and expenses increased 18.53% from the prior year.

The District depends greatly upon property taxes as a revenue source. The unique nature of property taxes in Ohio creates the need to routinely seek voter approval for operating funds. The overall revenues generated by a levy will not increase solely as a result of inflation. As an example, a homeowner with a home valued at \$100,000 and taxed at 1.0 mill would pay \$35.00 annually in taxes. If three years later the home were appraised and increased to \$200,000 (and this inflationary increase in value is comparable to other property owners) the effective tax rate would become .5 mills and the owner would still pay \$35.00. Thus, Ohio school districts do not receive additional property taxes related to increases in appraised values and must regularly return to the voters to maintain a constant level of service. Property taxes levied for general purposes made up 39.63% of total governmental activities revenue for fiscal year 2020.

Overall, expenses of the governmental activities increased \$16,765,301 or 18.53%. The primary reason for the increase is from an increase in certified employee salaries and wages and from fluctuations in the benefit changes by the retirement systems, the State Teachers Retirement System (STRS) and the School Employees Retirement System (SERS). Fluctuations in the pension and OPEB expense makes it difficult to compare financial information between years.

On an accrual basis, the District reported \$13,700,810 and \$8,213,742 in pension expense for fiscal year 2020 and 2019, respectively. In addition, the District reported (\$853,327) and (\$9,229,212) in OPEB expense for fiscal year 2020 and 2019, respectively. The increase in both the net pension expense and the OPEB expense from fiscal year 2019 to fiscal year 2020 was \$13,862,953. This increase is primarily the result of the benefit changes by the retirement systems. Pension and OPEB expense are components of program expenses reported on the statement of activities.

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**WEST CLERMONT LOCAL SCHOOL DISTRICT
CLERMONT COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

The statement of activities shows the cost of program services and the charges for services and grants offsetting those services. The table that follows shows, for governmental activities, the total cost of services and the net cost of services. That is, it identifies the cost of these services supported by tax revenue and unrestricted State grants and entitlements. See Note 3.B for detail on the restatement for the implementation of GASB No. 84.

Governmental Activities

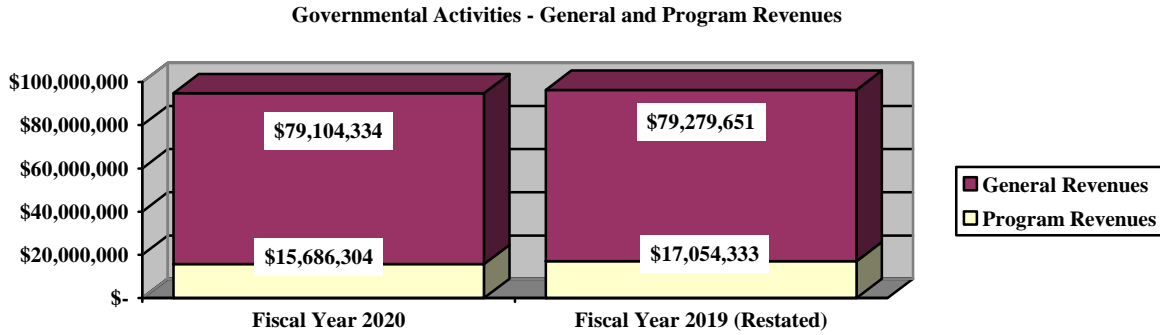
	Total Cost of Services	Net Cost of Services	(Restated) Total Cost of Services	(Restated) Net Cost of Services
	<u>2020</u>	<u>2020</u>	<u>2019</u>	<u>2019</u>
Program expenses				
Instruction:				
Regular	\$ 49,133,718	\$ 45,324,034	\$ 39,536,053	\$ 36,177,707
Special	13,929,270	7,277,807	11,087,265	4,143,841
Vocational	140,200	94,638	245,859	200,297
Other	8,668	8,668	10,778	10,778
Support services:				
Pupil	6,818,496	6,008,975	5,779,278	5,377,080
Instructional staff	2,040,494	1,729,273	1,772,038	1,290,779
Board of education	341,723	341,723	55,479	55,479
Administration	7,442,436	7,354,233	5,564,469	5,509,362
Fiscal	1,861,524	1,861,524	2,031,386	2,031,386
Business	285,763	285,763	199,633	199,633
Operations and maintenance	8,302,457	8,159,155	7,476,360	7,375,862
Pupil transportation	6,614,418	6,310,632	6,814,369	5,165,062
Central	145,965	145,965	329,327	329,327
Operations of non-instructional services:				
Food service operations	3,364,204	792,705	2,579,294	121,634
Other non-instructional services	177,313	(138,941)	480,606	(141,732)
Extracurricular activities	1,524,865	889,056	1,353,674	415,040
Interest and fiscal charges	5,103,035	5,103,035	5,153,380	5,153,380
Total expenses	<u>\$ 107,234,549</u>	<u>\$ 91,548,245</u>	<u>\$ 90,469,248</u>	<u>\$ 73,414,915</u>

The dependence upon tax and other general revenues for governmental activities is apparent; 83.38% of instruction activities are supported through taxes and other general revenues. For all governmental activities, general revenue support is 85.37%. The District's taxpayers and unrestricted grants are by far the primary support for District's students.

**WEST CLERMONT LOCAL SCHOOL DISTRICT
CLERMONT COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

The graph below presents the District's governmental activities revenue for fiscal year 2020 and 2019. See Note 3.B for detail on the restatement for the implementation of GASB No. 84.



The District's Funds

The District's governmental funds (as presented on pages 19 and 21) reported a combined fund balance of \$23,289,019, compared to last year's total of \$37,384,913 (restated). See Note 3.B for detail on the restatement for the implementation of GASB No. 84. The table below indicates the fund balance and the total change in fund balance as of June 30, 2020 and 2019.

	Fund Balance <u>June 30, 2020</u>	(Restated) Fund Balance <u>June 30, 2019</u>	<u>Change</u>
General	\$ 12,769,738	\$ 18,625,479	\$ (5,855,741)
Classroom facilities	919,441	8,513,032	(7,593,591)
Nonmajor governmental funds	<u>9,599,840</u>	<u>10,246,402</u>	<u>(646,562)</u>
Total	<u>\$ 23,289,019</u>	<u>\$ 37,384,913</u>	<u>\$ (14,095,894)</u>

**WEST CLERMONT LOCAL SCHOOL DISTRICT
CLERMONT COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

General Fund

The District's General Fund reported a fund balance of \$12,769,738 at June 30, 2020, which represents a decrease of \$5,855,741 from the prior year. See Note 3.B for detail on the restatement for the implementation of GASB No. 84. The table that follows assists in illustrating the financial activities of the General Fund.

	2020	(Restated) 2019	Percentage
	<u>Amount</u>	<u>Amount</u>	<u>Change</u>
<u>Revenues</u>			
Property taxes	\$ 37,572,831	\$ 37,471,796	0.27 %
Payment in lieu of taxes	1,498,601	1,001,176	49.68 %
Tuition	1,591,101	1,495,408	6.40 %
Earnings on investments	449,308	736,908	(39.03) %
Intergovernmental	34,961,806	36,322,154	(3.75) %
Other revenues	<u>995,115</u>	<u>1,099,835</u>	(9.52) %
 Total	 <u>\$ 77,068,762</u>	 <u>\$ 78,127,277</u>	 (1.35) %
<u>Expenditures</u>			
Instruction	\$ 53,122,819	\$ 48,134,235	10.36 %
Support services	28,804,868	28,378,817	1.50 %
Operation of non-instructional services	2,847	34,089	(91.65) %
Extracurricular activities	373,056	311,090	19.92 %
Facilities acquisition and construction	-	660,165	(100.00) %
Capital outlay	-	424,770	(100.00) %
Debt service	<u>164,110</u>	<u>218,109</u>	(24.76) %
 Total	 <u>\$ 82,467,700</u>	 <u>\$ 78,161,275</u>	 5.51 %

The General Fund experienced growth in property taxes, payments in lieu of taxes and tuition revenues. Property tax revenue increased slightly from the prior fiscal year. The amount available as advance can fluctuate based on the timing of tax collections and the date at which tax bills are sent. Payment in lieu of taxes increased as additional collections began from tax increment financing and compensation payment arrangements. Tuition revenues increased as the District had more open enrollment and court-placed students than in 2019. The District received less in State foundation funding, due to budget cuts caused by the COVID-19 pandemic, which resulted in a decrease in intergovernmental revenue. Lower interest rates on investments contributed to a decrease in earnings on investments. Other revenues decreased due to less received during fiscal year 2020 from refunds and reimbursements.

Overall, General Fund expenditures increased 5.51%. Most of the increase in General Fund expenditures is due to an increase in overall staffing and program costs for the District's certified staff. Operation of non-instructional expenditures related to services provided to other entities decreased from the prior year, though the amount is not significant. Debt service expenditures decreased due to the capital lease debt service payments paid from the General Fund during the fiscal year. Capital outlay resulted in 2019 from a new capital lease for copiers. The District incurred no facilities acquisition and construction expenditures from the General Fund during fiscal year 2020.

**WEST CLERMONT LOCAL SCHOOL DISTRICT
CLERMONT COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

Classroom Facilities Fund

The Classroom Facilities Fund is a major fund that was established to account for the construction of two new elementary schools and renovation of a third elementary in conjunction with the OFCC. The District drew down \$9,763,706 in state funds during fiscal year 2020, and the remaining state share of the project has been reported as a receivable at June 30, 2020. The District will draw down on the state funds over the duration of the project. \$17,422,899 was spent on the construction project during fiscal year 2020.

General Fund Budgeting Highlights

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

During the course of fiscal year 2020, the District amended its General Fund budget several times. For the General Fund, original and final budget revenues and other financing sources were \$76,955,263 and \$76,337,114, respectively. Actual revenues and other financing sources were \$75,677,377, which is \$659,737 or 0.86% lower than the final budget.

General Fund original appropriations (appropriated expenditures plus other financing uses) of \$84,808,355 were decreased to \$84,190,206 in the final budget. The actual budget basis expenditures and other financing uses for fiscal year 2020 totaled \$82,965,007, which is \$1,225,199 or 1.46% lower than the final budget appropriations. There were no significant variances between the actual and final budget appropriations. The District uses site-based budgeting and the budgeting systems are designed to tightly control site budgets but provide flexibility for site management.

Capital Assets and Debt Administration

Capital Assets

Capital assets were restated at June 30, 2020, as described in Note 3.B and Note 10 of the notes to the basic financials statements. At the end of fiscal year 2020, the District had \$178,176,082 (net of accumulated depreciation) invested in land, construction in progress, land and other improvements, buildings and improvements, equipment and vehicles. This entire amount is reported in governmental activities. The table that follows shows fiscal year 2020 balances compared to 2019.

	Capital Assets at June 30	
	(Net of Depreciation)	
	<u>Governmental Activities</u>	
	<u>2020</u>	<u>Restated 2019</u>
Land	\$ 7,411,399	\$ 7,411,399
Construction in progress	21,002,076	25,290,851
Land and other improvements	11,160,175	11,759,448
Building and improvements	135,322,403	116,047,010
Equipment	3,080,034	3,241,898
Vehicles	<u>199,995</u>	<u>147,596</u>
Total	<u>\$ 178,176,082</u>	<u>\$ 163,898,202</u>

The increase in capital assets is a result of capital asset additions of \$18,515,126 (net of \$21,772,162 transferred out of construction in progress) exceeding depreciation expense of \$4,237,246. See Note 10 in the notes to the basic financial statements for additional detail on the District's capital assets.

**WEST CLERMONT LOCAL SCHOOL DISTRICT
CLERMONT COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

Debt Administration

At June 30, 2020, the District had \$121,113,253 in bonds and capital leases outstanding. Of this total, \$1,817,215 is due within one year and \$119,296,038 is due in greater than one year.

The following table summarizes the debt outstanding.

Outstanding Debt, at Fiscal Year End

	<u>Governmental Activities</u>	
	<u>2020</u>	<u>2019</u>
Revenue Bonds Payable	\$ 98,755,000	\$ 99,255,000
General Obligation Bonds Payable	21,695,000	23,655,000
Capital Leases Payable	<u>663,253</u>	<u>788,434</u>
Total	<u>\$ 121,113,253</u>	<u>\$ 123,698,434</u>

At June 30, 2020, the District's overall legal debt margin was \$112,850,852 and the unvoted debt margin was \$1,457,001. See Note 11 in the notes to the basic financial statements for additional information on the District's debt administration.

Current Financial Related Activities

West Clermont Local School District residents approved a 7.99 mill emergency operating levy placed on the March 17, 2020 ballot. The levy will generate \$11,500,000 per year for ten years and will stabilize the District's current level of programs and services.

All of the District's financial abilities will be needed to meet the challenges of the future. With careful planning and monitoring of the District's finances, the District's management is confident that the District can continue to provide a quality education for our students and provide a secure financial future.

Contacting the District's Financial Management

This financial report is designed to provide our citizens, taxpayers, and 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 Mr. Daniel M. Romano III, Treasurer at West Clermont Local School District, 4350 Aicholtz Road, Suite 220, Cincinnati, Ohio 45245.

**WEST CLERMONT LOCAL SCHOOL DISTRICT
CLERMONT COUNTY, OHIO**

STATEMENT OF NET POSITION
JUNE 30, 2020

	Governmental Activities
Assets:	
Equity in pooled cash and investments	\$ 18,921,623
Receivables:	
Property taxes	50,937,257
Payment in lieu of taxes	2,203,794
Accounts	53,763
Accrued interest	25,151
Intergovernmental	2,893,226
Prepayments	476,553
Materials and supplies inventory	10,696
Inventory held for resale	43,737
Net OPEB asset	4,796,341
Capital assets:	
Nondepreciable capital assets	28,413,475
Depreciable capital assets, net	149,762,607
Capital assets, net	178,176,082
Total assets	258,538,223
Deferred outflows of resources:	
Unamortized deferred charges on debt refunding	1,101,125
Pension	19,210,737
OPEB	2,876,241
Total deferred outflows of resources	23,188,103
Liabilities:	
Accounts payable	366,080
Contracts payable	1,390,979
Accrued wages and benefits payable	6,729,292
Intergovernmental payable	1,396,174
Accrued interest payable	409,138
Long-term liabilities:	
Due within one year	2,328,641
Due in more than one year:	
Net pension liability (see Note 14)	85,023,706
Net OPEB liability (see Note 15)	8,986,018
Other amounts due in more than one year	122,232,935
Total liabilities	228,862,963
Deferred inflows of resources:	
Property taxes levied for the next fiscal year	37,486,505
Payment in lieu of taxes levied for the next fiscal year	2,203,794
West Clermont HealthPlex naming rights	162,223
Pension	3,902,156
OPEB	8,281,614
Total deferred inflows of resources	52,036,292
Net position:	
Net investment in capital assets	55,180,433
Restricted for:	
Capital projects	3,568,152
Classroom facilities maintenance	1,864,580
Debt service	3,022,080
Locally funded programs	68,744
State funded programs	6,935
Federally funded programs	50,397
Student activities	328,146
Food service operations	157,935
Unrestricted (deficit)	(63,420,331)
Total net position	\$ 827,071

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**WEST CLERMONT LOCAL SCHOOL DISTRICT
CLERMONT COUNTY, OHIO**

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

	Expenses	Program Revenues			Net (Expense)
		Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions	Revenue and Changes in Net Position
					Total
Governmental activities:					
Instruction:					
Regular	\$ 49,133,718	\$ 1,871,215	\$ 1,938,469	\$ -	\$ (45,324,034)
Special	13,929,270	203,630	6,447,833	-	(7,277,807)
Vocational	140,200	-	45,562	-	(94,638)
Other	8,668	-	-	-	(8,668)
Support services:					
Pupil.	6,818,496	6,213	803,308	-	(6,008,975)
Instructional staff	2,040,494	611	310,610	-	(1,729,273)
Board of education	341,723	-	-	-	(341,723)
Administration.	7,442,436	-	88,203	-	(7,354,233)
Fiscal.	1,861,524	-	-	-	(1,861,524)
Business	285,763	-	-	-	(285,763)
Operations and maintenance	8,302,457	102,239	41,063	-	(8,159,155)
Pupil transportation	6,614,418	-	303,786	-	(6,310,632)
Central.	145,965	-	-	-	(145,965)
Operation of non-instructional services:					
Other non-instructional services	177,313	108,961	207,293	-	138,941
Food service operations	3,364,204	825,184	1,746,315	-	(792,705)
Extracurricular activities	1,524,865	475,794	39,991	120,024	(889,056)
Interest and fiscal charges	5,103,035	-	-	-	(5,103,035)
Total governmental activities	\$ 107,234,549	\$ 3,593,847	\$ 11,972,433	\$ 120,024	(91,548,245)
General revenues:					
Property taxes levied for:					
General purposes					37,567,572
Debt service.					1,678,653
Classroom facilities and maintenance.					628,450
Capital outlay.					5,016,320
Payments in lieu of taxes.					1,713,601
Grants and entitlements not restricted					
to specific programs					31,489,686
Investment earnings					591,510
Miscellaneous					418,542
Total general revenues					79,104,334
Change in net position					(12,443,911)
Net position at beginning of year (restated)					13,270,982
Net position at end of year.					\$ 827,071

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**WEST CLERMONT LOCAL SCHOOL DISTRICT
CLERMONT COUNTY, OHIO**

BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2020

	<u>General</u>	<u>Classroom Facilities</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Assets:				
Equity in pooled cash and investments	\$ 9,216,685	\$ 1,301,859	\$ 8,403,079	\$ 18,921,623
Receivables:				
Property taxes	43,706,031	-	7,231,226	50,937,257
Payment in lieu of taxes	1,917,301	-	286,493	2,203,794
Accounts	43,921	-	9,842	53,763
Accrued interest	25,151	-	-	25,151
Interfund loans	3,712	-	-	3,712
Intergovernmental	240,643	2,175,128	477,455	2,893,226
Prepayments	57,687	-	5,176	62,863
Materials and supplies inventory	-	-	10,696	10,696
Inventory held for resale	-	-	43,737	43,737
Total assets	<u>\$ 55,211,131</u>	<u>\$ 3,476,987</u>	<u>\$ 16,467,704</u>	<u>\$ 75,155,822</u>
Liabilities:				
Accounts payable	\$ 221,412	\$ -	\$ 144,668	\$ 366,080
Contracts payable	-	1,368,494	22,485	1,390,979
Accrued wages and benefits payable	6,078,271	-	651,021	6,729,292
Compensated absences payable	104,235	-	-	104,235
Intergovernmental payable	1,201,905	-	194,269	1,396,174
Interfund loans payable	-	-	3,712	3,712
Total liabilities	<u>7,605,823</u>	<u>1,368,494</u>	<u>1,016,155</u>	<u>9,990,472</u>
Deferred inflows of resources:				
Property taxes levied for the next fiscal year	32,462,426	-	5,024,079	37,486,505
Payment in lieu of taxes levied for the next fiscal year	1,917,301	-	286,493	2,203,794
Delinquent property tax revenue not available	359,010	-	63,682	422,692
Intergovernmental revenue not available	85,148	1,189,052	477,455	1,751,655
Accrued interest not available	11,685	-	-	11,685
Total deferred inflows of resources	<u>34,835,570</u>	<u>1,189,052</u>	<u>5,851,709</u>	<u>41,876,331</u>
Fund balances:				
Nonspendable:				
Materials and supplies inventory	-	-	10,696	10,696
Prepays	57,687	-	5,176	62,863
Restricted:				
Debt service	-	-	3,415,746	3,415,746
Capital improvements	-	919,441	68,680	988,121
Classroom facilities maintenance	-	-	1,864,580	1,864,580
Federal grants	-	-	2,671	2,671
Local grants and scholarships	-	-	68,744	68,744
Food service operations	-	-	260,236	260,236
Student activities	-	-	328,146	328,146
Committed:				
Capital improvements	-	-	3,442,549	3,442,549
West Clermont HealthPlex	-	-	637,641	637,641
Assigned:				
Student instruction	261,864	-	-	261,864
Student and staff support	872,755	-	-	872,755
Supplies	480,708	-	-	480,708
Subsequent year appropriations	4,196,542	-	-	4,196,542
Unassigned (deficit)	<u>6,900,182</u>	<u>-</u>	<u>(505,025)</u>	<u>6,395,157</u>
Total fund balances	<u>12,769,738</u>	<u>919,441</u>	<u>9,599,840</u>	<u>23,289,019</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 55,211,131</u>	<u>\$ 3,476,987</u>	<u>\$ 16,467,704</u>	<u>\$ 75,155,822</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**WEST CLERMONT LOCAL SCHOOL DISTRICT
CLERMONT COUNTY, OHIO**

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

Total governmental fund balances		\$ 23,289,019
<i>Amounts reported for governmental activities on the statement of net position are different because:</i>		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		178,176,082
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred inflows in the funds.		
Property taxes receivable	\$ 422,692	
Accrued interest receivable	11,685	
Intergovernmental receivable	1,751,655	
Total	2,186,032	2,186,032
The naming rights fee associated with the West Clermont Health Plex is recognized as revenue in the governmental funds, but is amortized and reported as a deferred inflow of resources on the statement of net position.		(162,223)
The net pension liability is not due and payable in the current period; therefore, the liability and related deferred inflows/outflows of resources are not reported in the governmental funds.		
Deferred outflows of resources - pension	19,210,737	
Deferred inflows of resources - pension	(3,902,156)	
Net pension liability	(85,023,706)	
Total	(69,715,125)	(69,715,125)
The net OPEB liability/asset is not due and payable in the current period, therefore, the liability/asset and related deferred inflows/outflows of resources are not reported in the governmental funds.		
Net OPEB asset	4,796,341	
Deferred outflows of resources - OPEB	2,876,241	
Deferred inflows of resources - OPEB	(8,281,614)	
Net OPEB liability	(8,986,018)	
Total	(9,595,050)	(9,595,050)
Unamortized amounts on refundings are not recognized in the funds.		1,101,125
Prepaid bond insurance associated with long-term assets are not reported in the funds.		413,690
Accrued interest payable is not due and payable in the current period and therefore is not reported in the funds.		(409,138)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.		
Revenue bonds	(98,755,000)	
Discount on revenue bonds	128,607	
General obligation bonds	(21,695,000)	
Premium on general obligation bonds	(1,721,149)	
Capital lease obligations	(663,253)	
Compensated absences	(1,751,546)	
Total	(124,457,341)	(124,457,341)
Net position of governmental activities		\$ 827,071

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**WEST CLERMONT LOCAL SCHOOL DISTRICT
CLERMONT COUNTY, OHIO**

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

	<u>General</u>	<u>Classroom Facilities</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues:				
From local sources:				
Property taxes	\$ 37,572,831	\$ -	\$ 7,328,949	\$ 44,901,780
Payment in lieu of taxes	1,498,601	-	215,000	1,713,601
Tuition	1,591,101	-	-	1,591,101
Transportation fees	993	-	-	993
Earnings on investments	449,308	65,602	107,233	622,143
Charges for services	-	-	819,416	819,416
Extracurricular	18,422	-	486,893	505,315
Classroom materials and fees	458,454	-	-	458,454
Rental income	98,704	-	87,613	186,317
Contributions and donations	4,878	-	178,090	182,968
Contract services	42,663	-	18,918	61,581
Other local revenues	371,001	-	228,535	599,536
Intergovernmental - state	34,961,806	9,763,706	2,434,394	47,159,906
Intergovernmental - federal	-	-	5,355,600	5,355,600
Total revenues	<u>77,068,762</u>	<u>9,829,308</u>	<u>17,260,641</u>	<u>104,158,711</u>
Expenditures:				
Current:				
Instruction:				
Regular	42,441,444	-	1,970,929	44,412,373
Special	10,559,874	-	2,202,774	12,762,648
Vocational	113,705	-	-	113,705
Other	7,796	-	-	7,796
Support services:				
Pupil	5,584,968	-	825,929	6,410,897
Instructional staff	1,568,133	-	343,905	1,912,038
Board of education	340,025	-	-	340,025
Administration	6,629,927	-	85,087	6,715,014
Fiscal	1,642,307	-	108,760	1,751,067
Business	270,528	-	-	270,528
Operations and maintenance	6,053,832	-	227,809	6,281,641
Pupil transportation	6,614,418	-	-	6,614,418
Central	100,730	-	-	100,730
Operation of non-instructional services:				
Other non-instructional services	2,847	-	119,147	121,994
Food service operations	-	-	3,256,936	3,256,936
Extracurricular activities	373,056	-	968,866	1,341,922
Facilities acquisition and construction	-	17,422,899	647,673	18,070,572
Debt service:				
Principal retirement	125,181	-	2,460,000	2,585,181
Interest and fiscal charges	38,929	-	5,146,191	5,185,120
Total expenditures	<u>82,467,700</u>	<u>17,422,899</u>	<u>18,364,006</u>	<u>118,254,605</u>
Excess of expenditures over revenues	<u>(5,398,938)</u>	<u>(7,593,591)</u>	<u>(1,103,365)</u>	<u>(14,095,894)</u>
Other financing sources (uses):				
Transfers in	-	-	456,803	456,803
Transfers (out)	(456,803)	-	-	(456,803)
Total other financing sources (uses)	<u>(456,803)</u>	<u>-</u>	<u>456,803</u>	<u>-</u>
Net change in fund balances	(5,855,741)	(7,593,591)	(646,562)	(14,095,894)
Fund balances at beginning of year (restated)	<u>18,625,479</u>	<u>8,513,032</u>	<u>10,246,402</u>	<u>37,384,913</u>
Fund balances at end of year	<u>\$ 12,769,738</u>	<u>\$ 919,441</u>	<u>\$ 9,599,840</u>	<u>\$ 23,289,019</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**WEST CLERMONT LOCAL SCHOOL DISTRICT
CLERMONT 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		\$ (14,095,894)
<i>Amounts reported for governmental activities in the statement of activities are different because:</i>		
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	\$ 18,515,126	
Current year depreciation	(4,237,246)	
Total		14,277,880
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Property taxes	(10,785)	
Earnings on investments	(14,993)	
Intergovernmental	(9,355,628)	
Total		(9,381,406)
The naming rights fee associated with the West Clermont Health Plex is recognized as revenue in the governmental funds, but is reported as a deferred inflow of resources and amortized in the statement of activities.		
		13,333
Repayment of bond and capital lease 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	2,460,000	
Capital leases	125,181	
Total		2,585,181
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:		
(Increase) decrease in accrued interest payable	5,416	
Amortization of bond premiums	159,972	
Amortization of bond discounts	(3,849)	
Amortization of deferred charges	(67,074)	
Amortization of prepaid bond insurance	(12,380)	
Total		82,085
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.		
		(142,018)
Contractually required pension contributions are reported as expenditures in governmental funds; however, the statement of activities reports these amounts as deferred outflows.		
		6,845,157
Except for amounts reported as deferred inflows/outflows, changes in the net pension liability are reported as pension expense in the statement of activities.		
		(13,700,810)
Contractually required OPEB contributions are reported as expenditures in governmental funds; however, the statement of activities reports these amounts as deferred outflows of resources.		
		219,254
Except for amounts reported as deferred inflows/outflows of resources, changes in the net OPEB liability/asset are reported as pension expense in the statement of activities.		
		853,327
Change in net position of governmental activities		\$ (12,443,911)

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**WEST CLERMONT LOCAL SCHOOL DISTRICT
CLERMONT 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

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		<u>Actual</u>
Revenues:				
From local sources:				
Property taxes	\$ 37,404,978	\$ 37,104,519	\$ 36,783,847	\$ (320,672)
Payment in lieu of taxes.	1,523,906	1,511,665	1,498,601	(13,064)
Tuition.	1,504,021	1,491,940	1,479,047	(12,893)
Earnings on investments	462,677	458,961	454,994	(3,967)
Rental income	97,711	96,926	96,088	(838)
Contributions and donations	4,271	4,237	4,200	(37)
Other local revenues	292,167	289,820	287,315	(2,505)
Intergovernmental - state	35,567,186	35,281,490	34,976,572	(304,918)
Total revenues	<u>76,856,917</u>	<u>76,239,558</u>	<u>75,580,664</u>	<u>(658,894)</u>
Expenditures:				
Current:				
Instruction:				
Regular	42,566,122	42,255,867	41,640,929	614,938
Special.	10,682,522	10,604,659	10,450,332	154,327
Vocational.	115,368	114,527	112,860	1,667
Other.	7,949	7,891	7,776	115
Support services:				
Pupil.	5,664,395	5,623,109	5,541,277	81,832
Instructional staff	1,817,710	1,804,461	1,778,201	26,260
Board of education	410,984	407,988	402,051	5,937
Administration.	6,845,638	6,795,742	6,696,845	98,897
Fiscal	1,682,647	1,670,383	1,646,074	24,309
Business	278,007	275,980	271,964	4,016
Operations and maintenance.	6,916,600	6,866,186	6,766,264	99,922
Pupil transportation	6,865,292	6,815,253	6,716,072	99,181
Central.	117,561	116,704	115,006	1,698
Other operation of non-instructional services.	7,776	7,719	7,607	112
Extracurricular activities.	359,038	356,421	351,234	5,187
Total expenditures	<u>84,337,609</u>	<u>83,722,890</u>	<u>82,504,492</u>	<u>1,218,398</u>
Excess of expenditures over revenues	<u>(7,480,692)</u>	<u>(7,483,332)</u>	<u>(6,923,828)</u>	<u>559,504</u>
Other financing sources (uses):				
Transfers (out)	(466,952)	(463,549)	(456,803)	6,746
Advances in.	98,346	97,556	96,713	(843)
Advances (out)	(3,794)	(3,767)	(3,712)	55
Total other financing sources (uses)	<u>(372,400)</u>	<u>(369,760)</u>	<u>(363,802)</u>	<u>5,958</u>
Net change in fund balance	(7,853,092)	(7,853,092)	(7,287,630)	565,462
Fund balance at beginning of year	13,275,474	13,275,474	13,275,474	-
Prior year encumbrances appropriated	1,106,304	1,106,304	1,106,304	-
Fund balance at end of year	<u>\$ 6,528,686</u>	<u>\$ 6,528,686</u>	<u>\$ 7,094,148</u>	<u>\$ 565,462</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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**WEST CLERMONT LOCAL SCHOOL DISTRICT
CLERMONT COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

NOTE 1 - DESCRIPTION OF THE SCHOOL DISTRICT

West Clermont Local School District (the “District”) is a body politic and corporate established for the purpose of exercising the rights and privileges conveyed to it by the constitution and laws of the State of Ohio.

The District operates under a locally elected five-member Board form of government and provides educational services as mandated by state and/or federal agencies. This Board of Education controls the District’s eleven instructional/support facilities staffed by 432 noncertified and 533 certificated personnel who provide services to students and other community members.

The District was established in 1967 through the consolidation of Amelia Local School District, Glen Este-Mt. Carmel Local School District, and the Withamsville Tobasco School District and operates under current standards prescribed by the Ohio State Board of Education as provided in division (D) of Section 3301.07 and Section 119.01 of the Ohio Revised Code. The legislative power of the District is vested in the Board of Education, elected at-large for staggered four-year terms.

The District is located in western Clermont County, including portions of Union, Pierce, Batavia, Ohio and Monroe townships. It is the 24 largest in the state of Ohio (among 610 school districts) in terms of average daily membership and the largest in Clermont County. It currently operates 8 elementary schools, 1 middle school, 1 high school, and 1 administrative building.

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).

**WEST CLERMONT LOCAL SCHOOL DISTRICT
CLERMONT COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

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

Union Township, Pierce Township, and the Clermont County Public Library, and the Clermont County Ohio Port Authority are separate bodies politic and corporate. Elected or appointed officials are independent of any District relationships, administer the provisions of each entity's services and act as the taxing authority for these services.

The following activities are included within the reporting entity:

Parochial Schools - Within the District boundaries, St. Bernadette, St. Thomas More, and St. Veronica (operated through the Cincinnati Catholic Diocese) are operated as private schools. Current State legislation provides funding to these parochial and private schools. These monies are received and disbursed on behalf of the schools by the Treasurer of the District, as directed by the schools. The activity of these State monies by the District are reflected in a special revenue fund for financial reporting purposes.

The District is associated with four organizations; three of which are defined as jointly governed organizations and one as an insurance purchasing pool. These organizations include the Hamilton Clermont Cooperative Information Technology Center, the Unified Purchasing Cooperative of the Ohio River Valley, the Southwest Ohio Organization of School Health, The Great Oaks Institute of Technology and Career Development and the SchoolComp Group Retrospective Rating Plan.

JOINTLY GOVERNED ORGANIZATIONS

Hamilton Clermont Cooperative Information Technology Center (HCC)

Formerly known as HCCA, HCC is one of 23 regional Information Technology Centers (ITC) established by the state of Ohio. HCC is a member of the Ohio Educational Computer Network. HCC provides data and internet services for public and non-public schools in the Greater Cincinnati Metropolitan Area. This includes collection and distribution of data for financial, student and media services. HCC also provides technical and networking services to affiliated schools.

The Site Director and his staff manage the day-to-day affairs of HCC. A Board of Directors composed of member school's superintendents approves the long-term path for the site, as determined by the Site Director and an Executive Committee composed of five superintendents and two treasurers from member schools. HCC is not accumulating significant financial resources nor is it experiencing fiscal stress that may cause an additional financial benefit or burden on members in the future. Financial information can be obtained from their administrative offices at 1007 Cottonwood Drive, Loveland, Ohio 45140.

Unified Purchasing Cooperative of the Ohio River Valley

The Unified Purchasing Cooperative of the Ohio River Valley was organized to benefit members with a more economically sound purchasing mechanism for products and services. The Board of Directors is elected from among the active members. Each of the members share in a percentage of equity based on the resources provided. The Hamilton County Educational Service Center is the fiscal agent for the Cooperative. Financial information can be obtained from the Director at 1007 Cottonwood Drive, Loveland, Ohio 45140.

**WEST CLERMONT LOCAL SCHOOL DISTRICT
CLERMONT COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

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

Southwest Ohio Organization of School Health

The District is a member of the Southwest Ohio Organization of School Health (SWOOSH) Council of Governments, organized under Chapter 167 of the Ohio Revised Code. Other member districts include Lebanon City School District, Milford Exempted Village School District, Northwest Local School District, Southwest Local School District, Indian Hill Exempted Village School District, Forest Hills Local School District, Oak Hills Local School District, and Winton Woods City School District. The purpose of the SWOOSH is to maximize benefits and/or reduce costs of medical, prescription drugs, vision, dental, life and/or other group insurance coverage for the Members' employees and the eligible dependents and designated beneficiaries of such employees.

The SWOOSH is governed by a Board of Directors (Board). Each Member is represented on the Board by its superintendent or his/her designee. In addition, any Member that exceeds five hundred total employees enrolled in a policy shall appoint a second representative to the Board. No Member may have more than two voting representatives. The fiscal agent for SWOOSH is the Hamilton County Educational Service Center (HCEC). The Treasurer of the Forest Hills Local School District serves as the Treasurer of SWOOSH. The Board approves all benefit programs to be offered by or through the SWOOSH and all policies and contracts to be accepted or entered into by the SWOOSH. The Board also sets or determines all premium and other amounts to be paid by Members. The Board also has the authority to waive premiums and other payments.

Members assume no liability beyond the payment of any dues, fees, or cooperative costs assessed by the SWOOSH and any contractual obligations for agreements entered into between the Member and the SWOOSH. Members do not assume liability for the debts of the SWOOSH and any Member withdrawing from the SWOOSH forfeits any claim to the cooperative's assets. No Member may withdraw during the first two years after joining the SWOOSH. After the first two years of membership, a Member may withdraw at the end of any fiscal year by providing written notice of its intent to withdraw to the Board by March 1 of such fiscal year. Upon withdrawal from the SWOOSH, a school district may not become a Member again for two years and until it has fully complied with the criteria and procedures for membership established by the Board. Financial information for the SWOOSH can be obtained from Alana Cropper, Treasurer of the Forest Hills Local School District at 7946 Beechmont Ave., Cincinnati, OH 45255.

The Great Oaks Institute of Technology & Career Development

The Great Oaks Joint Vocational School District, a jointly governed organization, is a distinct political subdivision of the State of Ohio operated under the direction of a Board, consisting of one representative from each of the participating school district's elected board. The Board possesses its own budgeting and taxing authority as a separate body politic and corporate, established by the Ohio Revised Code. Great Oaks Institute of Technology and Career Development was formed for the purpose of providing vocational education opportunities to the students of the member school districts, which includes the students of the West Clermont Local School District. The District has no ongoing financial interest in, nor responsibility for the Joint Vocational School. To obtain financial information, write to the Great Oaks Institute of Technology and Career Development, Attention: Treasurer, at 3254 East Kemper Rd., Cincinnati, Ohio 45241-1545.

**WEST CLERMONT LOCAL SCHOOL DISTRICT
CLERMONT COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

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

INSURANCE PURCHASING POOL

SchoolComp Group Retrospective Rating Plan

For the fiscal year 2020, the District participated in the Ohio School Boards Association SchoolComp Group Retrospective Rating Program (Group Retro) for workers' compensation. The intent of the Group Retro is to reward participants that are able to keep their individual claim costs below a predetermined amount. The District continues to pay their individual premium; however, the District will have the opportunity to receive retrospective premium adjustments (refunds or assessments) at the end of the three evaluation periods. The group's retrospective premium will be calculated at 12, 24, and 36 months after the end of the policy year. At the end of each period, the Bureau of Workers Comp (BWC) will take a snap-shot of the incurred claims losses for the entire group and calculate the group's retrospective premium. If the retrospective premium that is calculated is less than the group's total standard premium, all the participants will receive a refund. However, if the retrospective premium is greater than the group's total standard premium, an assessment will be levied by the BWC. CompManagement, Inc. provides administrative, cost control and actuarial services to the Group Retro program.

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 has no proprietary or fiduciary 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 and deferred outflows and liabilities and deferred inflows is reported as fund balance. The following are the District's major governmental funds:

General Fund - The General Fund is used to account for all financial resources 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.

Classroom Facilities Fund - The Classroom Facilities Fund accounts for monies received and expended in connection with contracts entered into by the school district and the Ohio Facilities Construction Commission (OFCC) for the building and equipping of classroom facilities.

Other governmental funds of the District are used to account for (a) specific revenue sources that are restricted or committed to an expenditure for specified purposes other than debt service or capital projects and (b) financial resources that are restricted to expenditure for principal and interest and capital projects.

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. Interfund services provided and used are not eliminated in the process of consolidation.

**WEST CLERMONT LOCAL SCHOOL DISTRICT
CLERMONT COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

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

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 and deferred outflows and all liabilities and deferred inflows 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.

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

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.

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, payments in lieu of taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes are recognized in the fiscal year for which the taxes are levied (see Note 6).

**WEST CLERMONT LOCAL SCHOOL DISTRICT
CLERMONT COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

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

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 Notes 14 and 15 for deferred outflows of resources related the District's net pension liability and OPEB liability/asset, respectively. In addition, deferred outflows of resources include a deferred charge on debt refunding. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

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, payments in lieu of taxes, unavailable revenue and West Clermont HealthPlex naming rights. Property taxes and payments in lieu of 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. 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 Notes 14 and 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.

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 like amount reported as intergovernmental revenue.

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

**WEST CLERMONT LOCAL SCHOOL DISTRICT
CLERMONT COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

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

E. Budgetary Process

All funds, except custodial funds, are legally required to be budgeted and appropriated. The major documents prepared are the tax budget, the appropriations resolution and the certificate of estimated resources which are prepared on the budgetary basis of accounting. The tax budget demonstrates a need for existing or increased tax rates. The certificate of estimated resources establishes a limit on the amount that the Board of Education may appropriate. The appropriation resolution is the Board's authorization to spend resources and sets annual limits on expenditures plus encumbrances at the level of control selected by the Board. The legal level of control has been established by the Board at the fund level. Although the legal level of control was established at the fund level of expenditures, the District has elected to present budgetary statement comparisons at the fund and function level of expenditures. Any budgetary modifications at this level may only be made by resolution of the Board.

The certificate of estimated resources may be amended during the year if projected increases or decreases in revenue are identified by the District Treasurer. The amounts reported as the original budgeted amounts on the budgetary statements reflect the amounts on the certificate of estimated resources when the original appropriations were adopted. The amounts reported as the final budgeted amounts on the budgetary statements reflect the amounts on the final amended certificate of estimated resources issued during fiscal year 2020.

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

F. Cash and Investments

To improve cash management, cash received by the District is pooled. Monies for all funds are maintained in this pool. Individual fund integrity is maintained through the District's records. 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 agency securities, U.S. Government money market accounts, commercial paper, negotiable certificates of deposit (CDs) and investments in the State Treasury Asset Reserve of Ohio (STAR Ohio). Except for nonparticipating investment contracts, investments are reported at fair value, which is based on quoted market prices.

During fiscal year 2020, the District invested in STAR Ohio. STAR Ohio (the State Treasury Asset Reserve of 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 their investment in STAR Ohio at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides an NAV per share that approximates fair value.

**WEST CLERMONT LOCAL SCHOOL DISTRICT
CLERMONT COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

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

For the 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 \$100 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 all investment earnings are assigned to the General Fund unless statutorily required to be credited to a specific fund. The Board of Education has, by resolution, specified the funds to receive an allocation of interest earnings. Interest revenue credited to the General Fund during fiscal year 2020 amounted to \$449,308, which includes \$122,367 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 financial statements, supply inventories are presented at cost, inventories held for resale are presented at the lower of cost or market and donated commodities are presented at their entitlement value. Inventory is presented at cost on first-in, first-out basis and is expensed/expensed when used. Inventories are accounted for using the consumption method on the government-wide statements and the fund financial statements.

On the fund financial statements, reported material and supplies inventory is equally offset by nonspendable fund balance in the governmental funds, which indicates that it does not constitute available spending resources even though it is a component of net current assets. Inventory consists of administrative supplies and donated and purchased food.

H. Capital Assets

General capital 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. The District does not possess any infrastructure. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not.

**WEST CLERMONT LOCAL SCHOOL DISTRICT
CLERMONT COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

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:

<u>Description</u>	Governmental Activities <u>Estimated Lives</u>
Land and other improvements	15 - 50 years
Buildings and improvements	5 - 50 years
Equipment	5 - 30 years
Vehicles	7 - 15 years

I. Interfund Balances

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

J. Compensated Absences

The District reports compensated absences in accordance with the provisions of GASB Statement No. 16, “Accounting for Compensated Absences.” Vacation benefits are accrued as a liability as the benefits are earned if the employees’ rights to receive compensation are attributable to services already rendered and it is probable that the District will compensate the employees for the benefits through paid time off or some other means. The District records a liability for accumulated unused vacation time, when earned, for all employees with more than one year of service.

Sick leave benefits are accrued as a liability using the vesting method. An accrual for earned sick leave is made to the extent that it is probable that the benefits will result in termination payments.

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

For governmental fund financial statements, the expenditure for unpaid compensated absences are recognized when due. The related liability is recorded in the account “compensated absences payable” in the fund from which the employees who have accumulated unpaid leave are paid.

K. Prepayments

Payments made to vendors for services that will benefit periods beyond June 30, 2020, are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of purchase and an expenditure/expense is reported in the year in which services are consumed. Fund balance has been presented as nonspendable equal to the balance of the prepaid item at fiscal year end.

**WEST CLERMONT LOCAL SCHOOL DISTRICT
CLERMONT COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

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

L. Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements. In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources, are reported as obligations of the funds. However, claims, net pension/OPEB liabilities and 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 and capital lease obligations 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.

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.

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.

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.

**WEST CLERMONT LOCAL SCHOOL DISTRICT
CLERMONT COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

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

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

O. 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.

P. 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.

Q. 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. The District did not have any extraordinary or special items during fiscal year 2020.

R. Bond Issuance Costs and Unamortized Bond Premiums, Discounts and Prepaid Bond Insurance

On the governmental fund financial statements, insurance costs, and bond premiums/discounts are recognized in the current period. On governmental fund financial statements and government-wide financial statements, bond issuance costs are recognized in the current period.

**WEST CLERMONT LOCAL SCHOOL DISTRICT
CLERMONT COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

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

Bond premiums and discounts are deferred and amortized over the term of the bonds. Bond premiums/discounts are presented as an addition/reduction to the face amount of the bonds.

Prepaid bond insurance is amortized over the period of coverage and reported as a prepayment on the government-wide financial statements.

S. 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.

T. Fair Value

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

NOTE 3 - 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*".

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 private purpose or agency funds. The District reviewed its private purpose trust and agency funds and these funds have been reclassified as governmental funds. The 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.

**WEST CLERMONT LOCAL SCHOOL DISTRICT
CLERMONT COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE - (Continued)

B. Restatement of Net Position and Fund Balances

The implementation of GASB Statement No. 84 and a prior period adjustment for capital assets (see Note 10 for details) had the following effect on the net position as reported at June 30, 2019:

	<u>Governmental Activities</u>
Net position as previously reported	\$ 20,849,472
GASB Statement No. 84	259,991
Capital assets	<u>(7,838,481)</u>
Restated net position at June 30, 2019	<u>\$ 13,270,982</u>

The implementation of GASB Statement No. 84 had the following effect on fund balance as reported at June 30, 2019:

	<u>General</u>	<u>Classroom Facilities</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Fund balance as previously reported	\$ 18,500,728	\$ 8,513,032	\$ 10,111,162	\$ 37,124,922
GASB Statement No. 84	<u>124,751</u>	<u>-</u>	<u>135,240</u>	<u>259,991</u>
Restated fund balance, at June 30, 2019	<u>\$ 18,625,479</u>	<u>\$ 8,513,032</u>	<u>\$ 10,246,402</u>	<u>\$ 37,384,913</u>

Due to the implementation of GASB Statement No.84, the District will no longer be reporting agency funds and will currently not be reporting any private purpose trust funds. At June 30, 2019, the private purpose trust fund reported net position of \$4,705 and agency funds reported assets and liabilities of \$265,370.

C. Deficit Fund Balances

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

<u>Nonmajor funds</u>	<u>Deficit</u>
Auxiliary Services	\$ 16,421
Vocational Educational Enhancements	2,911
Student Wellness and Success	32,534
Miscellaneous State Grants	1,375
Title VI-B	177,395
Title III	144
Title I	192,096
Preschool Grant	6,034
Miscellaneous Federal Grants	72,397

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**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE - (Continued)

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 maturing not more than one year from the date 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;
3. Written repurchase agreements in the securities listed above provided that the fair 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 subdivision of the State of Ohio, if training requirements have been met;
5. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
6. No-load money market mutual funds consisting exclusively of obligations described in 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);

**WEST CLERMONT LOCAL SCHOOL DISTRICT
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**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

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; and,

Protection of the District's deposits is provided by the Federal Deposit Insurance Corporation (FDIC), by eligible securities pledged by the financial institution as security for repayment, by surety company bonds deposited with the Treasurer by the financial institution or by a single collateral pool established by the financial institution to secure the repayment of all public monies deposited with the 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 \$2,168,481 and the bank balance of all District deposits was \$2,649,995. Of the bank balance, \$250,000 was covered by the FDIC, \$1,199,997 was covered by the Ohio Pooled Collateral System (OPCS), and \$1,199,998 was exposed to custodial credit risk.

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 2020, the District's financial institutions were approved for a reduced collateral rate of 50 percent through the OPCS. 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.

**WEST CLERMONT LOCAL SCHOOL DISTRICT
CLERMONT COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

B. Investments

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

<u>Investment type</u>	<u>Measurement Value</u>	<u>Investment Maturities</u>			
		<u>6 months or less</u>	<u>7 to 12 months</u>	<u>19 to 24 months</u>	<u>Greater than 24 months</u>
<i>Fair value:</i>					
FHLMC	\$ 415,083	\$ -	\$ -	\$ 415,083	\$ -
Negotiable CDs	3,741,271	1,238,266	251,209	1,199,062	1,052,734
Commercial paper	489,833	489,833	-	-	-
U.S. Government money market mutual funds	63,415	63,415	-	-	-
<i>Amortized cost:</i>					
STAR Ohio	<u>12,043,540</u>	<u>12,043,540</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 16,753,142</u>	<u>\$ 13,835,054</u>	<u>\$ 251,209</u>	<u>\$ 1,614,145</u>	<u>\$ 1,052,734</u>

The weighted average maturity of investments is 0.36 years.

The District's investments in U.S. Government money market accounts are valued using quoted market prices in active markets (Level 1 inputs).

The District's investments in federal agency securities, negotiable CDs and commercial paper 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: Interest rate risk arises because potential purchasers of debt securities will not agree to pay face value for those securities if interest rates subsequently increase. As a means of limiting its exposure to fair value losses arising from rising interest rates and according to State law, the District's investment policy limits investment portfolio maturities to five years or less.

Credit Risk: The District's investments in federal agency securities were rated AA+ and Aaa by Moody's Investor Services and Standard & Poor's, respectively. Standard & Poor's has assigned STAR Ohio an AAAM money market rating. Ohio law requires that STAR Ohio maintain the highest rating provided by at least one nationally recognized standard rating service. Investments in U.S. Government money markets are not rated. Commercial paper was rated P-1 and A-1 by Moody's and Standard & Poor's respectively. The negotiable certificates of deposit are fully covered by FDIC and are not rated. The District's investment policy does not address investment credit risk beyond the requirements of State statutes.

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 federal agency securities, negotiable CDs and U.S. Government obligations 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 requirement in State statute that prohibits payment for investments prior to the delivery of the securities representing such investments to the treasurer or qualified trustee.

**WEST CLERMONT LOCAL SCHOOL DISTRICT
CLERMONT COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

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:

<u>Investment type</u>	<u>Measurement Value</u>	<u>% of Total</u>
<i>Fair value:</i>		
FHLMC	\$ 415,083	2.48%
Negotiable CDs	3,741,271	22.33%
Commercial paper	489,833	2.92%
U.S. Government money market mutual funds	63,415	0.38%
<i>Amortized cost:</i>		
STAR Ohio	<u>12,043,540</u>	<u>71.89%</u>
Total	<u>\$ 16,753,142</u>	<u>100.00%</u>

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:

<u>Cash and investments per note</u>	
Carrying amount of deposits	\$ 2,168,481
Investments	<u>16,753,142</u>
Total	<u>\$ 18,921,623</u>
 <u>Cash and investments per statement of net position</u>	
Governmental activities	<u>\$ 18,921,623</u>

NOTE 5 - INTERFUND TRANSACTIONS

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

<u>Transfers from General Fund to:</u>	<u>Amount</u>
<i>Nonmajor Governmental Funds</i>	
District Managed Student Activities	<u>\$ 456,803</u>

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. The transfers from the General Fund to the nonmajor governmental funds were made to move unrestricted balances to support student programs in the District Managed Student Activities Fund.

All transfers were made in compliance with Ohio Revised Code Sections 5705.14, 5705.15 and 5705.16.

**WEST CLERMONT LOCAL SCHOOL DISTRICT
CLERMONT COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

NOTE 5 - INTERFUND TRANSACTIONS - (Continued)

- B.** Interfund loans receivable/payable consisted of the following at June 30, 2020, as reported on the fund statement:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General	Nonmajor Governmental Funds:	
	Vocational Education Enhancements	\$ 2,911
	Title III	109
	Miscellaneous Federal Grants	<u>692</u>
	Total	<u>\$ 3,712</u>

The primary purpose of the interfund balances is to cover costs in specific funds where revenues were not received by June 30. These interfund balances will be repaid once the anticipated revenues are received. Interfund balances between governmental funds are eliminated on the government-wide statement of net position.

NOTE 6 - PROPERTY TAXES

Property taxes are levied and assessed on a calendar year basis while the District's fiscal year runs from July through June. First half tax 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.

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 Clermont 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 \$10,884,595 in the General Fund, \$463,884 in the Bond Retirement Fund (a nonmajor governmental fund) and \$1,679,581 in the Permanent Improvement Fund (a nonmajor governmental fund). This amount is recorded as revenue. The amount available for advance at June 30, 2019 was \$10,095,611 in the General fund, \$578,719 in the Bond Retirement fund (a nonmajor governmental fund) and \$1,473,103 in the Permanent Improvement 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 inflows.

**WEST CLERMONT LOCAL SCHOOL DISTRICT
CLERMONT COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

NOTE 6 - PROPERTY TAXES - (Continued)

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.

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

	2019 Second Half Collections		2020 First Half Collections	
	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
Agricultural/residential and other real estate	\$ 1,380,646,820	95.90	\$ 1,395,021,370	95.75
Public utility personal	<u>59,012,320</u>	<u>4.10</u>	<u>61,979,810</u>	<u>4.25</u>
Total	<u>\$ 1,439,659,140</u>	<u>100.00</u>	<u>\$ 1,457,001,180</u>	<u>100.00</u>
Tax rate per \$1,000 of assessed valuation	\$ 55.97		\$ 55.40	

NOTE 7 - PAYMENTS IN LIEU OF TAXES

According to State law, Union Township and Pierce Township have entered into agreements with property owners under which Clermont County has granted property tax abatements to those property owners and agreed to construct certain infrastructure improvements. The property owners have agreed to make payments to Clermont County to help pay the costs of the infrastructure improvements. The amount of those payments generally reflects all or a portion of the property taxes which the property owners would have paid if their taxes had not been abated. The property owners' contractual promise to make these payments in lieu of taxes generally continues until the costs of the improvement have been paid or the agreement expires, whichever occurs first. Future development by those owners or others may result in subsequent agreements to make payments in lieu of taxes and may therefore spread the costs of the improvements to a larger number of property owners. The District received \$1,713,601 in payments in lieu of taxes during fiscal year 2020, and a receivable of \$2,203,794 has been reported on the statement of net position.

NOTE 8 - TAX ABATEMENTS ENTERED INTO BY OTHER GOVERNMENTS

Clermont County provides tax abatements under two programs: the Community Reinvestment Area (CRA) Program and the Enterprise Zone Program.

The CRA Program provides tax exemptions on real property for residents and businesses who renovate an existing or construct new buildings in designated areas. Under the authority of Ohio Revised Code (ORC) Section 3735.67, the CRA programs are an economic development tool administered by municipal and county governments that provides real property tax exemptions for property owners who renovate existing or construct new buildings. CRA's are areas of land in which property owners can receive tax incentives for investing in real property improvements. Under the CRA program, local governments petition to the Ohio Development Services Agency (ODSA) for confirmation of a geographical area in which investment in housing is desired. Once an area is confirmed by the ODSA, local governments may offer real property tax exemptions to taxpayers that invest in that area. Property owners in the CRA can receive temporary tax abatements for renovation of existing structures and new construction in these areas. Property owners apply to the local legislative authority for approval to renovate or construct in the CRA. Upon approval and certification of completion, the amount of the abatement is deducted from the individual or entity's property tax bill.

**WEST CLERMONT LOCAL SCHOOL DISTRICT
CLERMONT COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

NOTE 8 - TAX ABATEMENTS ENTERED INTO BY OTHER GOVERNMENTS - (Continued)

The Enterprise Zone Program provides designated areas in which businesses can receive tax exemptions on eligible new investment of real property in conjunction with the creation of new jobs. These tax abatements reduce assessed value by a percentage agreed upon by the parties that authorize these types of agreements.

Under these agreements the District property taxes were reduced by approximately \$425,000 for fiscal year 2020.

NOTE 9 - RECEIVABLES

Receivables at June 30, 2020, consisted of taxes, payments in lieu of taxes, interfund, accounts (rent and student fees), accrued interest, and intergovernmental grants. 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. All receivable amounts, except delinquent property taxes and Ohio School Facilities Construction Commission receivable, are expected to be received within one year.

A list of the District's intergovernmental receivables follows:

	<u>Amount</u>
<i>Major Funds:</i>	
General	
State Foundation	\$ 240,643
Classroom Facilities	
OFCC Grant	2,175,128
<i>Nonmajor Governmental Funds:</i>	
Miscellaneous State Grants	8,310
Title VI-B	150,641
Title III	144
Title I	241,442
Preschool Grant	1,795
Vocational Education Enhancements	2,725
Miscellaneous Federal Grants	72,398
Total	\$ 2,893,226

**WEST CLERMONT LOCAL SCHOOL DISTRICT
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NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

NOTE 10 - CAPITAL ASSETS

Capital assets have been restated at June 30, 2019, due to a new appraisal, errors and omissions previously reported, and the reclassification of certain assets to land and other improvements which were previously reported in land, buildings and improvements and equipment. The adjustments had the following effect on the District's capital assets balances:

	Balance		Restated Balance
Governmental activities:	<u>June 30, 2019</u>	<u>Adjustments</u>	<u>June 30, 2019</u>
<i>Capital assets, not being depreciated:</i>			
Land	\$ 8,540,554	\$ (1,129,155)	\$ 7,411,399
Construction in progress	23,120,942	2,169,909	25,290,851
Total capital assets, not being depreciated	<u>31,661,496</u>	<u>1,040,754</u>	<u>32,702,250</u>
<i>Capital assets, being depreciated:</i>			
Land and other improvements	-	12,245,280	12,245,280
Buildings and improvements	169,989,599	(23,847,276)	146,142,323
Equipment	8,225,098	(2,822,436)	5,402,662
Vehicles	635,295	11,921	647,216
Total capital assets, being depreciated	<u>178,849,992</u>	<u>(14,412,511)</u>	<u>164,437,481</u>
<i>Less: accumulated depreciation:</i>			
Land and other improvements	-	(485,832)	(485,832)
Buildings and improvements	(31,915,360)	1,820,047	(30,095,313)
Equipment	(6,361,053)	4,200,289	(2,160,764)
Vehicles	(498,392)	(1,228)	(499,620)
Total accumulated depreciation	<u>(38,774,805)</u>	<u>5,533,276</u>	<u>(33,241,529)</u>
Total capital assets being depreciated, net	<u>140,075,187</u>	<u>(8,879,235)</u>	<u>131,195,952</u>
Governmental activities capital assets, net	<u>\$ 171,736,683</u>	<u>\$ (7,838,481)</u>	<u>\$ 163,898,202</u>

**WEST CLERMONT LOCAL SCHOOL DISTRICT
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NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

NOTE 10 - CAPITAL ASSETS - (Continued)

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

	Restated Balance	Additions	Deductions	Balance
Governmental activities:	<u>June 30, 2019</u>	<u> </u>	<u> </u>	<u>June 30, 2020</u>
<i>Capital assets, not being depreciated:</i>				
Land	\$ 7,411,399	\$ -	\$ -	\$ 7,411,399
Construction in progress	<u>25,290,851</u>	<u>17,483,387</u>	<u>(21,772,162)</u>	<u>21,002,076</u>
Total capital assets, not being depreciated	<u>32,702,250</u>	<u>17,483,387</u>	<u>(21,772,162)</u>	<u>28,413,475</u>
<i>Capital assets, being depreciated:</i>				
Land and other improvements	12,245,280	4,800	-	12,250,080
Buildings and improvements	146,142,323	22,511,096	(9,413,202)	159,240,217
Equipment	5,402,662	199,969	-	5,602,631
Vehicles	<u>647,216</u>	<u>88,036</u>	<u>-</u>	<u>735,252</u>
Total capital assets, being depreciated	<u>164,437,481</u>	<u>22,803,901</u>	<u>(9,413,202)</u>	<u>177,828,180</u>
<i>Less: accumulated depreciation:</i>				
Land and other improvements	(485,832)	(604,073)	-	(1,089,905)
Buildings and improvements	(30,095,313)	(3,235,703)	9,413,202	(23,917,814)
Equipment	(2,160,764)	(361,833)	-	(2,522,597)
Vehicles	<u>(499,620)</u>	<u>(35,637)</u>	<u>-</u>	<u>(535,257)</u>
Total accumulated depreciation	<u>(33,241,529)</u>	<u>(4,237,246)</u>	<u>9,413,202</u>	<u>(28,065,573)</u>
Total capital assets being depreciated, net	<u>131,195,952</u>	<u>18,566,655</u>	<u>-</u>	<u>149,762,607</u>
Governmental activities capital assets, net	<u>\$ 163,898,202</u>	<u>\$ 36,050,042</u>	<u>\$ (21,772,162)</u>	<u>\$ 178,176,082</u>

Depreciation expense was charged to governmental functions as follows:

<u>Instruction:</u>	
Regular	\$ 1,350,841
Special	269,362
Vocational	15,475
<u>Support services:</u>	
Pupil	124,167
Instructional staff	48,155
Administration	221,250
Fiscal	18,293
Business	6,203
Operations and maintenance	1,847,090
Central	46,258
<u>Operation of noninstructional services:</u>	
Other non-instructional services	140,574
Food service operations	53,584
Extracurricular activities	<u>95,994</u>
Total depreciation expense	<u>\$ 4,237,246</u>

**WEST CLERMONT LOCAL SCHOOL DISTRICT
CLERMONT COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

NOTE 11 - LONG-TERM OBLIGATIONS

During the fiscal year 2020, the following changes occurred in governmental activities long-term obligations.

	Original Issue	Maturity Dates	Balance July 1, 2019	Additions	Reductions	Balance June 30, 2020	Amounts Due Within One Year
<i>Revenue Bonds Payable:</i>							
Clermont County Port Authority							
Lease Revenue Bonds 2015 2.25% - 5.00%	\$ 99,255,000	12/1/2053	\$ 99,255,000	\$ -	\$ (500,000)	\$ 98,755,000	\$ 750,000
Unamortized Discount			(132,456)	-	3,849	(128,607)	-
Total Revenue Bonds			<u>99,122,544</u>	<u>-</u>	<u>(496,151)</u>	<u>98,626,393</u>	<u>750,000</u>
<i>General Obligation Bonds Payable:</i>							
Classroom Facilities Refunding 2016, 1.75% - 5.00%	22,770,000	12/1/2036	22,620,000	-	(925,000)	21,695,000	935,000
Unamortized Premium			1,825,990	-	(104,841)	1,721,149	-
School Improvement Refunding 2013, 1.75% - 4.00%	3,740,000	12/1/2019	1,035,000	-	(1,035,000)	-	-
Unamortized Premium			55,131	-	(55,131)	-	-
Total General Obligation Bonds			<u>25,536,121</u>	<u>-</u>	<u>(2,119,972)</u>	<u>23,416,149</u>	<u>935,000</u>
Net Pension Liability			81,656,451	3,367,255	-	85,023,706	-
Net OPEB Liability			9,325,598	-	(339,580)	8,986,018	-
Compensated Absences			1,636,555	604,535	(385,309)	1,855,781	511,426
Capital Leases			788,434	-	(125,181)	663,253	132,215
Total Governmental Activities			<u>\$ 218,065,703</u>	<u>\$ 3,971,790</u>	<u>\$ (3,466,193)</u>	<u>\$ 218,571,300</u>	<u>\$ 2,328,641</u>

The Clermont County Port Authority Lease Revenue Bonds, Series 2015 will be paid from the Permanent Improvement Fund (a nonmajor governmental fund). All other general obligation bonds will be paid from the Bond Retirement Fund (a nonmajor governmental fund). Compensated absences will be paid from the fund from which the person is paid, which is primarily the General Fund. The capital leases will be paid from the General Fund.

Detail on the net pension liability and OPEB liability can be found in Notes 14 and 15, respectively. The District pays obligations related to employee compensation from the fund benefitting from their services, which is primarily the General Fund.

**WEST CLERMONT LOCAL SCHOOL DISTRICT
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NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

NOTE 11 - LONG-TERM OBLIGATIONS - (Continued)

Principal and interest requirements to retire the revenue bonds and general obligation bonds outstanding at year-end are as follows:

Fiscal Year Ending June 30,	Revenue Bonds Payable			General Obligation Bonds Payable		
	Principal	Interest	Total	Principal	Interest	Total
2021	\$ 750,000	\$ 4,260,245	\$ 5,010,245	\$ 935,000	\$ 818,712	\$ 1,753,712
2022	1,370,000	4,227,596	5,597,596	975,000	783,012	1,758,012
2023	1,400,000	4,197,783	5,597,783	995,000	741,137	1,736,137
2024	1,430,000	4,145,913	5,575,913	1,035,000	690,388	1,725,388
2025	1,500,000	4,072,283	5,572,283	1,135,000	641,137	1,776,137
2026-2030	8,715,000	19,353,575	28,068,575	6,430,000	2,430,551	8,860,551
2031-2035	11,145,000	16,906,380	28,051,380	6,990,000	1,336,182	8,326,182
2036-2040	14,065,000	13,935,229	28,000,229	3,200,000	130,000	3,330,000
2041-2045	17,170,000	10,748,049	27,918,049	-	-	-
2046-2050	20,975,000	6,794,199	27,769,199	-	-	-
2051-2054	20,235,000	1,860,514	22,095,514	-	-	-
Total	\$ 98,755,000	\$ 90,501,766	\$ 189,256,766	\$ 21,695,000	\$ 7,571,119	\$ 29,266,119

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 effects of these debt limitations at June 30, 2020 are a voted debt margin of \$112,850,852 and an un-voted debt margin of \$1,457,001. The Lease Revenue Bonds, Series 2015 are not subject to these limitations.

Classroom Facilities Refunding General Obligation Bonds, Series 2016

On November 7, 2016, the District issued \$22,770,000 in general obligation bonds (Series 2016 Refunding Bonds) to advance refund \$22,825,000 of the series 2008 Classroom Facilities general obligation bonds.

The issuance proceeds 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.

The refunding issue is comprised of current interest bonds, par value \$22,770,000. The interest rates on the current interest bonds range from 1.75% to 5.00%. Interest payments of the current interest bonds are due on June 1 and December 1 of each year. The final maturity date stated on the issue is December 1, 2036.

The reacquisition price exceeded the net carrying amount of the old debt by \$1,347,063. This amount is being netted against the new debt and amortized over the remaining life of the refunded debt, which is equal to the life of the new debt issued. This advance refunding was undertaken to reduce the combined total debt service payments over the next 20 years by \$3,028,533 and resulted in a net present value economic gain of \$2,345,742.

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CLERMONT COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

NOTE 11 - LONG-TERM OBLIGATIONS - (Continued)

Clermont County Port Authority Lease Revenue Bonds, Series 2015 - On October 1, 2015, the Clermont County Port Authority (the "Port Authority") issued \$99,255,000 in serial and term lease revenue bonds. The bonds were issued by the Port on behalf of the District to acquire, construct, improve, furnish, and equip a new high school. The Series 2015 Bonds are special obligations of the Port Authority. The Series 2015 Bonds do not constitute a general obligation, general debt or general bonded indebtedness of the Port Authority, the Township, the County, or the State or any of its political subdivisions.

In order to finance the project, which is located on real property owned by the District, the District leased the project site to the Port Authority for \$1 pursuant to a ground lease dated as of October 1, 2015 (the "Ground Lease"). In addition, the District has agreed to provide a ground lease of the property on which the District's two existing high schools are located during the term of the construction project, under the Ground Lease. In addition, the District and the Port Authority (the "Lessee") entered into a lease agreement dated as of October 1, 2015 pursuant to which the Port Authority (the "Lessor") will lease the project site to the District in consideration for the District's agreement to construct, improve, furnish and equip the project facilities as agent of the Lessor, and make payments of base rent and certain additional rents. By the assignment of the Lease dated October 1, 2015, the Lessor assigned to the U.S. Bank National Association (the "Trustee") all of its rights, title and interest under the Ground Lease and Lease in the project to the Trustee for the benefit of the owners of the Series 2015 Bonds. By the Trust Indenture dated as of October 1, 2015, the Lessor transferred certain rights in the project to the Trustee and provided for receipt and disbursements of all lease payments. The Lessor is not financially liable for the lease payments, and owners of the Series 2015 Bonds will have no right to look to the Lessor for payment.

The Series 2015 Bonds are payable primarily from the base rent to be paid by the District to the Trustee as an assignee of all rights of the Lessor. The sources of payment of the Series 2015 Bonds are the pledged revenues, which include base rent paid by the District under the Lease, amounts held by the Trustee in the bond fund and the bond reserve fund, and all income and profit from the investment of the foregoing moneys. While all General Fund revenues of the District will be available to pay the base rent due under the lease, it is expected the base rent will primarily be paid from the inside millage allocated for permanent improvement purposes and District TIF revenues. The interest payments on the Series 2015 Bonds required 80.32% of the pledged revenues for fiscal year 2020. The total principal and interest remaining on the Series 2015 bonds is \$189,256,766.

The Series 2015 Bonds are guaranteed by a municipal insurance policy provided by Build America Mutual. The policy guarantees the scheduled payment of principal and interest on the bonds when due as set forth in the form of the policy. The Series 2015 issue is comprised of serial bonds, par value \$29,385,000 and term bonds, par value \$69,870,000. Interest on the serial bonds ranges from 2.25% - 5.00% and will be paid each June 1 and December 1, commencing December 1, 2015. The serial bond payments are December 1, 2040, December 1, 2045 and December 1, 2053.

The term bonds maturing on or after December 1, 2040, are subject to mandatory sinking redemption price of 100% of the principal amount to be redeemed, plus accrued interest at the date of redemption, on December 1 in the years and in the respective principal amounts as follows:

<u>Year</u>	<u>Mandatory Sinking Fund Redemption</u>
2036	\$ 2,705,000
2037	2,815,000
2038	2,925,000
2039	3,045,000

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NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

NOTE 11 - LONG-TERM OBLIGATIONS - (Continued)

The remaining principal amount of such bonds (\$3,170,000) will, unless previously redeemed, mature at stated maturity on December 1, 2040.

The term bonds maturing on or before December 1, 2045, are subject to mandatory sinking redemption price of 100% of the principal amount to be redeemed, plus accrued interest at the date of redemption, on December 1 in the years and in the respective principal amounts as follows:

<u>Year</u>	Mandatory Sinking Fund <u>Redemption</u>
2041	\$ 3,295,000
2042	3,430,000
2043	3,565,000
2044	3,710,000

The remaining principal amount of such bonds (\$3,860,000) will, unless previously redeemed, mature at stated maturity on December 1, 2045.

The term bonds maturing on or before December 1, 2053, are subject to mandatory sinking redemption price of 100% of the principal amount to be redeemed, plus accrued interest at the date of redemption, on December 1 in the years and in the respective principal amounts as follows:

<u>Year</u>	Mandatory Sinking Fund <u>Redemption</u>
2046	\$ 4,015,000
2047	4,185,000
2048	4,365,000
2049	4,550,000
2050	4,745,000
2051	4,950,000
2052	5,160,000

The remaining principal amount of such bonds (\$5,380,000) will, unless previously redeemed, mature at stated maturity on December 1, 2053.

In years prior to 2016, the District defeased certain general obligation bonds by placing the proceeds of the new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included on the District's financial statements.

School Improvement Refunding Bonds, Series 2013

In March 2013, the District refunded \$3,990,000 of General Obligation Bonds through the issuance of \$3,740,000 of General Obligation Bonds. The net proceeds of the 2013 Bonds were invested in obligations guaranteed as to both principal and interest by the United States Government and placed in irrevocable escrow accounts which, including interest earned, was used to pay the principal and interest on the refunded bonds. The refunded bonds were not included in the District's outstanding debt since the District in-substance satisfied its obligation through the refunding.

The Series 2013 bonds were paid in full during fiscal year 2020. Interest payments on the Series 2008 bonds were due on June 1 and December 1 of each year.

**WEST CLERMONT LOCAL SCHOOL DISTRICT
CLERMONT COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

NOTE 12 - LEASES

A. Capital Leases - Lessee Disclosure

In prior fiscal years, the District entered into capital leases in the amount of \$424,770 for the purpose of copiers and for \$521,950 for energy conservation measures. These lease agreements qualify as capital leases for accounting purposes and therefore, have been recorded at the present value of the future minimum lease payments as of the inception date as capital assets in the governmental activities of the statement of net position. Capital assets acquired by lease purchase have been capitalized under buildings and improvements and equipment in the amount of \$521,950 and \$424,770, respectively. Accumulated depreciation as of June 30, 2020 was \$248,200, leaving a current book value of \$698,520.

The following is a schedule of the future minimum lease payments required under the capital leases and the present value of the minimum lease payments as of fiscal year-end:

<u>Year Ended June 30</u>	<u>Amount</u>
2021	\$ 164,109
2022	163,750
2023	163,749
2024	66,157
2025	66,157
2026 - 2028	<u>137,827</u>
Total minimum lease payment	761,749
Less: amount representing interest	<u>(98,496)</u>
Present value of minimum lease payments	<u>\$ 663,253</u>

B. Operating Leases - Lessor Disclosure

The District entered into an agreement on September 20, 2017, with Mercy Health Cincinnati, LLC, (“Lessee”) to lease square footage located in the health and wellness facility constructed by the District in conjunction with the new West Clermont High School (the “HealthPlex”), the right to use shared space within the HealthPlex, and the non-exclusive right to use the driveways, sidewalks and parking areas serving the District campus. The Lessee shall have the right to use the premises as medical offices, related healthcare uses, excluding, however, medical practices primarily dealing with behavioral health or drug addiction. The lease commenced in September 2017, the first day of the month in which the District turned over the premises and shared space to the Lessee. The lease term is for a period of fifteen years, with an option for the Lessee to renew the lease for two additional five-year terms by giving the District written notice of the intent to renew 365 days before the expiration of the original term.

The Lessee shall pay the District an annual rent equal to \$81,914, payable in twelve monthly installments, subject to an increase on each anniversary of the commencement date during the original term. The annual rent shall be increased by 1.5%, compounded.

**WEST CLERMONT LOCAL SCHOOL DISTRICT
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NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

NOTE 12 - LEASES - (Continued)

The amount of the future lease payments required under the operating lease at June 30, 2020, for the original term, follows:

<u>Fiscal Year</u> <u>Ending June 30,</u>	<u>Amount</u>
2021	\$ 85,445
2022	86,727
2023	88,028
2024	89,348
2025	90,688
2026 - 2030	474,259
2031 - 2033	<u>216,628</u>
Total	<u>\$ 1,131,123</u>

The lease agreement also provides for exclusive naming rights for the space, which shall be named the Mercy Health West Clermont HealthPlex, during the term of the lease. In consideration of the naming rights, exclusivity provisions, and all other benefits granted by the District under the agreement, the Lessor made a one-time naming rights fee payment to the District in the amount of \$200,000 upon execution of the lease. The naming rights fee was receipted into the West Clermont HealthPlex nonmajor special revenue fund during fiscal year 2018 and has been amortized over the life of the original lease term and reported as deferred inflows of resources on the statement of net position.

NOTE 13 - RISK MANAGEMENT

The District is exposed to various risks of loss related to torts, theft, damage to or destruction of assets, errors and omissions, employee injuries, and natural disasters. The District addresses these risks by maintaining a comprehensive risk management program through the purchase of various types of liability, inland marine, and property insurance from private carriers. Settled claims have not exceeded commercial coverage in any of the past three years. A summary of significant coverage, which has not been significantly reduced from the prior year, follows:

<u>Type of Coverage</u>	<u>Amount of Coverage</u>	<u>Deductible</u>
Buildings and Contents		
Replacement Cost	\$159,397,550	\$ 5,000
Inland Marine Coverage	2,250,000	500
Boiler and Machinery	13,900,000	5,000
Automobile Liability	2,000,000	500
Earthquake	1,000,000	2,500
General Liability Per Occurrence	1,000,000	0
Employee Benefits Liability Total per Year	1,000,000	0

**WEST CLERMONT LOCAL SCHOOL DISTRICT
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NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

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.

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 intergovernmental payable on both the accrual and modified accrual basis of accounting.

Plan Description - School Employees Retirement System (SERS)

Plan Description - The District's 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.

**WEST CLERMONT LOCAL SCHOOL DISTRICT
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NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

NOTE 14 - DEFINED BENEFIT PENSION PLANS - (Continued)

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.

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 \$1,577,870 for fiscal year 2020. Of this amount, \$88,654 is reported as intergovernmental 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.

**WEST CLERMONT LOCAL SCHOOL DISTRICT
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**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

NOTE 14 - DEFINED BENEFIT PENSION PLANS - (Continued)

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.

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 2020, 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 2020 contribution rates were equal to the statutory maximum rates.

The District's contractually required contribution to STRS was \$5,267,287 for fiscal year 2020. Of this amount, \$873,547 is reported as intergovernmental payable.

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

The net pension liability was measured as of June 30, 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.

**WEST CLERMONT LOCAL SCHOOL DISTRICT
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NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

NOTE 14 - DEFINED BENEFIT PENSION PLANS - (Continued)

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

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Proportion of the net pension liability prior measurement date	0.33274990%	0.28470050%	
Proportion of the net pension liability current measurement date	<u>0.35068560%</u>	<u>0.28959219%</u>	
Change in proportionate share	<u>0.01793570%</u>	<u>0.00489169%</u>	
Proportionate share of the net pension liability	\$ 20,982,134	\$ 64,041,572	\$ 85,023,706
Pension expense	\$ 4,155,320	\$ 9,545,490	\$ 13,700,810

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

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Deferred outflows of resources			
Differences between expected and actual experience	\$ 532,060	\$ 521,404	\$ 1,053,464
Changes of assumptions	-	7,522,918	7,522,918
Difference between employer contributions and proportionate share of contributions/ change in proportionate share	790,715	2,998,483	3,789,198
Contributions subsequent to the measurement date	<u>1,577,870</u>	<u>5,267,287</u>	<u>6,845,157</u>
Total deferred outflows of resources	<u>\$ 2,900,645</u>	<u>\$ 16,310,092</u>	<u>\$ 19,210,737</u>
Deferred inflows of resources			
Differences between expected and actual experience	\$ -	\$ 277,222	\$ 277,222
Net difference between projected and actual earnings on pension plan investments	269,330	3,130,002	3,399,332
Difference between employer contributions and proportionate share of contributions/ change in proportionate share	<u>-</u>	<u>225,602</u>	<u>225,602</u>
Total deferred inflows of resources	<u>\$ 269,330</u>	<u>\$ 3,632,826</u>	<u>\$ 3,902,156</u>

\$6,845,157 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:

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NOTES TO THE BASIC FINANCIAL STATEMENTS
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NOTE 14 - DEFINED BENEFIT PENSION PLANS - (Continued)

Fiscal Year Ending June 30:	SERS	STRS	Total
2021	\$ 1,200,188	\$ 4,801,914	\$ 6,002,102
2022	(281,565)	1,834,173	1,552,608
2023	(17,923)	268,328	250,405
2024	152,745	505,564	658,309
Total	<u>\$ 1,053,445</u>	<u>\$ 7,409,979</u>	<u>\$ 8,463,424</u>

Actuarial Assumptions - SERS

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

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

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.

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NOTES TO THE BASIC FINANCIAL STATEMENTS
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NOTE 14 - DEFINED BENEFIT PENSION PLANS - (Continued)

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.

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
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	<u>100.00 %</u>	

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.

	Current		
	<u>1% Decrease</u>	<u>Discount Rate</u>	<u>1% Increase</u>
District's proportionate share of the net pension liability	\$ 29,403,472	\$ 20,982,134	\$ 13,919,789

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NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

NOTE 14 - DEFINED BENEFIT PENSION 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 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%

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.

**WEST CLERMONT LOCAL SCHOOL DISTRICT
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NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

NOTE 14 - DEFINED BENEFIT PENSION PLANS - (Continued)

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.

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	\$ 93,589,624	\$ 64,041,572	\$ 39,027,634

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.

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NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

NOTE 15 - DEFINED BENEFIT OPEB PLANS - (Continued)

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 intergovernmental payable on both the accrual and modified accrual basis of accounting.

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, prorated 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 \$219,254.

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NOTE 15 - DEFINED BENEFIT OPEB PLANS - (Continued)

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 \$219,254 for fiscal year 2020 and is reported as intergovernmental payable.

Plan Description - State Teachers Retirement System (STRS)

Plan Description - The State Teachers Retirement System of Ohio (STRS) administers a cost-sharing Health Plan administered for eligible retirees who participated in the defined benefit or combined pension plans offered by STRS. Ohio law authorizes STRS to offer this plan. Benefits include hospitalization, physicians' fees, prescription drugs and partial reimbursement of monthly Medicare Part B premiums. Medicare Part B premium reimbursements will be 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.

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:

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Proportion of the net OPEB liability/asset prior measurement date	0.33614600%	0.28470050%	
Proportion of the net OPEB liability/asset current measurement date	<u>0.35732680%</u>	<u>0.28959219%</u>	
Change in proportionate share	<u>0.02118080%</u>	<u>0.00489169%</u>	
Proportionate share of the net OPEB liability	\$ 8,986,018	\$ -	\$ 8,986,018
Proportionate share of the net OPEB asset	\$ -	\$ (4,796,341)	\$ (4,796,341)
OPEB expense	\$ 477,287	\$ (1,330,614)	\$ (853,327)

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NOTE 15 - DEFINED BENEFIT OPEB PLANS - (Continued)

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

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Deferred outflows of resources			
Differences between expected and actual experience	\$ 131,907	\$ 434,826	\$ 566,733
Net difference between projected and actual earnings on OPEB plan investments	21,570	-	21,570
Changes of assumptions	656,326	100,818	757,144
Difference between employer contributions and proportionate share of contributions/change in proportionate share	635,442	676,098	1,311,540
Contributions subsequent to the measurement date	<u>219,254</u>	<u>-</u>	<u>219,254</u>
Total deferred outflows of resources	<u>\$ 1,664,499</u>	<u>\$ 1,211,742</u>	<u>\$ 2,876,241</u>
	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Deferred inflows of resources			
Differences between expected and actual experience	\$ 1,974,167	\$ 244,020	\$ 2,218,187
Net difference between projected and actual earnings on OPEB plan investments	-	301,244	301,244
Changes of assumptions	<u>503,551</u>	<u>5,258,632</u>	<u>5,762,183</u>
Total deferred inflows of resources	<u>\$ 2,477,718</u>	<u>\$ 5,803,896</u>	<u>\$ 8,281,614</u>

\$219,254 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:

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Fiscal Year Ending June 30:			
2021	\$ (347,744)	\$ (1,007,090)	\$ (1,354,834)
2022	(157,798)	(1,007,090)	(1,164,888)
2023	(151,467)	(886,358)	(1,037,825)
2024	(152,497)	(844,007)	(996,504)
2025	(152,421)	(866,096)	(1,018,517)
Thereafter	<u>(70,546)</u>	<u>18,487</u>	<u>(52,059)</u>
Total	<u>\$ (1,032,473)</u>	<u>\$ (4,592,154)</u>	<u>\$ (5,624,627)</u>

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NOTES TO THE BASIC FINANCIAL STATEMENTS
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NOTE 15 - DEFINED BENEFIT OPEB PLANS - (Continued)

Actuarial Assumptions - SERS

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

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

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

Key methods and assumptions used in calculating the total OPEB liability in the latest actuarial valuation date of June 30, 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.

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NOTES TO THE BASIC FINANCIAL STATEMENTS
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NOTE 15 - DEFINED BENEFIT OPEB PLANS - (Continued)

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.

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:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
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	<u>100.00 %</u>	

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.

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NOTES TO THE BASIC FINANCIAL STATEMENTS
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NOTE 15 - DEFINED BENEFIT OPEB PLANS - (Continued)

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	\$ 10,907,321	\$ 8,986,018	\$ 7,458,356

	1% Decrease	Current Trend Rate	1% Increase
District's proportionate share of the net OPEB liability	\$ 7,199,620	\$ 8,986,018	\$ 11,356,134

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.

**WEST CLERMONT LOCAL SCHOOL DISTRICT
CLERMONT COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

NOTE 15 - DEFINED BENEFIT OPEB PLANS - (Continued)

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.

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	<u>100.00 %</u>	

* 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.

**WEST CLERMONT LOCAL SCHOOL DISTRICT
CLERMONT COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

NOTE 15 - DEFINED BENEFIT OPEB PLANS - (Continued)

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	\$ 4,092,722	\$ 4,796,341	\$ 5,387,921

	1% Decrease	Current Trend Rate	1% Increase
District's proportionate share of the net OPEB asset	\$ 5,438,831	\$ 4,796,341	\$ 4,009,447

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) Advances-in and advances-out are operating transactions (budget basis) as opposed to balance sheet transactions (GAAP basis);
- (e) Investments are reported at fair value (GAAP basis) as opposed to cost (budget basis); and,
- (f) Some funds are included in the General Fund (GAAP basis), but have separate legally adopted budgets (budget basis).

**WEST CLERMONT LOCAL SCHOOL DISTRICT
CLERMONT COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

NOTE 16 - BUDGETARY BASIS OF ACCOUNTING - (Continued)

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:

	<u>General Fund</u>
Budget basis	\$ (7,287,630)
Net adjustment for revenue accruals	779,704
Net adjustment for expenditure accruals	(410,935)
Net adjustment for other sources/uses	(93,001)
Funds budgeted elsewhere	(27,391)
Adjustment for encumbrances	<u>1,183,512</u>
GAAP basis	<u>\$ (5,855,741)</u>

Certain funds that are legally budgeted in separate special revenue funds and custodial funds are considered part of the General Fund on a GAAP basis. This includes the Uniform School Supplies and Public School Support special revenue funds and the Benefit Escrow custodial fund.

NOTE 17 - 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.

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.

	<u>Capital Improvements</u>
Set-aside balance June 30, 2019	\$ -
Current year set-aside requirement	1,471,215
Current year qualifying expenditures	<u>(1,502,050)</u>
Total	<u>\$ (30,835)</u>
Balance carried forward to fiscal year 2021	<u>\$ -</u>
Set-aside balance June 30, 2020	<u>\$ -</u>

**WEST CLERMONT LOCAL SCHOOL DISTRICT
CLERMONT COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

NOTE 18 - CONTINGENCIES

A. Grants

The District received financial assistance from federal and State agencies in the form of grants. The expenditure of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the general fund or other applicable funds. This also encompasses the Auditor of State's ongoing review of student attendance data; however, the effect of any such disallowed claims on the overall financial position of the District at June 30, 2020, if applicable, cannot be determined at this time.

B. Litigation

The District's is not party to potential claims or litigation that would materially affect the financial statements of the District.

NOTE 19 - 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:

<u>Fund</u>	<u>Year-End Encumbrances</u>
General	\$ 1,024,278
Classroom facilities	3,672,117
Nonmajor governmental	<u>263,268</u>
Total	<u>\$ 4,959,663</u>

NOTE 20 - CONTRACTUAL COMMITMENTS

As of June 30, 2020, the District had the following contractual commitments outstanding related to the building construction project and middle school renovation project:

<u>Contractor</u>	<u>Contract Amount</u>	<u>Amount Paid Through June 30, 2020</u>	<u>Remaining Contract Amount</u>
Conger Construction Group	\$ 30,172,185	\$ 28,225,237	\$ 1,946,948
DER Development LLC	1,786,156	1,347,093	439,063
Graybach LLC	8,800,290	8,571,587	228,703
Megen Construction Company Inc.	722,700	690,318	32,382
Motz Engineering	214,135	193,002	21,133
Nor-Com	1,930,341	1,857,658	72,683
SFA Architects Inc.	3,263,008	3,196,441	66,567

**WEST CLERMONT LOCAL SCHOOL DISTRICT
CLERMONT COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

NOTE 21 - 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 continuing emergency measures may impact subsequent period of the District. The District's investment portfolio and the investments of the pension and other employee benefit plan in which the District participates fluctuate with market conditions, and due to the market volatility, the amount of gains or losses that will be recognized in subsequent period, if any, cannot be determined. In addition, the impact of the District's future operating costs, revenues and any recovery from emergency funding, either federal or state, cannot be estimated.

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REQUIRED SUPPLEMENTARY INFORMATION

**WEST CLERMONT LOCAL SCHOOL DISTRICT
CLERMONT 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

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
District's proportion of the net pension liability	0.35068560%	0.33274990%	0.32548950%	0.31472810%
District's proportionate share of the net pension liability	\$ 20,982,134	\$ 19,057,203	\$ 19,447,279	\$ 23,035,193
District's covered payroll	\$ 11,733,119	\$ 10,675,578	\$ 11,557,400	\$ 9,753,514
District's proportionate share of the net pension liability as a percentage of its covered payroll	178.83%	178.51%	168.27%	236.17%
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
0.29962550%	0.30263000%	0.30263000%
\$ 17,096,921	\$ 15,315,932	\$ 17,996,435
\$ 9,020,303	\$ 8,793,824	\$ 7,755,296
189.54%	174.17%	232.05%
69.16%	71.70%	65.52%

**WEST CLERMONT LOCAL SCHOOL DISTRICT
CLERMONT 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

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
District's proportion of the net pension liability	0.28959219%	0.28470050%	0.26938305%	0.26306609%
District's proportionate share of the net pension liability	\$ 64,041,572	\$ 62,599,248	\$ 63,992,521	\$ 88,056,150
District's covered payroll	\$ 33,048,386	\$ 33,888,986	\$ 29,611,621	\$ 27,683,350
District's proportionate share of the net pension liability as a percentage of its covered payroll	193.78%	184.72%	216.11%	318.08%
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

<u>2016</u>	<u>2015</u>	<u>2014</u>
0.26704474%	0.27480824%	0.27480824%
\$ 73,808,355	\$ 66,842,872	\$ 79,622,792
\$ 27,861,643	\$ 28,077,808	\$ 32,367,592
264.91%	238.06%	246.00%
72.10%	74.70%	69.30%

**WEST CLERMONT LOCAL SCHOOL DISTRICT
CLERMONT COUNTY, OHIO**

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

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

LAST TEN FISCAL YEARS

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Contractually required contribution	\$ 1,577,870	\$ 1,583,971	\$ 1,441,203	\$ 1,618,036
Contributions in relation to the contractually required contribution	<u>(1,577,870)</u>	<u>(1,583,971)</u>	<u>(1,441,203)</u>	<u>(1,618,036)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 11,270,500	\$ 11,733,119	\$ 10,675,578	\$ 11,557,400
Contributions as a percentage of covered payroll	14.00%	13.50%	13.50%	14.00%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
\$ 1,365,492	\$ 1,188,876	\$ 1,218,824	\$ 1,073,333	\$ 1,077,969	\$ 1,736,151
<u>(1,365,492)</u>	<u>(1,188,876)</u>	<u>(1,218,824)</u>	<u>(1,073,333)</u>	<u>(1,077,969)</u>	<u>(1,736,151)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 9,753,514	\$ 9,020,303	\$ 8,793,824	\$ 7,755,296	\$ 8,014,639	\$ 13,811,862
14.00%	13.18%	13.86%	13.84%	13.45%	12.57%

**WEST CLERMONT LOCAL SCHOOL DISTRICT
CLERMONT COUNTY, OHIO**

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

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

LAST TEN FISCAL YEARS

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Contractually required contribution	\$ 5,267,287	\$ 4,626,774	\$ 4,744,458	\$ 4,145,627
Contributions in relation to the contractually required contribution	<u>(5,267,287)</u>	<u>(4,626,774)</u>	<u>(4,744,458)</u>	<u>(4,145,627)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 37,623,479	\$ 33,048,386	\$ 33,888,986	\$ 29,611,621
Contributions as a percentage of covered payroll	14.00%	14.00%	14.00%	14.00%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
\$ 3,875,669	\$ 3,900,630	\$ 3,650,115	\$ 4,207,787	\$ 4,388,512	\$ 4,382,568
<u>(3,875,669)</u>	<u>(3,900,630)</u>	<u>(3,650,115)</u>	<u>(4,207,787)</u>	<u>(4,388,512)</u>	<u>(4,382,568)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 27,683,350	\$ 27,861,643	\$ 28,077,808	\$ 32,367,592	\$ 33,757,785	\$ 33,712,062
14.00%	14.00%	13.00%	13.00%	13.00%	13.00%

**WEST CLERMONT LOCAL SCHOOL DISTRICT
CLERMONT 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

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
District's proportion of the net OPEB liability	0.35732680%	0.33614600%	0.32941460%	0.31753175%
District's proportionate share of the net OPEB liability	\$ 8,986,018	\$ 9,325,598	\$ 8,840,622	\$ 9,050,829
District's covered payroll	\$ 11,733,119	\$ 10,675,578	\$ 11,557,400	\$ 9,753,514
District's proportionate share of the net OPEB liability as a percentage of its covered payroll	76.59%	87.35%	76.49%	92.80%
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

**WEST CLERMONT LOCAL SCHOOL DISTRICT
CLERMONT 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

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
District's proportion of the net OPEB liability/asset	0.28959219%	0.28470050%	0.26938305%	0.26306609%
District's proportionate share of the net OPEB liability/(asset)	\$ (4,796,341)	\$ (4,574,846)	\$ 10,510,333	\$ 14,068,843
District's covered payroll	\$ 33,048,386	\$ 33,888,986	\$ 29,611,621	\$ 27,683,350
District's proportionate share of the net OPEB liability/asset as a percentage of its covered payroll	14.51%	13.50%	35.49%	50.82%
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

**WEST CLERMONT LOCAL SCHOOL DISTRICT
CLERMONT COUNTY, OHIO**

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

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

LAST TEN FISCAL YEARS

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Contractually required contribution	\$ 219,254	\$ 267,127	\$ 228,633	\$ 175,459
Contributions in relation to the contractually required contribution	<u>(219,254)</u>	<u>(267,127)</u>	<u>(228,633)</u>	<u>(175,459)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 11,270,500	\$ 11,733,119	\$ 10,675,578	\$ 11,557,400
Contributions as a percentage of covered payroll	1.95%	2.28%	2.14%	1.52%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
\$ 154,920	\$ 209,971	\$ 172,435	\$ 201,550	\$ 231,012	\$ 191,900
<u>(154,920)</u>	<u>(209,971)</u>	<u>(172,435)</u>	<u>(201,550)</u>	<u>(231,012)</u>	<u>(191,900)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 9,753,514	\$ 9,020,303	\$ 8,793,824	\$ 7,755,296	\$ 8,014,639	\$ 13,811,862
1.59%	2.33%	1.96%	2.60%	2.88%	1.39%

**WEST CLERMONT LOCAL SCHOOL DISTRICT
CLERMONT COUNTY, OHIO**

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

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

LAST TEN FISCAL YEARS

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Contractually required contribution	\$ -	\$ -	\$ -	\$ -
Contributions in relation to the contractually required contribution	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 37,623,479	\$ 33,048,386	\$ 33,888,986	\$ 29,611,621
Contributions as a percentage of covered payroll	0.00%	0.00%	0.00%	0.00%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
\$ -	\$ -	\$ 280,078	\$ 323,676	\$ 337,579	\$ 337,121
-	-	(280,078)	(323,676)	(337,579)	(337,121)
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 27,683,350	\$ 27,861,643	\$ 28,077,808	\$ 32,367,592	\$ 33,757,785	\$ 33,712,062
0.00%	0.00%	1.00%	1.00%	1.00%	1.00%

**WEST CLERMONT LOCAL SCHOOL DISTRICT
CLERMONT COUNTY, OHIO**

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

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 2019-2020.

(Continued)

**WEST CLERMONT LOCAL SCHOOL DISTRICT
CLERMONT COUNTY, OHIO**

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

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% 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.

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.

**COMBINING STATEMENTS
AND INDIVIDUAL FUND SCHEDULES**

SUPPLEMENTAL INFORMATION

**WEST CLERMONT LOCAL SCHOOL DISTRICT
CLERMONT COUNTY, OHIO**

FUND DESCRIPTIONS - MAJOR FUNDS

General Fund

The General Fund accounts for and reports 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.

Since there is only one General Fund, and the legal level of budgetary control is not greater than that presented in the basic financial statements, no additional financial statements are presented here.

The following fund is included in the General Fund (GAAP basis), but was not legally required to be budgeted since it was classified as a custodial fund on a budgetary basis.

Benefit Escrow Fund

This fund accounts for payroll deductions accumulated from the governmental funds for the distribution to employees, other governmental units, and private organizations.

Classroom Facilities Fund

The Classroom Facilities Fund accounts for monies received and expended in connection with contracts entered into by the District and the Ohio Facilities Construction Commission for the building and equipping of classrooms.

**WEST CLERMONT LOCAL SCHOOL DISTRICT
CLERMONT COUNTY, OHIO**

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

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Classroom Facilities				
Total revenues and other sources	\$ 20,439,033	\$ 21,234,333	\$ 17,600,137	\$ (3,634,196)
Total expenditures and other uses	<u>23,227,498</u>	<u>24,022,798</u>	<u>24,022,696</u>	<u>102</u>
Net change in fund balance	(2,788,465)	(2,788,465)	(6,422,559)	(3,634,094)
Fund balance (deficit) at beginning of fiscal year	(18,972,952)	(18,972,952)	(18,972,952)	-
Prior year encumbrances appropriated	<u>21,763,505</u>	<u>21,763,505</u>	<u>21,763,505</u>	<u>-</u>
Fund balance at end of fiscal year	<u>\$ 2,088</u>	<u>\$ 2,088</u>	<u>\$ (3,632,006)</u>	<u>\$ (3,634,094)</u>

**WEST CLERMONT LOCAL SCHOOL DISTRICT
CLERMONT COUNTY, OHIO**

FUND DESCRIPTIONS - NONMAJOR GOVERNMENTAL FUNDS

Nonmajor Special Revenue Funds

Special revenue funds are used to account for and report the proceeds of specific revenue sources (other than amounts relating to expendable trusts, debt service or capital projects) that are restricted or committed to expenditure for specified purposes. A description of the District's nonmajor special revenue funds follows:

Other Grants Fund

This fund accounts for local funds, which are provided to assist the District with various programs.

Classroom Facilities Maintenance Fund

This accounts for the proceeds of a half mill of inside millage dedicated for the maintenance of facilities.

Student Managed Activities Fund

This fund accounts for the revenues and expenditures related to service organizations for the benefit of the school community at-large.

District Managed Student Activities Fund

This fund accounts for those student activity programs, which have student participation in the activity, but do not have student management of the programs. This fund includes athletic programs as well as band, cheerleaders, drama clubs, and other similar types of activities.

Auxiliary Services Fund

This fund accounts for state funds that provide services and materials to students attending non-public schools within the boundaries of the District.

Network Connectivity Fund

This fund accounts for state funds, related to the District's Network Connectivity Program.

Miscellaneous State Grants Fund

This fund accounts for various monies received from state agencies which are not classified elsewhere.

Student Wellness and Success Fund

A fund provided to account for state monies that are restricted for specific purposes related to student wellness including mental health services, services for homeless youth, community liasons, physical health care services, mentoring programs, family engagement and support services, city connects programming, and professional development regarding competence.

Vocational Education Enhancements Fund

To account for federal funds used in the development of vocational education programs in the following categories: secondary, post-secondary, adult, disadvantaged and handicapped persons, cooperative education, advisory committees and work-study projects.

Title VI-B Fund

This fund accounts for federal funds for the provision of full educational opportunities to handicapped children at the preschool, elementary and secondary levels.

Title III Fund

This fund accounts for federal funds provided to support the District's ESL population.

Title I Fund

This fund accounts for federal funds for services provided to meet special education needs of educationally deprived children.

**WEST CLERMONT LOCAL SCHOOL DISTRICT
CLERMONT COUNTY, OHIO**

FUND DESCRIPTIONS - NONMAJOR GOVERNMENTAL FUNDS - (Continued)

Nonmajor Special Revenue Funds - (Continued)

Preschool Grant Fund

This fund accounts for federal funds received to provide programs to handicapped preschool children.

Improving Teacher Quality Fund

This fund accounts for federal funds received to provide for improving the quality of teachers.

Miscellaneous Federal Grants Fund

This fund accounts for various monies received through state agencies from the federal governmental or directly from the federal government which are not classified elsewhere.

Food Service Fund

This fund accounts for all revenues and expenses related to the provision of food services, including breakfast and lunch, for District students and staff.

Scholarships Fund

A fund provided to account for monies set aside from scholarships for students in which the District has administrative involvement in selecting the recipients. The principal and income from such a fund may be expended.

Health Plex Fund

This fund accounts for the revenues and expenditures related to the operations and maintenance of the West Clermont HealthPlex.

Title I - School Improvement Fund

This fund accounts for the revenues and expenditures related to the improvement of teaching and learning of children failing, or most at risk of failing to meet challenging State academic achievement standards.

The following funds are included in the General Fund (GAAP basis), but have separate legally adopted budgets (budget basis). These funds are not included in the combining statements for the nonmajor special revenue funds since they are reported in the General Fund (GAAP basis); however, the budgetary schedules for these funds are presented in this section.

Public School Support Fund

This fund accounts for specific local revenue sources (other than taxes) generated by individual school buildings (i.e. sales of pictures, profits from vending machines, etc.). Expenditures include field trips, materials, equipment and other items to supplement co-curricular and extra-curricular programs.

Uniform School Supply Fund

This fund accounts for the purchase and sale of school supplies as adopted by the Board of Education for resale to students of the District.

Nonmajor Debt Service Fund

Debt Service funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal interest. A description of the District's nonmajor debt service fund follows:

Bond Retirement Fund

This fund accounts for the retirement of general obligation bonds. All revenue derived from general or special levies, either within or exceeding the ten-mill limitation, which is levied for debt charges on general obligation bonds, shall be paid into this fund.

**WEST CLERMONT LOCAL SCHOOL DISTRICT
CLERMONT COUNTY, OHIO**

FUND DESCRIPTIONS - NONMAJOR GOVERNMENTAL FUNDS - (Continued)

Nonmajor Capital Projects Funds

Capital projects funds are used to account for financial resources to be used for the construction or acquisition of major capital facilities (other than those financed by proprietary funds and trust funds). A description of the District's nonmajor capital projects funds follows:

Permanent Improvement Fund

The Permanent Improvement Fund accounts for and reports financial resources received from property taxes and payment in lieu of taxes to be used for the acquisition, construction, or improvement of capital facilities and other capital assets.

Building Fund

This fund accounts for the receipts, expenditures and other financing sources and uses related to all classroom facilities bonds in the District. Expenditures recorded in this fund represent the costs of acquiring capital facilities including real property.

**WEST CLERMONT LOCAL SCHOOL DISTRICT
CLERMONT COUNTY, OHIO**

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2020

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Assets:				
Equity in pooled cash and investments	\$ 3,602,534	\$ 2,951,862	\$ 1,848,683	\$ 8,403,079
Receivables:				
Property taxes	628,450	1,489,105	5,113,671	7,231,226
Payment in lieu of taxes	-	-	286,493	286,493
Accounts	4,392	-	5,450	9,842
Intergovernmental	477,455	-	-	477,455
Prepayments	5,176	-	-	5,176
Materials and supplies inventory	10,696	-	-	10,696
Inventory held for resale	43,737	-	-	43,737
Total assets	<u>\$ 4,772,440</u>	<u>\$ 4,440,967</u>	<u>\$ 7,254,297</u>	<u>\$ 16,467,704</u>
Liabilities:				
Accounts payable	\$ 144,668	\$ -	\$ -	\$ 144,668
Contracts payable	-	-	22,485	22,485
Accrued wages and benefits payable	651,021	-	-	651,021
Intergovernmental payable	194,269	-	-	194,269
Interfund loan payable	3,712	-	-	3,712
Total liabilities	<u>993,670</u>	<u>-</u>	<u>22,485</u>	<u>1,016,155</u>
Deferred inflows of resources:				
Property taxes levied for the next fiscal year	628,450	1,009,749	3,385,880	5,024,079
Payment in lieu of taxes levied for the next fiscal year	-	-	286,493	286,493
Delinquent property tax revenue not available	-	15,472	48,210	63,682
Intergovernmental revenue not available	477,455	-	-	477,455
Total deferred inflows of resources	<u>1,105,905</u>	<u>1,025,221</u>	<u>3,720,583</u>	<u>5,851,709</u>
Fund Balances:				
Nonspendable:				
Materials and supplies inventory	10,696	-	-	10,696
Prepays	5,176	-	-	5,176
Restricted:				
Debt service	-	3,415,746	-	3,415,746
Capital improvements	-	-	68,680	68,680
Classroom facilities maintenance	1,864,580	-	-	1,864,580
Federal grants	2,671	-	-	2,671
Local grants and scholarships	68,744	-	-	68,744
Food service operations	260,236	-	-	260,236
Student activities	328,146	-	-	328,146
Committed:				
Capital improvements	-	-	3,442,549	3,442,549
West Clermont HealthPlex	637,641	-	-	637,641
Unassigned (deficit)	(505,025)	-	-	(505,025)
Total fund balances	<u>2,672,865</u>	<u>3,415,746</u>	<u>3,511,229</u>	<u>9,599,840</u>
Total liabilities, deferred inflows and fund balances .	<u>\$ 4,772,440</u>	<u>\$ 4,440,967</u>	<u>\$ 7,254,297</u>	<u>\$ 16,467,704</u>

**WEST CLERMONT LOCAL SCHOOL DISTRICT
CLERMONT COUNTY, OHIO**

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

	<u>Nonmajor Special Revenue Funds</u>	<u>Nonmajor Debt Service Fund</u>	<u>Nonmajor Capital Projects Funds</u>	<u>Total Nonmajor Governmental Funds</u>
Revenues:				
From local sources:				
Property taxes	\$ 628,450	\$ 1,683,560	\$ 5,016,939	\$ 7,328,949
Revenue in lieu of taxes	-	-	215,000	215,000
Earnings on investments	15,640	-	91,593	107,233
Charges for services	819,416	-	-	819,416
Extracurricular	486,893	-	-	486,893
Rental income	84,078	-	3,535	87,613
Contributions and donations	68,090	-	110,000	178,090
Contract services	18,918	-	-	18,918
Other local revenues	218,511	-	10,024	228,535
Intergovernmental - state	1,570,781	216,488	647,125	2,434,394
Intergovernmental - federal	5,355,600	-	-	5,355,600
Total revenue	<u>9,266,377</u>	<u>1,900,048</u>	<u>6,094,216</u>	<u>17,260,641</u>
Expenditures:				
Current:				
Instruction:				
Regular	1,970,929	-	-	1,970,929
Special	2,202,774	-	-	2,202,774
Support services:				
Pupil	825,929	-	-	825,929
Instructional staff	343,905	-	-	343,905
Administration	85,087	-	-	85,087
Fiscal	-	27,003	81,757	108,760
Operations and maintenance	183,013	-	44,796	227,809
Operation of non-instructional services:				
Other non-instructional services	119,147	-	-	119,147
Food service operations	3,256,936	-	-	3,256,936
Extracurricular activities	945,123	-	23,743	968,866
Facilities acquisition and construction	-	-	647,673	647,673
Debt service:				
Principal retirement	-	1,960,000	500,000	2,460,000
Interest and fiscal charges	-	854,563	4,291,628	5,146,191
Total expenditures	<u>9,932,843</u>	<u>2,841,566</u>	<u>5,589,597</u>	<u>18,364,006</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(666,466)</u>	<u>(941,518)</u>	<u>504,619</u>	<u>(1,103,365)</u>
Other financing sources:				
Transfers in	456,803	-	-	456,803
Net change in fund balances	(209,663)	(941,518)	504,619	(646,562)
Fund balances at beginning of year (restated)	<u>2,882,528</u>	<u>4,357,264</u>	<u>3,006,610</u>	<u>10,246,402</u>
Fund balances at end of year	<u>\$ 2,672,865</u>	<u>\$ 3,415,746</u>	<u>\$ 3,511,229</u>	<u>\$ 9,599,840</u>

**WEST CLERMONT LOCAL SCHOOL DISTRICT
CLERMONT COUNTY, OHIO**

COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2020

	<u>Other Grants</u>	<u>Classroom Facilities Maintenance</u>	<u>Student Managed Activity</u>	<u>District Managed Student Activity</u>
Assets:				
Equity in pooled cash and cash equivalents	\$ 63,627	\$ 1,864,580	\$ 139,461	\$ 226,783
Receivables:				
Property taxes	-	628,450	-	-
Accounts	540	-	2,958	-
Intergovernmental	-	-	-	-
Prepayments	-	-	-	-
Materials and supplies inventory	-	-	-	-
Inventory held for resale	-	-	-	-
Total assets	<u>\$ 64,167</u>	<u>\$ 2,493,030</u>	<u>\$ 142,419</u>	<u>\$ 226,783</u>
Liabilities:				
Accounts payable	\$ 5,128	\$ -	\$ -	\$ 1,852
Accrued wages and benefits	-	-	-	30
Intergovernmental payable	-	-	-	39,174
Interfund loan payable	-	-	-	-
Total liabilities	<u>5,128</u>	<u>-</u>	<u>-</u>	<u>41,056</u>
Deferred inflows of resources:				
Property taxes levied for the next fiscal year	-	628,450	-	-
Intergovernmental revenue not available	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>628,450</u>	<u>-</u>	<u>-</u>
Fund Balances:				
Nonspendable:				
Materials and supplies inventory	-	-	-	-
Prepays	-	-	-	-
Restricted:				
Classroom facilities maintenance	-	1,864,580	-	-
Federal grants	-	-	-	-
Local grants and scholarships	59,039	-	-	-
Food service operations	-	-	-	-
Student activities	-	-	142,419	185,727
Committed:				
West Clermont HealthPlex	-	-	-	-
Unassigned (deficit)	-	-	-	-
Total fund balances	<u>59,039</u>	<u>1,864,580</u>	<u>142,419</u>	<u>185,727</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 64,167</u>	<u>\$ 2,493,030</u>	<u>\$ 142,419</u>	<u>\$ 226,783</u>

<u>Auxiliary Services</u>	<u>Miscellaneous State Grants</u>	<u>Student Wellness and Success</u>	<u>Vocational Education Enhancements</u>	<u>Title VI-B</u>	<u>Title III</u>
\$ 71,839	\$ 7,107	\$ 52,136	\$ -	\$ 75,326	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	8,310	-	2,725	150,641	144
282	35	89	-	1,929	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 72,121</u>	<u>\$ 15,452</u>	<u>\$ 52,225</u>	<u>\$ 2,725</u>	<u>\$ 227,896</u>	<u>\$ 144</u>
\$ 39,678	\$ 4,417	\$ -	\$ -	\$ -	\$ 35
34,703	3,579	77,772	-	218,105	-
14,161	521	6,987	-	36,545	-
-	-	-	2,911	-	109
<u>88,542</u>	<u>8,517</u>	<u>84,759</u>	<u>2,911</u>	<u>254,650</u>	<u>144</u>
-	-	-	-	-	-
-	8,310	-	2,725	150,641	144
-	8,310	-	2,725	150,641	144
-	-	-	-	-	-
282	35	89	-	1,929	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>(16,703)</u>	<u>(1,410)</u>	<u>(32,623)</u>	<u>(2,911)</u>	<u>(179,324)</u>	<u>(144)</u>
<u>(16,421)</u>	<u>(1,375)</u>	<u>(32,534)</u>	<u>(2,911)</u>	<u>(177,395)</u>	<u>(144)</u>
<u>\$ 72,121</u>	<u>\$ 15,452</u>	<u>\$ 52,225</u>	<u>\$ 2,725</u>	<u>\$ 227,896</u>	<u>\$ 144</u>

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**WEST CLERMONT LOCAL SCHOOL DISTRICT
CLERMONT COUNTY, OHIO**

COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)
JUNE 30, 2020

	<u>Title I</u>	<u>Preschool Grant</u>	<u>Improving Teacher Quality</u>	<u>Miscellaneous Federal Grants</u>
Assets:				
Equity in pooled cash and cash equivalents	\$ 4,246	\$ 8	\$ 3,345	\$ -
Receivables:				
Property taxes	-	-	-	-
Accounts	-	-	-	-
Intergovernmental	241,442	1,795	-	72,398
Prepayments	1,338	45	-	-
Materials and supplies inventory	-	-	-	-
Inventory held for resale	-	-	-	-
Total assets	<u>\$ 247,026</u>	<u>\$ 1,848</u>	<u>\$ 3,345</u>	<u>\$ 72,398</u>
Liabilities:				
Accounts payable	\$ 3,680	\$ -	\$ 674	\$ 71,705
Accrued wages and benefits	158,105	5,688	-	-
Intergovernmental payable	35,895	399	-	-
Interfund loan payable	-	-	-	692
Total liabilities	<u>197,680</u>	<u>6,087</u>	<u>674</u>	<u>72,397</u>
Deferred inflows of resources:				
Property taxes levied for the next fiscal year	-	-	-	-
Intergovernmental revenue not available	241,442	1,795	-	72,398
Total deferred inflows of resources	<u>241,442</u>	<u>1,795</u>	<u>-</u>	<u>72,398</u>
Fund Balances:				
Nonspendable:				
Materials and supplies inventory	-	-	-	-
Prepays	1,338	45	-	-
Restricted:				
Classroom facilities maintenance	-	-	-	-
Federal grants	-	-	2,671	-
Local grants	-	-	-	-
Food service operations	-	-	-	-
District managed student activities	-	-	-	-
Committed:				
West Clermont HealthPlex	-	-	-	-
Unassigned (deficit)	(193,434)	(6,079)	-	(72,397)
Total fund balances	<u>(192,096)</u>	<u>(6,034)</u>	<u>2,671</u>	<u>(72,397)</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 247,026</u>	<u>\$ 1,848</u>	<u>\$ 3,345</u>	<u>\$ 72,398</u>

<u>Food Service</u>	<u>Scholarships</u>	<u>Health Plex</u>	<u>Total Nonmajor Special Revenue Funds</u>
\$ 436,835	\$ 14,705	\$ 642,536	\$ 3,602,534
-	-	-	628,450
894	-	-	4,392
-	-	-	477,455
1,458	-	-	5,176
10,696	-	-	10,696
43,737	-	-	43,737
<u>\$ 493,620</u>	<u>\$ 14,705</u>	<u>\$ 642,536</u>	<u>\$ 4,772,440</u>
\$ 7,604	\$ 5,000	\$ 4,895	\$ 144,668
153,039	-	-	651,021
60,587	-	-	194,269
-	-	-	3,712
<u>221,230</u>	<u>5,000</u>	<u>4,895</u>	<u>993,670</u>
-	-	-	628,450
-	-	-	477,455
-	-	-	1,105,905
10,696	-	-	10,696
1,458	-	-	5,176
-	-	-	1,864,580
-	-	-	2,671
-	9,705	-	68,744
260,236	-	-	260,236
-	-	-	328,146
-	-	637,641	637,641
-	-	-	(505,025)
<u>272,390</u>	<u>9,705</u>	<u>637,641</u>	<u>2,672,865</u>
<u>\$ 493,620</u>	<u>\$ 14,705</u>	<u>\$ 642,536</u>	<u>\$ 4,772,440</u>

**WEST CLERMONT LOCAL SCHOOL DISTRICT
CLERMONT COUNTY, OHIO**

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	<u>Other Grants</u>	<u>Classroom Facilities Maintenance</u>	<u>Student Managed Activities</u>	<u>District Managed Student Activities</u>
Revenues:				
From local sources:				
Property taxes	\$ -	\$ 628,450	\$ -	\$ -
Earnings on investments	-	-	-	-
Charges for services	-	-	-	-
Extracurricular activities	354	-	111,371	375,168
Rentals	-	-	-	-
Contributions and donations	34,088	-	3,937	5,065
Contract services	3,150	-	-	-
Other local revenues	61,279	-	10,352	229
Intergovernmental - state	-	-	-	-
Intergovernmental - federal	-	-	-	-
Total revenue	<u>98,871</u>	<u>628,450</u>	<u>125,660</u>	<u>380,462</u>
Expenditures:				
Current:				
Instruction:				
Regular	16,671	-	-	-
Special	3,558	-	-	-
Support services:				
Pupil	19,500	-	-	-
Instructional staff	11,627	-	-	-
Administration	-	-	-	-
Operations and maintenance of plant	-	144,801	-	-
Operation of non-instructional services:				
Other non-instructional services	-	-	11,799	-
Food service operations	-	-	-	-
Extracurricular activities	15,300	-	101,977	827,846
Total expenditures	<u>66,656</u>	<u>144,801</u>	<u>113,776</u>	<u>827,846</u>
Excess (deficiency) of revenues over (under) expenditures	<u>32,215</u>	<u>483,649</u>	<u>11,884</u>	<u>(447,384)</u>
Other financing sources:				
Transfers in	-	-	-	456,803
Net change in fund balances	32,215	483,649	11,884	9,419
Fund balances (deficit) at beginning of year (restated)	<u>26,824</u>	<u>1,380,931</u>	<u>130,535</u>	<u>176,308</u>
Fund balances (deficit) at end of year	<u>\$ 59,039</u>	<u>\$ 1,864,580</u>	<u>\$ 142,419</u>	<u>\$ 185,727</u>

<u>Auxiliary Services</u>	<u>Network Connectivity</u>	<u>Miscellaneous State Grants</u>	<u>Student Wellness and Success</u>	<u>Vocational Education Enhancements</u>	<u>Title VI-B</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
370	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
718,309	8,100	126,009	613,216	5,275	-
-	-	-	-	-	1,715,159
<u>718,679</u>	<u>8,100</u>	<u>126,009</u>	<u>613,216</u>	<u>5,275</u>	<u>1,715,159</u>
639,689	-	-	-	8,186	-
-	-	-	-	-	1,707,897
100,533	-	60,146	645,750	-	-
370	8,100	26,498	-	-	-
-	-	-	-	-	-
-	-	38,212	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>740,592</u>	<u>8,100</u>	<u>124,856</u>	<u>645,750</u>	<u>8,186</u>	<u>1,707,897</u>
<u>(21,913)</u>	<u>-</u>	<u>1,153</u>	<u>(32,534)</u>	<u>(2,911)</u>	<u>7,262</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>(21,913)</u>	<u>-</u>	<u>1,153</u>	<u>(32,534)</u>	<u>(2,911)</u>	<u>7,262</u>
<u>5,492</u>	<u>-</u>	<u>(2,528)</u>	<u>-</u>	<u>-</u>	<u>(184,657)</u>
<u>\$ (16,421)</u>	<u>\$ -</u>	<u>\$ (1,375)</u>	<u>\$ (32,534)</u>	<u>\$ (2,911)</u>	<u>\$ (177,395)</u>

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**WEST CLERMONT LOCAL SCHOOL DISTRICT
CLERMONT COUNTY, OHIO**

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	<u>Title III</u>	<u>Title I</u>	<u>Preschool Grant</u>	<u>Improving Teacher Quality</u>
Revenues:				
From local sources:				
Property taxes	\$ -	\$ -	\$ -	\$ -
Earnings on investments	-	-	-	-
Charges for services	-	-	-	-
Extracurricular activities	-	-	-	-
Rentals	-	-	-	-
Contributions and donations	-	-	-	-
Contract services	-	-	-	-
Other local revenues	-	-	-	-
Intergovernmental - state	-	-	-	-
Intergovernmental - federal	14,552	1,261,846	49,709	235,986
Total revenue	<u>14,552</u>	<u>1,261,846</u>	<u>49,709</u>	<u>235,986</u>
Expenditures:				
Current:				
Instruction:				
Regular	-	739,451	-	-
Special	14,696	423,694	52,929	-
Support services:				
Pupil	-	-	-	-
Instructional staff	-	14,348	-	218,771
Administration	-	85,087	-	-
Operations and maintenance of plant	-	-	-	-
Operation of non-instructional services:				
Other non-instructional services	-	77,507	-	15,428
Food service operations	-	-	-	-
Extracurricular activities	-	-	-	-
Total expenditures	<u>14,696</u>	<u>1,340,087</u>	<u>52,929</u>	<u>234,199</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(144)</u>	<u>(78,241)</u>	<u>(3,220)</u>	<u>1,787</u>
Other financing sources:				
Transfers in	-	-	-	-
Net change in fund balances	(144)	(78,241)	(3,220)	1,787
Fund balances (deficit) at beginning of year (restated)	<u>-</u>	<u>(113,855)</u>	<u>(2,814)</u>	<u>884</u>
Fund balances (deficit) at end of year	<u>\$ (144)</u>	<u>\$ (192,096)</u>	<u>\$ (6,034)</u>	<u>\$ 2,671</u>

<u>Miscellaneous Federal Grants</u>	<u>Food Service</u>	<u>Scholarships</u>	<u>Health Plex</u>	<u>Total Nonmajor Special Revenue Funds</u>
\$ -	\$ -	\$ -	\$ -	\$ 628,450
-	15,270	-	-	15,640
-	819,416	-	-	819,416
-	-	-	-	486,893
-	-	-	84,078	84,078
-	-	-	25,000	68,090
-	5,768	10,000	-	18,918
-	62,568	-	84,083	218,511
-	99,872	-	-	1,570,781
509,743	1,568,605	-	-	5,355,600
<u>509,743</u>	<u>2,571,499</u>	<u>10,000</u>	<u>193,161</u>	<u>9,266,377</u>
561,932	-	5,000	-	1,970,929
-	-	-	-	2,202,774
-	-	-	-	825,929
64,191	-	-	-	343,905
-	-	-	-	85,087
-	-	-	-	183,013
3,775	-	-	10,638	119,147
-	3,256,936	-	-	3,256,936
-	-	-	-	945,123
<u>629,898</u>	<u>3,256,936</u>	<u>5,000</u>	<u>10,638</u>	<u>9,932,843</u>
<u>(120,155)</u>	<u>(685,437)</u>	<u>5,000</u>	<u>182,523</u>	<u>(666,466)</u>
-	-	-	-	456,803
<u>(120,155)</u>	<u>(685,437)</u>	<u>5,000</u>	<u>182,523</u>	<u>(209,663)</u>
<u>47,758</u>	<u>957,827</u>	<u>4,705</u>	<u>455,118</u>	<u>2,882,528</u>
<u>\$ (72,397)</u>	<u>\$ 272,390</u>	<u>\$ 9,705</u>	<u>\$ 637,641</u>	<u>\$ 2,672,865</u>

**WEST CLERMONT LOCAL SCHOOL DISCTRICT
CLERMONT COUNTY, OHIO**

COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECTS FUNDS
JUNE 30, 2020

	Permanent Improvement	Building	Total Nonmajor Capital Projects Funds
Assets:			
Equity in pooled cash and cash equivalents	\$ 1,757,518	\$ 91,165	\$ 1,848,683
Receivables:			
Property taxes	5,113,671	-	5,113,671
Payment in lieu of taxes	286,493	-	286,493
Accounts.	5,450	-	5,450
Total assets.	\$ 7,163,132	\$ 91,165	\$ 7,254,297
Liabilities:			
Contracts payable.	\$ -	\$ 22,485	\$ 22,485
Total liabilities	-	22,485	22,485
Deferred inflows of resources:			
Property taxes levied for the next fiscal year	3,385,880	-	3,385,880
Payment in lieu of taxes levied for the next fiscal year	286,493	-	286,493
Delinquent property tax revenue not available.	48,210	-	48,210
Total deferred inflows of resources.	3,720,583	-	3,720,583
Fund balances:			
Restricted:			
Capital improvements	-	68,680	68,680
Committed:			
Capital improvements	3,442,549	-	3,442,549
Total fund balances	3,442,549	68,680	3,511,229
Total liabilities and fund balances	\$ 7,163,132	\$ 91,165	\$ 7,254,297

**WEST CLERMONT LOCAL SCHOOL DISTRICT
CLERMONT COUNTY, OHIO**

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR CAPITAL PROJECTS FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	<u>Permanent Improvement</u>	<u>Building</u>	<u>Total Nonmajor Capital Projects Funds</u>
Revenues:			
From local sources:			
Property taxes	\$ 5,016,939	\$ -	\$ 5,016,939
Revenue in lieu of taxes	215,000	-	215,000
Earnings on investments	86,647	4,946	91,593
Rental income	3,535	-	3,535
Contributions and donations	110,000	-	110,000
Other local revenues	10,024	-	10,024
Intergovernmental - state	647,125	-	647,125
Total revenues	<u>6,089,270</u>	<u>4,946</u>	<u>6,094,216</u>
Expenditures:			
Current:			
Support services:			
Fiscal	81,757	-	81,757
Operations and maintenance	44,796	-	44,796
Extracurricular activities	23,743	-	23,743
Facilities acquisition and construction	448,208	199,465	647,673
Debt service:			
Principal retirement	500,000	-	500,000
Interest and fiscal charges	4,291,628	-	4,291,628
Total expenditures	<u>5,390,132</u>	<u>199,465</u>	<u>5,589,597</u>
Net change in fund balances	699,138	(194,519)	504,619
Fund balances at beginning of year	<u>2,743,411</u>	<u>263,199</u>	<u>3,006,610</u>
Fund balances at end of year	<u>\$ 3,442,549</u>	<u>\$ 68,680</u>	<u>\$ 3,511,229</u>

**WEST CLERMONT LOCAL SCHOOL DISTRICT
CLERMONT COUNTY, OHIO**

SCHEDULES OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Other Grants				
Total revenues and other sources	\$ 69,874	\$ 69,874	\$ 98,781	\$ 28,907
Total expenditures and other uses	68,248	68,248	64,919	3,329
Net change in fund balance	1,626	1,626	33,862	32,236
Fund balance at beginning of fiscal year	22,973	22,973	22,973	-
Prior year encumbrances appropriated	3,700	3,700	3,700	-
Fund balance at end of fiscal year	<u>\$ 28,299</u>	<u>\$ 28,299</u>	<u>\$ 60,535</u>	<u>\$ 32,236</u>
Classroom Facilities Maintenance				
Total revenues and other sources	\$ 628,450	\$ 628,450	\$ 628,450	\$ -
Total expenditures and other uses	464,506	464,506	238,330	226,176
Net change in fund balance	163,944	163,944	390,120	226,176
Fund balance at beginning of fiscal year	1,316,425	1,316,425	1,316,425	-
Prior year encumbrances appropriated	64,506	64,506	64,506	-
Fund balance at end of fiscal year	<u>\$ 1,544,875</u>	<u>\$ 1,544,875</u>	<u>\$ 1,771,051</u>	<u>\$ 226,176</u>
Student Managed Activities				
Total revenues and other sources	\$ 210,000	\$ 210,000	\$ 132,190	\$ (77,810)
Total expenditures and other uses	210,795	210,795	138,052	72,743
Net change in fund balance	(795)	(795)	(5,862)	(5,067)
Fund balance at beginning of fiscal year	129,080	129,080	129,080	-
Prior year encumbrances appropriated	10,650	10,650	10,650	-
Fund balance at end of fiscal year	<u>\$ 138,935</u>	<u>\$ 138,935</u>	<u>\$ 133,868</u>	<u>\$ (5,067)</u>
District Managed Student Activities				
Total revenues and other sources	\$ 910,000	\$ 910,000	\$ 843,665	\$ (66,335)
Total expenditures and other uses	963,901	963,901	841,836	122,065
Net change in fund balance	(53,901)	(53,901)	1,829	55,730
Fund balance at beginning of fiscal year	186,380	186,380	186,380	-
Prior year encumbrances appropriated	13,901	13,901	13,901	-
Fund balance at end of fiscal year	<u>\$ 146,380</u>	<u>\$ 146,380</u>	<u>\$ 202,110</u>	<u>\$ 55,730</u>

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**WEST CLERMONT LOCAL SCHOOL DISTRICT
CLERMONT COUNTY, OHIO**

SCHEDULES OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Auxiliary Services				
Total revenues and other sources	\$ 750,000	\$ 750,000	\$ 718,679	\$ (31,321)
Total expenditures and other uses	843,382	843,382	790,225	53,157
Net change in fund balance	(93,382)	(93,382)	(71,546)	21,836
Fund balance at beginning of fiscal year	13,298	13,298	13,298	-
Prior year encumbrances appropriated	80,084	80,084	80,084	-
Fund balance at end of fiscal year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 21,836</u>	<u>\$ 21,836</u>
Network Connectivity				
Total revenues and other sources	\$ 9,000	\$ 16,200	\$ 8,100	\$ (8,100)
Total expenditures and other uses	-	16,200	8,100	8,100
Net change in fund balance	9,000	-	-	-
Fund balance at beginning of fiscal year	-	-	-	-
Fund balance at end of fiscal year	<u>\$ 9,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Miscellaneous State Grants				
Total revenues and other sources	\$ 127,298	\$ 188,112	\$ 126,921	\$ (61,191)
Total expenditures and other uses	71,560	172,162	139,065	33,097
Net change in fund balance	55,738	15,950	(12,144)	(28,094)
Fund balance at beginning of fiscal year	358	358	358	-
Prior year encumbrances appropriated	2,008	2,008	2,008	-
Fund balance (deficit) at end of fiscal year	<u>\$ 58,104</u>	<u>\$ 18,316</u>	<u>\$ (9,778)</u>	<u>\$ (28,094)</u>
Student Wellness and Success				
Total revenues and other sources	\$ -	\$ 618,150	\$ 613,216	\$ (4,934)
Total expenditures and other uses	-	618,150	567,035	51,115
Net change in fund balance	-	-	46,181	46,181
Fund balance at beginning of fiscal year	-	-	-	-
Fund balance at end of fiscal year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 46,181</u>	<u>\$ 46,181</u>

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**WEST CLERMONT LOCAL SCHOOL DISTRICT
CLERMONT COUNTY, OHIO**

SCHEDULES OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Postive (Negative)
	<u>Original</u>	<u>Final</u>		<u>Actual</u>
Vocational Education Enhancements				
Total revenues and other sources	\$ 8,000	\$ 8,186	\$ 8,186	\$ -
Total expenditures and other uses	<u>8,000</u>	<u>8,186</u>	<u>8,186</u>	<u>-</u>
Net change in fund balance	-	-	-	-
Fund balance at beginning of fiscal year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of fiscal year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Title VI-B				
Total revenues and other sources	\$ 1,870,248	\$ 1,870,248	\$ 1,794,822	\$ (75,426)
Total expenditures and other uses	<u>1,870,162</u>	<u>1,870,162</u>	<u>1,719,497</u>	<u>150,665</u>
Net change in fund balance	86	86	75,325	75,239
Fund balance at beginning of fiscal year	<u>1</u>	<u>1</u>	<u>1</u>	<u>-</u>
Fund balance at end of fiscal year	<u>\$ 87</u>	<u>\$ 87</u>	<u>\$ 75,326</u>	<u>\$ 75,239</u>
Title III				
Total revenues and other sources	\$ 22,820	\$ 22,820	\$ 14,661	\$ (8,159)
Total expenditures and other uses	<u>22,820</u>	<u>22,820</u>	<u>16,509</u>	<u>6,311</u>
Net change in fund balance	-	-	(1,848)	(1,848)
Fund balance at beginning of fiscal year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance (deficit) at end of fiscal year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (1,848)</u>	<u>\$ (1,848)</u>
Title I				
Total revenues and other sources	\$ 1,489,061	\$ 1,489,061	\$ 1,365,411	\$ (123,650)
Total expenditures and other uses	<u>1,437,232</u>	<u>1,437,232</u>	<u>1,368,016</u>	<u>69,216</u>
Net change in fund balance	51,829	51,829	(2,605)	(54,434)
Fund balance at beginning of fiscal year	<u>3,171</u>	<u>3,171</u>	<u>3,171</u>	<u>-</u>
Fund balance at end of fiscal year	<u>\$ 55,000</u>	<u>\$ 55,000</u>	<u>\$ 566</u>	<u>\$ (54,434)</u>

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**WEST CLERMONT LOCAL SCHOOL DISTRICT
CLERMONT COUNTY, OHIO**

SCHEDULES OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Preschool Grant				
Total revenues and other sources	\$ 52,000	\$ 52,000	\$ 49,709	\$ (2,291)
Total expenditures and other uses	<u>52,000</u>	<u>52,000</u>	<u>49,701</u>	<u>2,299</u>
Net change in fund balance	-	-	8	8
Fund balance at beginning of fiscal year	-	-	-	-
Fund balance at end of fiscal year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8</u>	<u>\$ 8</u>
Improving Teacher Quality				
Total revenues and other sources	\$ 275,017	\$ 288,728	\$ 242,155	\$ (46,573)
Total expenditures and other uses	<u>268,848</u>	<u>282,559</u>	<u>253,290</u>	<u>29,269</u>
Net change in fund balance	6,169	6,169	(11,135)	(17,304)
Fund balance at beginning of fiscal year	63	63	63	-
Prior year encumbrances appropriated	<u>168</u>	<u>168</u>	<u>168</u>	<u>-</u>
Fund balance (deficit) at end of fiscal year	<u>\$ 6,400</u>	<u>\$ 6,400</u>	<u>\$ (10,904)</u>	<u>\$ (17,304)</u>
Miscellaneous Federal Grants				
Total revenues and other sources	\$ 679,173	\$ 704,173	\$ 591,734	\$ (112,439)
Total expenditures and other uses	<u>645,631</u>	<u>670,631</u>	<u>670,031</u>	<u>600</u>
Net change in fund balance	33,542	33,542	(78,297)	(111,839)
Fund balance at beginning of fiscal year	444	444	444	-
Prior year encumbrances appropriated	<u>316</u>	<u>316</u>	<u>316</u>	<u>-</u>
Fund balance (deficit) at end of fiscal year	<u>\$ 34,302</u>	<u>\$ 34,302</u>	<u>\$ (77,537)</u>	<u>\$ (111,839)</u>
Food Service				
Total revenues and other sources	\$ 2,575,000	\$ 2,575,000	\$ 2,383,385	\$ (191,615)
Total expenditures and other uses	<u>2,811,387</u>	<u>3,261,387</u>	<u>3,025,870</u>	<u>235,517</u>
Net change in fund balance	(236,387)	(686,387)	(642,485)	43,902
Fund balance at beginning of fiscal year	868,470	868,470	868,470	-
Prior year encumbrances appropriated	<u>161,387</u>	<u>161,387</u>	<u>161,387</u>	<u>-</u>
Fund balance at end of fiscal year	<u>\$ 793,470</u>	<u>\$ 343,470</u>	<u>\$ 387,372</u>	<u>\$ 43,902</u>

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**WEST CLERMONT LOCAL SCHOOL DISTRICT
CLERMONT COUNTY, OHIO**

SCHEDULES OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		<u>(Negative)</u>
Scholarships				
Total revenues and other sources	\$ 10,000	\$ 10,000	\$ 10,000	\$ -
Total expenditures and other uses	14,704	14,704	-	14,704
Net change in fund balance	(4,704)	(4,704)	10,000	14,704
Fund balance at beginning of fiscal year	4,705	4,705	4,705	-
Fund balance at end of fiscal year	<u>\$ 1</u>	<u>\$ 1</u>	<u>\$ 14,705</u>	<u>\$ 14,704</u>
Health Plex				
Total revenues and other sources	\$ 210,525	\$ 210,525	\$ 193,161	\$ (17,364)
Total expenditures and other uses	12,595	12,595	10,638	1,957
Net change in fund balance	197,930	197,930	182,523	(15,407)
Fund balance at beginning of fiscal year	455,118	455,118	455,118	-
Fund balance at end of fiscal year	<u>\$ 653,048</u>	<u>\$ 653,048</u>	<u>\$ 637,641</u>	<u>\$ (15,407)</u>
Title I - School Improvement				
Total revenues and other sources	\$ -	\$ 32,500	\$ -	\$ (32,500)
Total expenditures and other uses	-	32,500	-	32,500
Net change in fund balance	-	-	-	-
Fund balance at beginning of fiscal year	-	-	-	-
Fund balance at end of fiscal year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Public School Support				
Total revenues and other sources	\$ 350,000	\$ 350,000	\$ 435,092	\$ 85,092
Total expenditures and other uses	292,925	611,231	610,979	252
Net change in fund balance	57,075	(261,231)	(175,887)	85,344
Fund balance at beginning of fiscal year	307,132	307,132	307,132	-
Prior year encumbrances appropriated	12,775	12,775	12,775	-
Fund balance at end of fiscal year	<u>\$ 376,982</u>	<u>\$ 58,676</u>	<u>\$ 144,020</u>	<u>\$ 85,344</u>

-- Continued

**WEST CLERMONT LOCAL SCHOOL DISTRICT
CLERMONT COUNTY, OHIO**

SCHEDULES OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Uniform School Supply				
Total revenues and other sources	\$ 550,000	\$ 550,000	\$ 470,118	\$ (79,882)
Total expenditures and other uses	<u>576,147</u>	<u>576,147</u>	<u>388,969</u>	<u>187,178</u>
Net change in fund balance	(26,147)	(26,147)	81,149	107,296
Fund balance at beginning of fiscal year	366,708	366,708	366,708	-
Prior year encumbrances appropriated	<u>10,147</u>	<u>10,147</u>	<u>10,147</u>	<u>-</u>
Fund balance at end of fiscal year	<u><u>\$ 350,708</u></u>	<u><u>\$ 350,708</u></u>	<u><u>\$ 458,004</u></u>	<u><u>\$ 107,296</u></u>

**WEST CLERMONT LOCAL SCHOOL DISTRICT
CLERMONT COUNTY, OHIO**

SCHEDULES OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
NONMAJOR DEBT SERVICE FUND AND NONMAJOR CAPITAL PROJECTS FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Bond Retirement				
Total revenues and other sources	\$ 2,360,000	\$ 2,360,000	\$ 2,014,883	\$ (345,117)
Total expenditures and other uses	<u>2,869,700</u>	<u>2,869,700</u>	<u>2,841,566</u>	<u>28,134</u>
Net change in fund balance	(509,700)	(509,700)	(826,683)	(316,983)
Fund balance at beginning of fiscal year	<u>3,778,545</u>	<u>3,778,545</u>	<u>3,778,545</u>	<u>-</u>
Fund balance at end of fiscal year	<u><u>\$ 3,268,845</u></u>	<u><u>\$ 3,268,845</u></u>	<u><u>\$ 2,951,862</u></u>	<u><u>\$ (316,983)</u></u>
Permanent Improvement				
Total revenues and other sources	\$ 6,412,225	\$ 6,412,225	\$ 5,883,342	\$ (528,883)
Total expenditures and other uses	<u>6,398,258</u>	<u>6,398,258</u>	<u>5,403,946</u>	<u>994,312</u>
Net change in fund balance	13,967	13,967	479,396	465,429
Fund balance at beginning of fiscal year	1,254,032	1,254,032	1,254,032	-
Prior year encumbrances appropriated	<u>16,565</u>	<u>16,565</u>	<u>16,565</u>	<u>-</u>
Fund balance at end of fiscal year	<u><u>\$ 1,284,564</u></u>	<u><u>\$ 1,284,564</u></u>	<u><u>\$ 1,749,993</u></u>	<u><u>\$ 465,429</u></u>
Building				
Total revenues and other sources	\$ 10,000	\$ 10,000	\$ 4,946	\$ (5,054)
Total expenditures and other uses	<u>261,679</u>	<u>261,679</u>	<u>223,602</u>	<u>38,077</u>
Net change in fund balance	(251,679)	(251,679)	(218,656)	33,023
Fund balance at beginning of fiscal year	119,754	119,754	119,754	-
Prior year encumbrances appropriated	<u>131,925</u>	<u>131,925</u>	<u>131,925</u>	<u>-</u>
Fund balance at end of fiscal year	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 33,023</u></u>	<u><u>\$ 33,023</u></u>

STATISTICAL SECTION

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**WEST CLERMONT LOCAL SCHOOL DISTRICT
CLERMONT COUNTY, OHIO**

STATISTICAL SECTION

This part of West Clermont Local School District's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the District's overall financial health.

Contents

Financial Trends

These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time.

Revenue Capacity

These schedules contain information to help the reader assess the District's most significant local revenue source, the property tax.

Debt Capacity

These schedules present information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future.

Economic and Demographic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place.

Operating Information

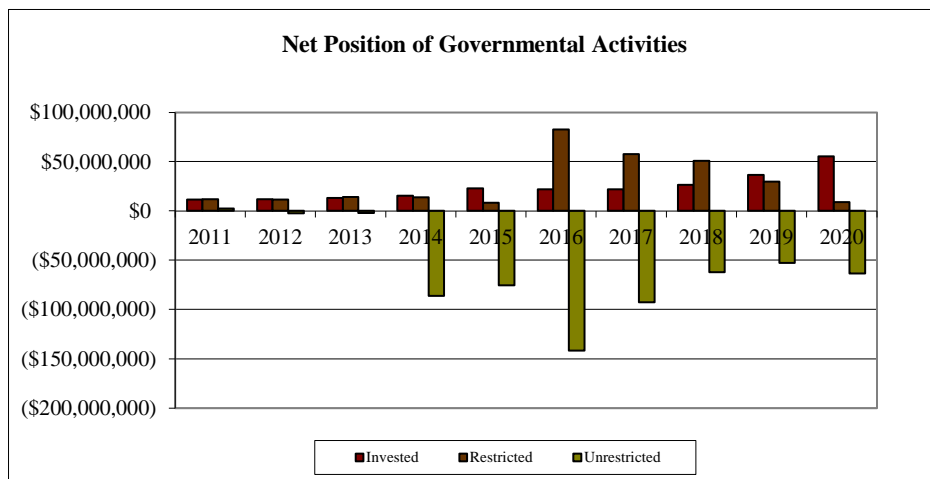
These schedules contain service and infrastructure data to help the reader understand how the information in the District's financial report relates to the services the District provides and the activities it performs.

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

**WEST CLERMONT LOCAL SCHOOL DISTRICT
CLERMONT COUNTY, OHIO**

**NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)**

	<u>2011</u>	<u>2012, as restated</u>	<u>2013, as restated</u>	<u>2014, as restated</u>	<u>2015</u>
Governmental Activities:					
Net Investment in					
Capital Assets	\$ 11,366,750	\$ 11,955,778	\$ 12,986,534	\$ 15,518,103	\$ 22,751,297
Restricted for:					
Capital Projects	5,193,356	4,957,978	6,387,497	7,607,745	2,063,413
Classroom Facilities Maintenance	-	-	-	-	-
Debt Service	4,482,408	3,971,476	4,123,246	4,333,385	4,349,619
Locally Funded Programs	-	-	-	-	-
State Funded Programs	-	-	-	-	-
Federally Funded Programs	827,581	609,350	113,667	686,554	625,308
Student Activities	176,822	181,323	207,147	328,218	415,556
Other Purposes	1,180,390	1,699,046	3,200,415	898,602	960,613
Unrestricted (Deficit)	<u>2,279,075</u>	<u>(2,542,238)</u>	<u>(2,242,475)</u>	<u>(86,352,862)</u>	<u>(75,425,927)</u>
Total Net Position	<u>\$ 25,506,382</u>	<u>\$ 20,832,713</u>	<u>\$ 24,776,031</u>	<u>\$ (56,980,255)</u>	<u>\$ (44,260,121)</u>



<u>2016</u>	<u>2017, as restated</u>	<u>2018</u>	<u>2019, as restated</u>	<u>2020</u>
\$ 21,737,307	\$ 21,801,177	\$ 26,287,391	\$ 36,586,934	\$ 55,180,433
76,044,835	50,538,567	44,618,283	22,761,357	3,568,152
-	314,225	842,768	1,380,931	1,864,580
4,269,605	4,496,581	4,157,843	3,963,089	3,022,080
-	-	14,854	31,529	68,744
-	-	24,855	-	6,935
779,530	829,595	204,022	88,006	50,397
477,798	508,089	209,303	306,843	328,146
941,451	1,019,044	706,874	991,310	157,935
<u>(141,553,382)</u>	<u>(92,745,655)</u>	<u>(62,111,315)</u>	<u>(52,839,017)</u>	<u>(63,420,331)</u>
<u>\$ (37,302,856)</u>	<u>\$ (13,238,377)</u>	<u>\$ 14,954,878</u>	<u>\$ 13,270,982</u>	<u>\$ 827,071</u>

**WEST CLERMONT LOCAL SCHOOL DISTRICT
CLERMONT COUNTY, OHIO**

CHANGES IN NET POSITION OF GOVERNMENTAL ACTIVITIES
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)

	2011	2012, as restated	2013, as restated	2014	2015	2016
Expenses						
Instruction:						
Regular	\$ 34,736,866	\$ 34,356,317	\$ 32,478,701	\$ 34,937,715	\$ 35,703,570	\$ 37,214,205
Special	12,305,136	12,823,322	14,727,415	9,876,534	9,524,797	8,925,979
Vocational	181,822	276,169	319,423	411,755	359,760	418,059
Other	-	-	-	8,165	9,561	11,067
Support services:						
Pupil	4,862,238	4,368,889	4,946,280	4,905,231	4,791,166	4,777,078
Instructional staff	3,293,758	2,612,956	1,865,305	3,534,897	2,352,367	1,597,449
General administration	84,090	122,646	107,856	128,903	132,263	209,044
School administration	5,388,169	5,491,608	5,244,448	4,293,106	4,439,201	5,012,211
Fiscal	1,603,535	1,658,897	1,741,569	1,733,102	1,628,516	1,757,068
Business	50,613	47,703	51,946	56,113	47,653	51,410
Operations & maintenance	6,539,776	5,328,603	5,159,932	5,488,020	5,184,670	4,369,837
Pupil transportation	7,843,068	5,498,547	4,602,735	5,268,907	4,667,658	5,963,912
Central	1,655,251	1,452,797	419,740	-	347,423	389,760
Non-instructional services	2,734,433	2,878,962	2,758,490	2,311,229	2,430,397	2,329,959
Community services	4,992	-	-	-	-	-
Extracurricular activities	1,299,742	1,156,813	1,650,510	653,112	1,218,884	1,141,373
Interest and fiscal charges	1,591,301	2,098,299	1,625,068	2,001,235	2,006,367	5,697,247
<i>Total Expenses</i>	<u>84,174,790</u>	<u>80,172,528</u>	<u>77,699,418</u>	<u>75,608,024</u>	<u>74,844,253</u>	<u>79,865,658</u>
Program Revenues						
Charges for services						
Instruction:						
Regular	936,808	705,931	875,063	838,067	1,009,541	858,091
Special	209,613	141,457	583,375	554,864	675,912	575,553
Support services:						
Pupil	1,890	-	-	-	2,162	1,143
Instructional staff	13,863	-	9,802	18,383	5,880	1,714
Business	-	-	-	-	-	-
Operations & maintenance	-	40,215	134,385	109,005	71,966	56,305
Non-instructional services	1,247,168	1,176,329	975,491	912,575	797,416	807,979
Extracurricular activities	487,992	712,133	734,891	406,855	774,759	563,450
Operating Grants and Contributions						
Instruction:						
Regular	2,889,548	1,869,451	2,694,369	1,158,614	1,284,802	1,447,997
Special	2,996,314	1,463,648	1,179,711	2,253,905	3,050,382	2,147,813
Vocational	-	92,345	-	36,640	1,012	-
Support services:						
Pupil	82,613	102,692	92,111	128,065	188,663	98,320
Instructional staff	1,955,950	1,452,382	659,188	197,356	205,772	190,300
School administration	364,527	355,721	223,326	91,688	80,840	11,279
Fiscal	-	-	64,176	-	154,923	-
Operations & maintenance	-	-	-	3,891	-	-
Pupil transportation	-	-	-	-	-	-
Central	170,249	-	35,371	-	-	46,297
Non-instructional services	1,428,808	1,565,687	1,579,607	1,309,307	1,497,580	1,518,096
Community services	-	-	-	-	-	-
Extracurricular activities	-	-	-	-	-	-
Capital Grants and Contributions						
Extracurricular activities	-	-	-	-	-	-
<i>Total Program Revenues</i>	<u>12,785,343</u>	<u>9,677,991</u>	<u>9,840,866</u>	<u>8,019,215</u>	<u>9,801,610</u>	<u>8,324,337</u>
Net Expense	<u>\$ (71,389,447)</u>	<u>\$ (70,494,537)</u>	<u>\$ (67,858,552)</u>	<u>\$ (67,588,809)</u>	<u>\$ (65,042,643)</u>	<u>\$ (71,541,321)</u>

2017	2018	2019, as restated	2020
\$ 41,861,700	\$ 22,075,567	\$ 39,536,053	\$ 49,133,718
11,495,177	11,466,774	11,087,265	13,929,270
544,478	279,281	245,859	140,200
8,587	2,639	10,778	8,668
5,192,950	4,061,991	5,779,278	6,818,496
2,703,808	1,719,680	1,772,038	2,040,494
157,872	331,304	55,479	341,723
5,565,529	2,871,575	5,564,469	7,442,436
1,907,796	1,441,938	2,031,386	1,861,524
57,363	80,614	199,633	285,763
6,705,393	3,182,130	7,476,360	8,302,457
6,085,872	6,740,293	6,814,369	6,614,418
390,406	331,260	329,327	145,965
2,339,604	2,262,244	3,059,900	3,541,517
-	-	-	-
1,243,981	1,062,392	1,353,674	1,524,865
5,574,546	4,958,662	5,153,380	5,103,035
<u>91,835,062</u>	<u>62,868,344</u>	<u>90,469,248</u>	<u>107,234,549</u>
1,228,647	2,049,506	1,860,154	1,871,215
818,027	374,934	236,346	203,630
219	61,661	224,809	6,213
1,825	432	307	611
-	11,040	-	-
66,120	55,702	100,498	102,239
965,739	1,047,654	1,139,927	934,145
549,483	506,164	505,438	475,794
1,581,107	1,271,988	1,692,645	1,938,469
2,732,824	6,699,968	6,707,078	6,447,833
-	45,562	45,562	45,562
126,581	125,376	177,389	803,308
240,749	248,715	480,952	310,610
60,509	72,261	55,107	88,203
-	-	-	-
-	-	-	41,063
-	1,579,786	1,649,307	303,786
-	-	-	-
1,403,912	2,256,704	1,940,071	1,953,608
-	-	-	-
-	24,062	3,679	39,991
-	5,000	235,064	120,024
<u>9,775,742</u>	<u>16,436,515</u>	<u>17,054,333</u>	<u>15,686,304</u>
<u>\$ (82,059,320)</u>	<u>\$ (46,431,829)</u>	<u>\$ (73,414,915)</u>	<u>\$ (91,548,245)</u>

**WEST CLERMONT LOCAL SCHOOL DISTRICT
CLERMONT COUNTY, OHIO**

CHANGES IN NET POSITION OF GOVERNMENTAL ACTIVITIES
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)

	<u>2011</u>	<u>2012, as restated</u>	<u>2013, as restated</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
General Revenues						
Property taxes levied for:						
General purposes	\$39,402,281	\$28,405,729	\$34,920,276	\$37,670,165	\$35,619,456	\$35,227,232
Debt service	2,921,111	2,055,205	2,495,106	2,744,327	2,562,858	2,529,255
Classroom facilities and maintenance	-	-	-	-	-	-
Capital projects	5,148,787	3,878,112	4,632,535	5,099,876	4,763,005	4,698,931
Payment in lieu of taxes	-	-	-	-	-	-
Grants and entitlements						
Restricted for OFCC project	-	-	-	-	-	-
Grants and entitlements not restricted to specific programs	28,651,673	30,602,918	28,695,132	31,817,746	33,707,390	34,035,374
Earnings on investments	51,923	231	8,224	20,915	25,247	602,222
Other revenues	542,608	878,673	1,050,597	1,229,782	1,084,821	1,405,572
<i>Total General Revenues</i>	<u>76,718,383</u>	<u>65,820,868</u>	<u>71,801,870</u>	<u>78,582,811</u>	<u>77,762,777</u>	<u>78,498,586</u>
<i>Change in Net Position</i>	<u>\$ 5,328,936</u>	<u>\$ (4,673,669)</u>	<u>\$ 3,943,318</u>	<u>\$ 10,994,002</u>	<u>\$ 12,720,134</u>	<u>\$ 6,957,265</u>

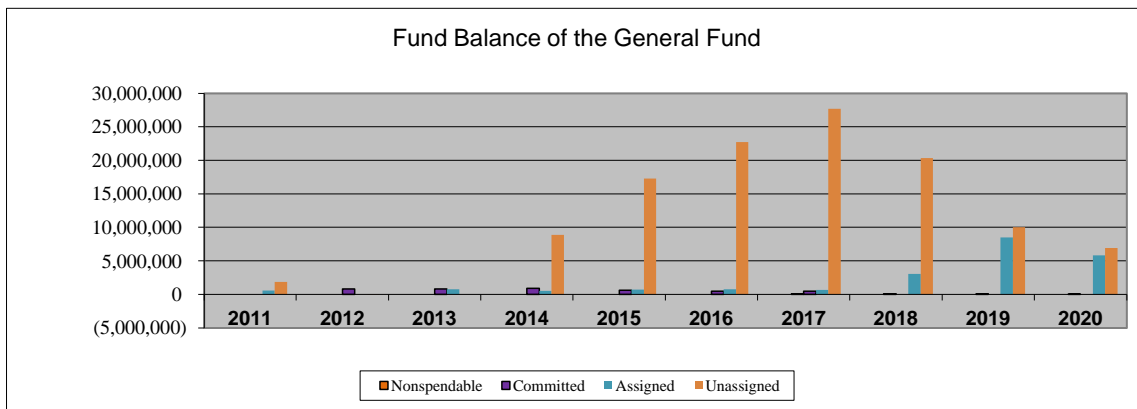
Source: West Clermont Local School District financial records

2017	2018	2019, as restated	2020
\$37,279,815	\$34,210,526	\$37,480,961	\$37,567,572
2,660,572	2,718,386	2,292,376	1,678,653
314,225	628,000	628,450	628,450
4,631,580	4,423,868	4,828,846	5,016,320
-	1,402,276	1,214,800	1,713,601
45,363,991	-	-	-
36,010,074	30,632,090	31,287,161	31,489,686
601,072	436,033	978,431	591,510
2,206,683	173,905	568,626	418,542
<u>129,068,012</u>	<u>74,625,084</u>	<u>79,279,651</u>	<u>79,104,334</u>
<u>\$ 47,008,692</u>	<u>\$ 28,193,255</u>	<u>\$ 5,864,736</u>	<u>\$ (12,443,911)</u>

**WEST CLERMONT LOCAL SCHOOL DISTRICT
CLERMONT COUNTY, OHIO**

FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

	<u>2011</u>	<u>2012</u>	<u>2013, as restated</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
General Fund						
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Committed	-	775,186	775,186	917,008	630,184	486,025
Assigned	542,393	-	755,316	509,762	723,078	747,867
Unassigned	1,847,900	(71,628)	-	8,871,710	17,282,070	22,723,569
Total General Fund	<u>2,390,293</u>	<u>703,558</u>	<u>1,530,502</u>	<u>10,298,480</u>	<u>18,635,332</u>	<u>23,957,461</u>
All Other Governmental Funds						
Nonspendable	79,813	45,859	97,761	48,546	66,386	57,491
Restricted	10,056,822	9,334,677	10,858,171	12,421,751	6,964,241	80,868,637
Committed	775,186	-	-	-	-	-
Unassigned	(367,805)	(294,985)	(176,198)	(541,667)	(93,127)	(431,881)
Total All Other Governmental Funds	<u>10,544,016</u>	<u>9,085,551</u>	<u>10,779,734</u>	<u>11,928,630</u>	<u>6,937,500</u>	<u>80,494,247</u>
Total Governmental Funds	<u>\$ 12,934,309</u>	<u>\$ 9,789,109</u>	<u>\$ 12,310,236</u>	<u>\$ 22,227,110</u>	<u>\$ 25,572,832</u>	<u>\$ 104,451,708</u>



Source: West Clermont Local School District financial records

2017	2018	2019, as restated	2020
\$ 103,130	\$ 94,203	\$ 91,874	\$ 57,687
442,450	-	-	-
656,683	3,053,070	8,499,432	5,811,869
27,669,680	20,331,296	10,034,173	6,900,182
28,871,943	23,478,569	18,625,479	12,769,738
54,717	18,273	16,605	15,872
10,986,202	23,082,820	18,597,048	6,928,244
-	270,214	455,118	4,080,190
(485,794)	(4,139,923)	(309,337)	(505,025)
10,555,125	19,231,384	18,759,434	10,519,281
<u>\$ 39,427,068</u>	<u>\$ 42,709,953</u>	<u>\$ 37,384,913</u>	<u>\$ 23,289,019</u>

**WEST CLERMONT LOCAL SCHOOL DISTRICT
CLERMONT COUNTY, OHIO**

CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

	2011	2012	2013, as restated	2014	2015	2016
Revenues						
From local sources:						
Taxes	\$ 47,033,943	\$ 36,068,184	\$ 42,561,713	\$ 45,601,215	\$ 43,033,385	\$ 42,407,879
Tuition and fees	1,000,069	844,223	1,316,998	1,386,753	1,681,411	1,368,511
Charges for services	1,348,378	1,179,494	1,116,931	977,114	875,991	875,969
Earnings on investments	51,923	1,130	8,424	20,915	25,247	477,373
Extracurricular activities	387,496	712,133	734,891	406,855	774,759	563,450
Other local revenues	710,738	917,990	1,194,583	1,285,389	1,090,295	1,461,910
Intergovernmental	41,030,201	37,203,348	35,399,745	36,591,266	40,725,127	39,029,882
<i>Total Revenues</i>	<u>91,562,748</u>	<u>76,926,502</u>	<u>82,333,285</u>	<u>86,269,507</u>	<u>88,206,215</u>	<u>86,184,974</u>
Expenditures						
Current:						
Instruction:						
Regular	35,158,266	32,351,547	31,998,537	34,205,263	35,232,552	36,031,744
Special	12,275,843	12,697,267	14,783,889	9,715,528	9,907,300	9,045,929
Vocational	181,822	276,169	319,423	411,755	363,952	420,313
Other	-	-	-	8,165	9,885	11,359
Support Services:						
Pupil	4,840,087	4,312,361	4,988,158	4,884,943	4,883,901	4,762,103
Instructional staff	3,249,931	2,668,339	1,973,856	3,686,732	2,128,530	1,788,948
General administration	84,090	122,646	107,856	128,903	132,263	209,044
School administration	5,407,246	5,341,898	5,174,617	4,331,254	4,687,459	4,956,808
Fiscal	1,611,901	1,637,380	1,754,719	1,733,602	1,650,163	1,761,265
Business	50,081	46,744	54,422	58,721	47,788	51,957
Operations & maintenance	6,325,662	5,027,822	5,409,703	5,567,458	5,022,303	5,216,878
Pupil transportation	7,841,048	5,495,499	4,600,715	5,266,887	4,665,638	5,961,892
Central	1,751,601	1,588,171	691,881	92,139	116,819	167,072
Non-instructional services	2,660,873	2,729,086	2,736,931	2,272,292	2,380,491	2,204,990
Community services	5,241	-	-	-	-	-
Extracurricular activities	1,292,778	1,123,717	1,173,521	655,584	1,230,282	1,143,355
Capital Outlay	3,449,448	1,049,744	471,027	746,722	6,508,138	25,632,187
Debt Service:						
Principal retirement	2,005,902	1,971,558	6,073,879	913,713	3,757,048	946,230
Interest and fiscal charges	1,702,502	1,631,754	1,562,087	2,152,713	2,135,981	6,102,136
Issuance costs	-	-	62,858	-	-	-
<i>Total Expenditures</i>	<u>89,894,322</u>	<u>80,071,702</u>	<u>83,938,079</u>	<u>76,832,374</u>	<u>84,860,493</u>	<u>106,414,210</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>1,668,426</u>	<u>(3,145,200)</u>	<u>(1,604,794)</u>	<u>9,437,133</u>	<u>3,345,722</u>	<u>(20,229,236)</u>
Other Financing Sources (Uses)						
Inception of capital lease	-	-	-	466,321	-	-
Refunding debt issuance	-	-	-	-	-	-
Premium on refunding debt issued	-	-	-	-	-	-
Payments to debt escrow account	-	-	-	-	-	-
Proceeds on sale of capital lease	-	-	-	13,420	-	-
Proceeds of capital lease transaction	-	-	-	-	-	-
Proceeds of bonds	-	-	-	-	-	99,255,000
Discount on sale of bonds	-	-	-	-	-	(146,888)
Premium on refunding bonds issued	-	-	385,921	-	-	-
Refunding bonds issued	-	-	3,740,000	-	-	-
Sale of assets	-	-	-	-	-	-
Transfers in	-	114,723	119,076	166,803	325,825	362,975
Transfers out	-	(114,723)	(119,076)	(166,803)	(325,825)	(362,975)
<i>Total Other Financing Sources (Uses)</i>	<u>-</u>	<u>-</u>	<u>4,125,921</u>	<u>479,741</u>	<u>-</u>	<u>99,108,112</u>
<i>Net Change in Fund Balances</i>	<u>\$ 1,668,426</u>	<u>\$ (3,145,200)</u>	<u>\$ 2,521,127</u>	<u>\$ 9,916,874</u>	<u>\$ 3,345,722</u>	<u>\$ 78,878,876</u>
Capital Expenditures	\$ 5,867,728	\$ 575,738	\$ 1,611,389	\$ 2,583,242	\$ 6,285,371	\$ 26,875,173
Debt Service as a Percentage of Noncapital Expenditures	4.41%	4.53%	9.28%	4.13%	7.50%	8.86%

Source: West Clermont Local School District financial records

<u>2017</u>	<u>2018</u>	<u>2019, as restated</u>	<u>2020</u>
\$ 44,991,115	\$ 43,898,731	\$ 46,439,997	\$ 46,615,381
2,045,068	1,950,386	1,495,408	1,591,101
1,035,509	973,192	1,240,237	819,416
719,365	439,909	997,469	622,143
549,483	543,857	556,655	505,315
2,206,683	1,581,314	1,866,218	1,489,849
<u>42,241,600</u>	<u>61,571,589</u>	<u>59,215,843</u>	<u>52,515,506</u>
<u>93,788,823</u>	<u>110,958,978</u>	<u>111,811,827</u>	<u>104,158,711</u>
37,597,276	34,902,792	40,175,900	44,412,373
10,757,090	16,127,782	12,033,305	12,762,648
525,263	321,316	279,029	113,705
8,363	9,562	12,726	7,796
5,023,814	5,663,264	6,005,355	6,410,897
2,588,885	2,437,290	1,930,032	1,912,038
157,872	347,326	58,500	340,025
5,216,065	6,138,915	6,268,964	6,715,014
1,901,433	1,917,619	2,104,130	1,751,067
51,152	145,029	233,694	270,528
6,666,690	7,302,292	5,697,761	6,281,641
6,083,852	6,738,273	6,812,349	6,614,418
167,738	216,693	204,115	100,730
2,186,760	3,059,127	2,727,180	3,378,930
-	-	-	-
1,321,604	1,527,198	1,448,219	1,341,922
71,834,669	13,586,393	24,485,414	18,070,572
1,748,728	1,942,325	2,114,601	2,585,181
5,498,159	5,312,681	5,260,212	5,185,120
256,916	-	-	-
<u>159,592,329</u>	<u>107,695,877</u>	<u>117,851,486</u>	<u>118,254,605</u>
<u>(65,803,506)</u>	<u>3,263,101</u>	<u>(6,039,659)</u>	<u>(14,095,894)</u>
521,950	-	-	-
22,770,000	-	-	-
2,105,565	-	-	-
(24,618,649)	-	-	-
-	-	-	-
-	-	424,770	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	19,784	-	-
1,966,407	407,194	5,395,177	456,803
(1,966,407)	(407,194)	(5,395,177)	(456,803)
<u>778,866</u>	<u>19,784</u>	<u>424,770</u>	<u>-</u>
<u>\$ (65,024,640)</u>	<u>\$ 3,282,885</u>	<u>\$ (5,614,889)</u>	<u>\$ (14,095,894)</u>
\$ 71,201,225	\$ 18,924,898	\$ 23,915,273	\$ 18,515,126
8.20%	8.17%	7.85%	7.79%

**WEST CLERMONT LOCAL SCHOOL DISTRICT
CLERMONT COUNTY, OHIO**

ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN YEARS

Collection Year	Real Property			Tangible Personal Property	
	Assessed Value		Estimated Actual Value	Public Utility	
	Residential/ Agricultural	Commercial/ Industrial/PU		Assessed Value	Estimated Actual Value
2011	\$ 976,713,460	\$ 368,251,480	\$ 3,842,756,971	\$ 39,436,420	\$ 52,581,893
2012	881,147,600	314,002,640	3,414,714,971	42,264,690	56,352,920
2013	883,044,020	311,357,880	3,412,576,857	43,845,710	58,460,947
2014	885,118,190	311,484,250	3,418,864,114	47,115,610	62,820,813
2015	895,927,480	306,401,520	3,435,225,714	50,286,990	67,049,320
2016	897,176,310	307,757,010	3,442,666,629	51,967,890	69,290,520
2017	901,785,520	314,698,990	3,475,670,029	52,860,740	70,480,987
2018	1,017,617,280	344,010,040	3,890,363,771	54,660,380	72,880,507
2019	1,027,628,250	353,018,570	3,944,705,200	59,012,320	78,683,093
2020	1,042,466,960	352,554,410	3,985,775,343	61,979,810	82,639,747

Real property is reappraised every six years with a State mandated update of the current market value in the third year following each reappraisal.

The assessed value of real property (including public utility real property) is 35 percent of estimated true value. Personal property tax is assessed on all tangible personal property used in business in Ohio. The assessed value of public utility personal property ranges from 25 percent of true value for railroad property to 88 percent for electric transmission and distribution property. General business tangible personal property was assessed in previous years at 25 percent for machinery and equipment and 23 percent for inventories. General business tangible personal property tax was phased out entirely in 2011.

The tangible personal property values associated with each year are the values that, when multiplied by the applicable rates, generated the property tax revenue billed in that year. For real property, the amounts generated by multiplying the assessed values by the applicable rates would be reduced by the 10%, 2 1/2% and homestead exemptions before being billed. Beginning in the 2006 collection year, the 10% rollback for commercial/industrial property has been eliminated.

Source: Office of the County Auditor, Clermont County, Ohio

Total		
Assessed Value	Estimated Actual Value	Total Direct Tax Rate
\$ 1,384,401,360	\$ 3,895,338,864	33.36
1,237,414,930	3,471,067,891	36.52
1,238,247,610	3,471,037,804	36.54
1,243,718,050	3,481,684,927	36.61
1,252,615,990	3,502,275,034	36.35
1,256,901,210	3,511,957,149	36.44
1,269,345,250	3,546,151,016	36.28
1,416,287,700	3,963,244,278	33.35
1,439,659,140	4,023,388,293	32.62
1,457,001,180	4,068,415,090	32.05

**WEST CLERMONT LOCAL SCHOOL DISTRICT
CLERMONT COUNTY, OHIO**

**DIRECT AND OVERLAPPING PROPERTY TAX RATES
PER \$1,000 OF ASSESSED VALUATION
LAST TEN CALENDAR YEARS**

District Direct Rates					Overlapping Rates		
Collection Year	General Purpose	Bond Retirement	Capital Purpose	Total	Union Township	Pierce Township	Batavia Township
2011	\$ 27.10	\$ 4.20	\$ 2.06	\$ 33.36	\$ 14.15	\$ 15.08	\$ 2.66
2012	30.06	4.20	2.26	36.52	15.15	15.99	2.70
2013	30.08	4.20	2.26	36.54	15.00	15.90	2.70
2014	30.15	4.20	2.26	36.61	15.00	15.90	2.70
2015	29.89	4.20	2.26	36.35	14.82	16.02	2.65
2016	29.98	4.20	2.26	36.44	14.82	18.03	2.65
2017	29.82	4.20	2.26	36.28	14.83	18.11	3.65
2018	26.89	4.20	2.26	33.35	13.39	16.37	3.47
2019	26.77	4.20	1.65	32.62	13.39	16.31	3.46
2020	26.69	4.20	1.16	32.05	13.38	17.11	4.16

Source: Ohio Municipal Advisory Council

**WEST CLERMONT LOCAL SCHOOL DISTRICT
CLERMONT COUNTY, OHIO**

**PRINCIPAL TAXPAYERS
REAL ESTATE TAX
CURRENT YEAR AND NINE YEARS AGO**

<u>Name of Taxpayer</u>	<u>2020</u>		<u>2011</u>	
	<u>Assessed</u>	<u>Percent of Real Property Assessed Value</u>	<u>Assessed</u>	<u>Percent of Real Property Assessed Value</u>
Duke Energy	\$ 61,297,170	4.21%	\$ -	0.00%
Eastgate Mall CMBS LLC	12,381,780	0.85%	15,840,080	1.14%
Midland Company	-	0.00%	13,721,560	0.99%
American Modern Home Insur. Co	10,190,960	0.70%	-	0.00%
QTR	-	0.00%	7,171,010	0.52%
KRG Eastgate Pavillion LLC	7,232,020	0.50%	6,547,310	0.47%
Arborts of Anderson II LLC	6,674,470	0.46%	-	0.00%
Regency Centers LP	6,138,600	0.42%	5,813,820	0.42%
Occidental Devopment LTD	5,345,010	0.37%	-	0.00%
Timer Trails Aptment LLC	5,250,010	0.36%	-	0.00%
Brandychase I Apartment Co LTD	5,122,290	0.35%	3,627,730	0.26%
Inland Eastgate Crossing LLC	5,090,520	0.35%	-	0.00%
Fox Chase North LLC	-	0.00%	4,978,900	0.36%
Edward Rose Assoc., Inc	-	0.00%	4,517,450	0.33%
Eastgate Crossing CMBS, LLC	-	0.00%	3,746,090	0.27%
Beechwood II LP	-	0.00%	3,535,000	0.26%
Totals	<u>\$ 124,722,830</u>	<u>8.56%</u>	<u>\$ 69,498,950</u>	<u>5.02%</u>
Total Assessed Valuation	<u>\$ 1,457,001,180</u>		<u>\$ 1,384,401,360</u>	

Source: Office of the County Auditor, Clermont County, Ohio

Note: The amounts presented represent the assessed values upon which collections were based.

**WEST CLERMONT LOCAL SCHOOL DISTRICT
CLERMONT COUNTY, OHIO**

PROPERTY TAX LEVIES AND COLLECTIONS (1)
LAST TEN YEARS

Collection Year(2)	Current Tax Levy	Current Tax Collections	Percent of Current Tax Collections to Current Tax Levy	Delinquent Tax Collections (2)	Total Tax Collections	Percent of Total Tax Collections to Current Tax Levy
2011	\$ 49,419,911	\$ 45,306,325	91.68	\$ 1,314,775	\$ 46,621,100	94.34
2012	49,314,271	44,902,683	91.05	1,756,483	46,659,166	94.62
2013	48,564,153	45,510,712	93.71	1,331,698	46,842,410	96.45
2014	48,606,281	45,938,178	94.51	1,254,209	47,192,387	97.09
2015	48,652,170	46,329,961	95.23	1,070,493	47,400,454	97.43
2016	48,652,170	46,501,849	95.58	995,301	47,497,150	97.63
2017	47,725,592	46,908,043	98.29	1,086,721	47,994,764	100.56
2018	50,703,371	48,291,872	95.24	1,065,876	49,357,748	97.35
2019	50,758,231	48,231,189	95.02	1,315,292	49,546,481	97.61
2020	49,998,833	47,908,178	95.82	811,608	48,719,786	97.44

Source: Office of the County Auditor, Clermont County, Ohio

(1) Includes Homestead/Rollback taxes assessed locally, but distributed through the State and reported as Intergovernmental revenue.

(2) The County does not identify delinquent tax collections by tax year.

Note: Tax information cannot be broken out for real property, public utility and personal.

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**WEST CLERMONT LOCAL SCHOOL DISTRICT
CLERMONT COUNTY, OHIO**

**RATIOS OF OUTSTANDING DEBT
LAST TEN FISCAL YEARS**

Ratios of General Bonded Debt Outstanding					
Year	General Bonded Debt Outstanding (1)	Resources Available to Pay Principal	Net General Bonded Debt	Percentage of Estimated Actual Value (2)	Per Capita (3)
2011	\$ 35,423,065	\$ 4,482,408	\$ 30,940,657	0.79%	\$ 155.78
2012	33,998,542	3,971,476	30,027,066	0.87%	150.71
2013	32,646,117	4,123,246	28,522,871	0.82%	142.46
2014	31,747,639	4,333,385	27,414,254	0.79%	136.14
2015	30,834,161	4,349,619	26,484,542	0.76%	131.13
2016	29,900,683	4,269,605	25,631,078	0.73%	126.82
2017	29,706,290	4,496,581	25,209,709	0.71%	123.45
2018	27,580,903	4,157,843	23,423,060	0.59%	114.00
2019	25,536,121	3,963,089	21,573,032	0.54%	104.51
2020	23,416,149	3,568,152	19,847,997	0.49%	N/A

Sources: West Clermont Local School District financial records.

(1) Revenue Bonds of \$99,255,000 for classroom facilities in 2015 financed through the Port Authority are not included in this amount.

(2) See Table 5 - Assessed and Estimated Value of Taxable Property for estimated actual value of property.

(3) See Table 13 - Demographic and Economic Statistics for population.

(4) See Table 17 - Operating Statistics for enrollment.

(5) See Table 13 - Demographic and Economic Statistics for personal income.

N/A - Information not available.

Ratios of Outstanding Debt by Type

General Bonded Debt Outstanding (1)	Lease Purchase/ Capital Leases	Revenue Bonds	Total Debt	Per Capita (3)	Per ADM (4)	Percentage of Personal Income (5)
\$ 35,423,065	\$ 4,835,616	\$ -	\$ 40,258,681	\$ 202.70	\$ 4,425	0.50%
33,998,542	4,169,058	-	38,167,600	191.56	4,416	0.47%
32,646,117	3,475,179	-	36,121,296	180.41	4,307	0.43%
31,747,639	3,655,646	-	35,403,285	175.81	4,427	0.40%
30,834,161	658,598	-	31,492,759	155.93	3,937	0.34%
29,900,683	492,368	99,255,000	129,648,051	641.50	16,087	1.37%
29,706,290	840,590	99,114,847	129,661,727	634.93	15,941	1.27%
27,580,903	618,265	99,118,696	127,317,864	619.65	15,839	1.15%
25,536,121	788,434	99,122,544	125,447,099	607.70	14,957	1.09%
23,416,149	663,253	98,626,393	122,705,795	N/A	14,558	N/A

**WEST CLERMONT LOCAL SCHOOL DISTRICT
CLERMONT COUNTY, OHIO**

**COMPUTATION OF DIRECT AND OVERLAPPING
DEBT ATTRIBUTABLE TO GOVERNMENTAL ACTIVITIES
JUNE 30, 2020**

	Debt Attributable to Governmental Activities	Percentage Applicable to District (1)	Amount of Direct and Overlapping Debt
Direct Debt			
West Clermont Local School District	<u>\$ 122,705,795</u>	100.00%	<u>\$ 122,705,795</u>
Overlapping Debt:			
Payable from Property Taxes			
Clermont County	6,734,518	30.55%	2,029,110
Amelia Village	1,420,000	100.00%	1,420,000
Batavia Township	411,000	49.82%	204,760
Union Township	<u>29,402,500</u>	86.99%	<u>25,577,235</u>
Total Overlapping Debt:	<u>37,968,018</u>		<u>29,231,105</u>
Total Direct and Overlapping Debt	<u>\$ 160,673,813</u>		<u>\$ 151,936,900</u>

Source: Ohio Municipal Advisory Council

(1) Percentages were determined by dividing the assessed valuation of the overlapping government located within the boundaries of the District by the total assessed valuation of the government. The valuations used were for the 2020 collection year.

**WEST CLERMONT LOCAL SCHOOL DISTRICT
CLERMONT COUNTY, OHIO**

PLEDGED REVENUE COVERAGE
LAST FIVE FISCAL YEARS

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Lease Revenue Bonds, Series 2015					
Gross revenues (1)	\$ 4,713,332	\$ 4,991,245	\$ 5,529,440	\$ 5,758,684	\$ 5,965,711
Direct operating expenses	-	-	-	-	-
Net revenue available for debt service	<u>\$ 4,713,332</u>	<u>\$ 4,991,245</u>	<u>\$ 5,529,440</u>	<u>\$ 5,758,684</u>	<u>\$ 5,965,711</u>
Annual debt service requirement (2)	\$ 2,856,217	\$ 4,304,128	\$ 4,304,127	\$ 4,304,128	\$ 4,791,627
Coverage	1.65	1.16	1.28	1.34	1.25

Source: West Clermont Local School District financial records

Notes:

- (1) Gross revenues are derived from TIF revenues, a portion of the inside millage allocated for permanent improvement purposes, and interest revenue
- (2) Includes only principal and interest payments associated with pledged revenues

Not applicable prior to 2016.

**WEST CLERMONT LOCAL SCHOOL DISTRICT
CLERMONT COUNTY, OHIO**

**COMPUTATION OF LEGAL DEBT MARGIN
LAST TEN FISCAL YEARS**

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Tax Valuation	<u>\$1,384,401,360</u>	<u>\$1,237,414,930</u>	<u>\$1,238,247,610</u>	<u>\$1,243,718,050</u>
Debt Limit - 9% of Taxable Valuation (1)	<u>\$124,596,122</u>	<u>\$111,367,344</u>	<u>\$111,442,285</u>	<u>\$111,934,625</u>
Amount of Debt Applicable to Debt Limit				
General Obligation Bonds (2)	34,095,000	32,790,000	31,150,000	30,405,000
Less Amount Available in Debt Service	<u>4,115,472</u>	<u>3,712,344</u>	<u>3,893,004</u>	<u>4,108,758</u>
Amount of Debt Subject to Limit	<u>29,979,528</u>	<u>29,077,656</u>	<u>27,256,996</u>	<u>26,296,242</u>
Legal Debt Margin	<u>\$94,616,594</u>	<u>\$82,289,688</u>	<u>\$84,185,289</u>	<u>\$85,638,383</u>
Legal Debt Margin as a Percentage of the Debt Limit	75.94%	73.89%	75.54%	76.51%
Unvoted Debt Limit				
0.10% of Taxable Valuation (1)	<u>\$1,384,401</u>	<u>\$1,237,415</u>	<u>\$1,238,248</u>	<u>\$1,243,718</u>
Unvoted Legal Debt Margin	<u>\$1,384,401</u>	<u>\$1,237,415</u>	<u>\$1,238,248</u>	<u>\$1,243,718</u>
Unvoted Legal Debt Margin as a Percentage of the Unvoted Debt Limit	100.00%	100.00%	100.00%	100.00%

Source: Clermont County Auditor and West Clermont Local School District financial records

Notes:

(1) Ohio Bond Law sets a limit of 9% for overall debt and 1/10 of 1% for unvoted debt.

(2) General Obligation Bonds of \$99,255,000 for classroom facilities in 2015 financed through the Port Authority are not subject to such limitations.

2015	2016	2017	2018	2019	2020
<u>\$1,252,615,990</u>	<u>\$1,256,901,210</u>	<u>\$1,269,345,250</u>	<u>\$1,416,287,700</u>	<u>\$1,439,659,140</u>	<u>\$1,457,001,180</u>
<u>\$112,735,439</u>	<u>\$113,121,109</u>	<u>\$114,241,073</u>	<u>\$127,465,893</u>	<u>\$129,569,323</u>	<u>\$131,130,106</u>
29,645,000	28,865,000	27,235,000	25,515,000	23,655,000	21,695,000
<u>4,130,433</u>	<u>4,047,518</u>	<u>4,280,677</u>	<u>4,552,231</u>	<u>4,357,264</u>	<u>3,415,746</u>
<u>25,514,567</u>	<u>24,817,482</u>	<u>22,954,323</u>	<u>20,962,769</u>	<u>19,297,736</u>	<u>18,279,254</u>
<u>\$87,220,872</u>	<u>\$88,303,627</u>	<u>\$91,286,750</u>	<u>\$106,503,124</u>	<u>\$110,271,587</u>	<u>\$112,850,852</u>
77.37%	78.06%	79.91%	83.55%	85.11%	86.06%
<u>\$1,252,616</u>	<u>\$1,256,901</u>	<u>\$1,269,345</u>	<u>\$1,416,288</u>	<u>\$1,439,659</u>	<u>\$1,457,001</u>
<u>\$1,252,616</u>	<u>\$1,256,901</u>	<u>\$1,269,345</u>	<u>\$1,416,288</u>	<u>\$1,439,659</u>	<u>\$1,457,001</u>
100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

**WEST CLERMONT LOCAL SCHOOL DISTRICT
CLERMONT COUNTY, OHIO**

**DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN YEARS**

Year	Population (1)	Personal Income (2) (in thousands)	Per Capita Personal Income (3)	Unemployment Rate (4)
2011	198,615	\$ 7,975,806	\$ 40,157	9.30%
2012	199,242	8,162,691	40,969	8.60%
2013	200,219	8,341,936	41,664	7.70%
2014	201,375	8,842,357	43,910	6.50%
2015	201,973	9,344,779	46,267	5.60%
2016	202,101	9,452,462	46,771	5.10%
2017	204,214	10,211,356	50,003	4.60%
2018	205,466	11,047,894	53,770	4.30%
2019	206,428	11,527,360	55,842	4.90%
2020	* N/A	N/A	N/A	N/A

Sources:

- 1) U.S. Census Bureau midyear population estimates
- 2) Bureau of Economic Analysis: Regional Economic Accounts for Clermont County
- 3) Computed by dividing personal income by population
- 4) Bureau of Labor Statistics, rates for Clermont County (July)

* 2020 data not available until March, 2021

**WEST CLERMONT LOCAL SCHOOL DISTRICT
CLERMONT COUNTY, OHIO**

**PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO**

<u>Employer</u>	<u>Nature of Business</u>	<u>2020</u>			<u>2011</u>		
		<u>Number of Employees</u>	<u>Rank</u>	<u>Percentage of Total Employment</u>	<u>Number of Employees</u>	<u>Rank</u>	<u>Percentage of Total Employment</u>
Total Quality Logistics	Freight Logistics	1,225	1	2.33%	1,031	1	1.42%
American Modern Insurance Group (Formerly Midland Company)	Financial	1,207	2	2.29%	1,012	2	1.39%
West Clermont Local School District	Education	841	3	1.60%	869	3	1.20%
L-3 Fuzing & Ordinance (Formerly KDI)	Manufacturing	607	4	1.15%	600	4	0.83%
Mercy Hospital	Hospital	570	5	1.08%	-	N/A	0.00%
Huhtamaki	Manufacturing	500	6	0.95%	-	N/A	0.00%
Jeff Wyler Automotive	Sales	467	7	0.89%	280	6	0.39%
Duke Energy	Energy	436 *	8	0.83%	431	5	0.59%
Multi-Color Corporation	Manufacturing	318	9	0.60%	170	9	0.23%
Child Focus	Education	304	10	0.58%	277	7	0.38%
DRS Mobil Environmental Systems	Environmental Shelters	326	N/A	N/A	150	10	0.21%
Eastgate Health Care & Rehabilitation	Health Care	229	N/A	N/A	206	8	0.28%
Total		<u>7,030</u>		<u>9.92%</u>	<u>5,026</u>		<u>6.92%</u>
Total Employment within the District		<u>52,616</u>			<u>72,463</u>		

Source: Clermont County Chamber of Commerce

* 2020 data not available, 2019 data has been presented.

**WEST CLERMONT LOCAL SCHOOL DISTRICT
CLERMONT COUNTY, OHIO**

SCHOOL DISTRICT EMPLOYEES BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS

Function/Program	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Regular Instruction (1100)										
Elementary Classroom Teachers	210.50	195.70	191.00	185.94	185.23	191.23	208.23	212.23	213.23	233.00
Middle School Classroom Teachers	101.50	96.15	93.47	99.63	100.63	102.63	103.63	114.63	116.63	108.00
High School Classroom Teachers	136.50	113.35	115.53	113.83	118.64	132.71	131.54	136.84	139.14	119.00
Classroom Aides	3.00	3.47	3.47	2.61	2.61	3.35	3.35	3.35	3.35	3.35
Special Instruction (1200)										
Classroom Aides	45.00	46.00	46.00	5.20	5.20	5.20	5.20	5.20	5.20	5.23
Gifted Education Teachers	3.00	2.30	2.80	1.50	1.50	1.50	1.50	1.50	1.50	2.00
Special Education Paraprofessionals	52.84	33.60	33.60	75.02	89.80	89.80	89.80	89.80	89.80	89.80
Special Education Tutors	25.20	15.54	16.00	12.00	15.00	8.20	8.20	1.25	1.25	13.00
Pupil Support Services (2100)										
Administrators	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Administrative Support	1.00	1.00	1.00	1.00	1.00	1.00	2.00	2.00	2.00	2.68
Guidance Counselors	8.00	8.00	8.50	8.00	8.00	8.00	8.00	8.00	8.00	8.00
Health Services	13.71	13.71	15.25	15.40	15.58	15.58	15.98	13.12	14.12	18.12
Psychological Services	4.00	9.00	9.00	8.60	10.00	7.52	8.80	8.64	10.47	10.60
Administrative Secretaries	1.00	1.00	1.00	1.00	2.00	3.00	3.00	2.00	2.00	2.00
Staff Support Services (2200)										
Administrators	1.00	1.00	0.00	1.00	1.00	1.00	2.00	2.00	2.00	2.00
Administrative Support - Staff	2.00	2.00	4.00	4.00	4.18	3.68	3.68	3.68	3.68	3.68
Administrative Secretaries	1.00	1.00	1.00	0.00	1.00	1.00	1.00	1.00	1.00	1.00
Librarians	1.50	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Library Aides	4.90	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Administration (2400)										
Administrators	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Administrative Secretaries	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Campus Coordinators	11.00	11.86	12.86	13.00	13.00	13.00	13.00	13.59	13.59	13.59
Communications	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Principals	12.00	10.00	10.00	12.00	12.00	12.00	13.00	11.00	10.00	9.00
Asst. Principals	6.00	7.00	6.00	4.00	4.00	7.00	7.00	9.00	9.00	10.50
Building Secretaries	24.00	23.00	23.00	23.00	22.47	21.77	21.77	21.77	21.77	21.75
Fiscal Services (2500)										
Treasurer	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Administrative Secretaries	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Accounting Staff	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
Personnel Services (2600)										
Director of Personnel	1.00	1.00	0.57	0.00	1.00	1.00	1.00	1.00	1.00	1.00
Administrative Secretaries	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	3.68
Administrative Support -Personnel	1.54	1.54	1.24	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Operation of Plant (2700)										
Director of Plant Operations	1.00	1.00	1.00	1.00	2.00	1.50	1.50	1.50	1.50	1.50
Administrative Secretaries	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Custodians	46.75	39.85	40.60	40.60	36.50	38.50	38.50	42.00	42.50	42.50
Maintenance	9.00	8.00	8.00	8.00	8.00	9.00	10.00	10.00	10.00	8.00
Central Support Services (2900)										
Director of Public Relations	1.00	0.00	0.00	0.00	0.00	0.00	1.00	1.00	1.00	1.00
Administrative Secretaries	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Director of Technology	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Technology staff	5.00	6.00	7.00	6.74	6.74	6.00	7.00	7.00	7.00	8.00
Extra Curricular Activities										
Athletic Directors	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Food Service										
Dietitian/Nutritionist	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Administrative Secretaries	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Cafeteria Personnel	93.00	93.00	93.00	92.00	93.00	93.00	81.00	77.00	68.00	61.00
Totals:	847.94	767.07	766.89	758.07	783.08	801.17	813.68	823.10	821.73	823.98

Method: Using 1.0 for each full-time employee and 0.50 for each part-time and seasonal employee.
The count is performed at June 30 for the previous fiscal year.

Source: West Clermont Local School District records

Note: The District contracts for transportation, therefore, there are no bus drivers employed

**WEST CLERMONT LOCAL SCHOOL DISTRICT
CLERMONT COUNTY, OHIO**

**BUILDING STATISTICS
JUNE 30, 2020**

	<u>2020</u>		<u>2020</u>
Amelia Elementary School		Willowville Elementary School	
Date of Original Building	2010	Date of Original Building	1968
Total Building Square Footage	82,885	Total Building Square Footage	44,254
Enrollment	677	Enrollment	649
Percent Capacity	93.38%	Percent Capacity	89.52%
Grades Housed	PreK-5	Grades Housed	K-5
Percentage of Free & Reduced Applications	34%	Percentage of Free & Reduced Applications	28%
Clough Pike Elementary School		Withamsville Elementary School	
Date of Original Building	1968	Date of Original Building	2010
Total Building Square Footage	44,272	Total Building Square Footage	67,715
Enrollment	539	Enrollment	569
Percent Capacity	82.92%	Percent Capacity	91.04%
Grades Housed	PreK-5	Grades Housed	PreK-5
Percentage of Free & Reduced Applications	23%	Percentage of Free & Reduced Applications	51%
Holly Hill Elementary School		West Clermont Middle School	
Date of Original Building	1982	Date of Original Building	1960
Total Building Square Footage	48,145	Total Building Square Footage	238,251
Enrollment	441	Enrollment	1,907
Percent Capacity	98.00%	Percent Capacity	86.68%
Grades Housed	PreK-5	Grades Housed	6-8
Percentage of Free & Reduced Applications	46%	Percentage of Free & Reduced Applications	36%
Merwin Elementary School		West Clermont High School	
Date of Original Building	1969	Date of Original Building	2017
Total Building Square Footage	54,974	Total Building Square Footage	383,000
Enrollment	643	Enrollment	2,403
Percent Capacity	91.86%	Percent Capacity	96.12%
Grades Housed	K-5	Grades Housed	9-12
Percentage of Free & Reduced Applications	34%	Percentage of Free & Reduced Applications	29%
Summerside Elementary School			
Date of Original Building	1951		
Total Building Square Footage	49,793		
Enrollment	601		
Percent Capacity	82.90%		
Grades Housed	K-5		
Percentage of Free & Reduced Applications	54%		

Source: West Clermont Local School District records

**WEST CLERMONT LOCAL SCHOOL DISTRICT
CLERMONT COUNTY, OHIO**

OPERATING STATISTICS
LAST TEN FISCAL YEARS

Fiscal Year	Expenses	Enrollment	Cost Per Pupil (1)	Cost Per Pupil Percentage Change	Teaching Staff	Pupil/Teacher Ratio
2011	\$ 84,174,790	9,097	\$ 9,253	1.63%	452	20.1
2012	79,585,105	8,644	9,207	-0.50%	407	21.2
2013	77,699,418	8,386	9,265	0.63%	403	20.8
2014	75,608,024	7,997	9,455	2.04%	401	19.9
2015	74,844,253	7,999	9,357	-1.03%	407	19.7
2016	79,865,658	8,059	9,910	5.91%	436	18.5
2017	91,835,062	8,134	11,290	13.93%	458	17.8
2018	62,868,344	8,038	7,821	-30.72%	465	17.3
2019	90,236,368	8,387	10,759	37.56%	469	17.9
2020	107,234,549	8,429	12,722	18.25%	475	17.7

Source: West Clermont Local School District records

(1) Expenses by enrollment

**WEST CLERMONT LOCAL SCHOOL DISTRICT
CLERMONT COUNTY, OHIO**

**FULL-TIME EQUIVALENT TEACHERS BY EDUCATION
LAST TEN FISCAL YEARS**

<u>Degree</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	FY20 Salary Range
Bachelor's Degree	22	18	12	30	26	28	37	-	-	- *	\$40,058 - \$56,598
Bachelor + 15	61	46	34	45	36	49	53	134	145	147	\$40,058 - \$56,598
Master's Degree	109	105	112	113	121	121	125	107	100	100	\$41,804 - \$74,154
Master + 15	70	66	66	62	61	61	64	71	70	65	\$43,939 - \$79,429
Master + 30	<u>190</u>	<u>172</u>	<u>179</u>	<u>151</u>	<u>177</u>	<u>177</u>	<u>179</u>	<u>153</u>	<u>154</u>	<u>163</u>	\$46,070 - \$84,715
Total	<u>452</u>	<u>407</u>	<u>403</u>	<u>401</u>	<u>421</u>	<u>436</u>	<u>458</u>	<u>465</u>	<u>469</u>	<u>475</u>	

* In fiscal year 2018 the District removed the BA column from the salary schedule. All teaching staff was moved to BA+15. Salary range for BA for years 2011 - 2017 was \$38,875 - \$51,652

Source: West Clermont Local School District records

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**WEST CLERMONT
LOCAL SCHOOL DISTRICT**
CLERMONT COUNTY, OHIO

SINGLE AUDIT

**FOR THE FISCAL YEAR ENDED
JUNE 30, 2020**

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**WEST CLERMONT LOCAL SCHOOL DISTRICT
CLERMONT COUNTY, OHIO**

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**WEST CLERMONT LOCAL SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

FEDERAL GRANTOR/ SUB GRANTOR/ PROGRAM TITLE	CFDA NUMBER	(C) PASS-THROUGH GRANT NUMBER	(A) CASH FEDERAL DISBURSEMENTS
U.S. DEPARTMENT OF AGRICULTURE PASSED THROUGH THE OHIO DEPARTMENT OF EDUCATION:			
<i>Child Nutrition Cluster:</i>			
(D) School Breakfast Program	10.553	2020	\$ 174,923
(D) School Breakfast Program - COVID-19	10.553	2020	191,839
Total National School Breakfast Program			366,762
(D) National School Lunch Program	10.555	2020	742,390
(D) National School Lunch Program - COVID-19	10.555	2020	346,108
(E) National School Lunch Program - Food Donation	10.555	2020	187,220
Total National School Lunch Program			1,275,718
Total U.S. Department of Agriculture and Child Nutrition Cluster			1,642,480
U.S. DEPARTMENT OF EDUCATION PASSED THROUGH THE OHIO DEPARTMENT OF EDUCATION:			
Title I Grants to Local Educational Agencies	84.010	2019	161,750
Title I Grants to Local Educational Agencies	84.010	2020	1,147,585
Total Title I Grants to Local Educational Agencies			1,309,335
Student Support and Academic Enrichment Program	84.424	2020	66,991
<i>Special Education Cluster:</i>			
Special Education_Grants to States	84.027	2019	119,825
Special Education_Grants to States	84.027	2020	1,599,585
Total Special Education_Grants to States			1,719,410
Special Education_Preschool Grants	84.173	2020	49,701
Total Special Education Cluster			1,769,111
English Language Acquisition State Grants	84.365	2020	14,661
Supporting Effective Instruction State Grants	84.367	2019	2,399
Supporting Effective Instruction State Grants	84.367	2020	230,241
Total Supporting Effective Instruction State Grants			232,640
Comprehensive Literacy Development	84.371	2020	491,202
Total U.S. Department of Education			3,883,940
Total Federal Financial Assistance			\$ 5,526,420

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS:

- (A) This schedule includes the federal award activity of the West Clermont Local School District under programs of the federal government for the fiscal year ended June 30, 2020 and is prepared in accordance with the cash basis of accounting. 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 West Clermont Local School District, it is not intended to and does not present the financial position, changes in net position of the West Clermont Local School District.
- (B) CFR Section 200.414 of the Uniform Guidance allows a non-federal entity that has never received a negotiated indirect cost rate to charge a de minimis rate of 10% of modified total direct costs to indirect costs. The District has not elected to use the 10% de minimis indirect cost rate.
- (C) OAKS did not assign pass-through numbers for fiscal year 2020.
- (D) Commingled with state and local revenue from sales of breakfasts and lunches; assumed expenditures were made on a first-in, first-out basis.
- (E) The Food Donation Program is a non-cash, in kind, federal grant. Commodities are reported at the entitlement value.

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**Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other
Matters Based on an Audit of Financial Statements Performed in Accordance with
*Government Auditing Standards***

West Clermont Local School District
Clermont County
4350 Aicholtz Road, Suite 220
Cincinnati, Ohio 45245

To the Board of Education:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the West Clermont Local School District, Clermont County, Ohio, as of and for the fiscal year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the West Clermont Local School District's basic financial statements, and have issued our report thereon dated January 25, 2021, wherein we noted as described in Note 3 to the financial statements, the West Clermont Local School District adopted GASBS No. 84, *Fiduciary Activities* and a prior period adjustment due to a new appraisal of its capital assets. Furthermore, as described in Note 21 to the financial statements, the financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods.

Internal Control over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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



Julian & Grube, Inc.
January 25, 2021

**Independent Auditor's Report on Compliance for the Major Program
and on Internal Control Over Compliance and on the Schedule of
Expenditures of Federal Awards Required by the Uniform Guidance**

West Clermont Local School District
Clermont County
4350 Aicholtz Road, Suite 220
Cincinnati, Ohio 45245

To the Board of Education:

Report on Compliance for the Major Federal Program

We have audited the West Clermont Local School District's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on the West Clermont Local School District's major federal program for the fiscal year ended June 30, 2020. The West Clermont Local School District's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings.

Management's Responsibility

Management is responsible for compliance 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 express an opinion on compliance for the West Clermont Local School District's major federal program based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the West Clermont Local School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on the Major Federal Program

In our opinion, the West Clermont Local School District, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on the major federal program for the fiscal year ended June 30, 2020.

Report on Internal Control over Compliance

Management of the West Clermont Local School District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the West Clermont Local School District's internal control over compliance with the types of requirements that could have a direct and material effect on the major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the West Clermont Local School 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, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to 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.

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

Report on the Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the West Clermont Local School District, as of and for the fiscal year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the West Clermont Local School District's basic financial statements. We issued our report thereon dated January 25, 2021, which contained unmodified opinions on those financial statements. Our opinion also explained that the West Clermont Local School District adopted *GASBS No. 84* during the fiscal year. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.



Julian & Grube, Inc.
January 25, 2021

**WEST CLERMONT LOCAL SCHOOL DISTRICT
CLERMONT COUNTY, OHIO**

**SCHEDULE OF FINDINGS
2 CFR § 200.515
JUNE 30, 2020**

1. SUMMARY OF AUDITOR'S RESULTS		
<i>(d)(1)(i)</i>	<i>Type of Financial Statement Opinion</i>	Unmodified
<i>(d)(1)(ii)</i>	<i>Were there any material control weaknesses reported at the financial statement level (GAGAS)?</i>	No
<i>(d)(1)(ii)</i>	<i>Were there any other significant deficiencies in internal control reported at the financial statement level (GAGAS)?</i>	No
<i>(d)(1)(iii)</i>	<i>Was there any reported material noncompliance at the financial statement level (GAGAS)?</i>	No
<i>(d)(1)(iv)</i>	<i>Were there any material internal control weaknesses reported for major federal programs?</i>	No
<i>(d)(1)(iv)</i>	<i>Were there any significant deficiencies in internal control reported for major federal programs?</i>	No
<i>(d)(1)(v)</i>	<i>Type of Major Program's Compliance Opinion</i>	Unmodified
<i>(d)(1)(vi)</i>	<i>Are there any reportable findings under 2 CFR §200.516(a)?</i>	No
<i>(d)(1)(vii)</i>	<i>Major Program (listed):</i>	Title I Grants to Local Educational Agencies (CFDA #84.010)
<i>(d)(1)(viii)</i>	<i>Dollar Threshold: Type A/B Programs</i>	Type A: > \$750,000 Type B: all others
<i>(d)(1)(ix)</i>	<i>Low Risk Auditee under 2 CFR § 200.520?</i>	Yes

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

None

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS
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None

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OHIO AUDITOR OF STATE KEITH FABER



**WEST CLERMONT LOCAL SCHOOL DISTRICT
CLERMONT 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 4/20/2021

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

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