YOUNGSTOWN COMMUNITY SCHOOL

MAHONING COUNTY, OHIO

SINGLE AUDIT

FOR THE FISCAL YEAR ENDED
JUNE 30, 2020

J&G | Julian & Grube
Serving Ohio Local Governments

OHIO AUDITOR OF STATE
KEITH FABER

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Governing Board
Youngstown Community School
50 Essex Street
Youngstown, Ohio 44502

We have reviewed the *Independent Auditor's Report* of Youngstown Community School, Mahoning 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. Youngstown Community School is responsible for compliance with these laws and regulations.

Keith Faber
Auditor of State
Columbus, Ohio

March 05, 2021

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YOUNGSTOWN COMMUNITY SCHOOL
MAHONING COUNTY, OHIO

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Independent Auditor's Report

Youngstown Community School
Mahoning County
50 Essex Street
Youngstown, Ohio 44502

To the Governing Board:

Report on the Financial Statements

We have audited the accompanying financial statements of the Youngstown Community School, Mahoning 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 Youngstown Community School'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 an opinion 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 Youngstown Community School'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 Youngstown Community School'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 opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Youngstown Community School, Mahoning County, Ohio, as of June 30, 2020, and the changes in its financial position and cash flows for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 18 to the financial statements, the financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the Youngstown Community School. Our opinion is not modified with respect to this matter.

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 Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Youngstown Community School's basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is not a required part of the basic financial statements.

The schedule of expenditures of federal awards 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. 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 schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 25, 2020, on our consideration of the Youngstown Community School'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 Youngstown Community School'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 Youngstown Community School's internal control over financial reporting and compliance.

Julian & Grube, Inc.

Julian & Grube, Inc.
November 25, 2020

YOUNGSTOWN COMMUNITY SCHOOL
MAHONING COUNTY, OHIO

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

The discussion and analysis of the Youngstown Community School's (the "School") financial performance provides an overall review of the School's financial activities for the fiscal year ended June 30, 2020. The intent of this discussion and analysis is to look at the School'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 School's financial performance.

Financial Highlights

Key financial highlights for fiscal year 2020 are as follows:

- In total, net position decreased $420,408 which represents a 42.39% decrease from the 2019 net position.

- The School had operating revenues of $2,575,336 and operating expenses of $3,938,473 during fiscal year 2020. The School also received $941,210 in federal and State grants, $275 in donations, and $5,810 in interest income during fiscal year 2020. The School paid $4,566 in interest and fiscal charges during fiscal year 2020. Total change in net position for the fiscal year was a decrease of $420,408 from the 2020 net position. This increase is primarily from a reduction in the net pension liability and net OPEB liability.

Using these Basic Financial Statements

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand the School's financial activities. The statement of net position and statement of revenues, expenses and changes in net position provide information about the activities of the School, including all short-term and long-term financial resources and obligations.

Reporting the School Financial Activities

Statement of Net Position; Statement of Revenues, Expenses and Changes in Net Position; and Statement of Cash Flows

These statements look at all financial transactions and ask the question, "How did the School do financially during fiscal year 2020?" The statement of net position and the statement of revenues, expenses and changes in net position answer this question. These statements include all assets, deferred outflows of resources, liabilities, deferred inflows of resources, revenues and expenses using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting 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 School's net position and change in net position. This change in net position is important because it tells the reader that, for the School as a whole, the financial position of the School has improved or diminished. The causes of this change may be the result of many factors, some financial, some not.

The statement of cash flows provides information about how the School finances and meets the cash flow needs of its operations.

Notes to the Basic Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the basic financial statements.

Required Supplementary Information

The required supplementary information provides detailed information regarding the School's proportionate share of the net pension liability and net OPEB liability/asset of the retirement system and a ten year schedule of the School's contributions to the retirement systems to fund pension and OPEB obligations.

The table below provides a summary of the School's net position at June 30, 2020 and June 30, 2019.

	Net Position	
	Governmental Activities 2020	Governmental Activities 2019
Assets		
Current assets	$ 1,336,269	$ 1,345,074
Long-term assets:		
Net OPEB assets	212,774	219,716
Capital assets, net	1,606,603	1,761,391
Total assets	3,155,646	3,326,181
Deferred outflows of resources		
Pension	755,491	1,092,336
OPEB	72,397	46,822
Total deferred outflows of resources	827,888	1,139,158
Liabilities		
Current liabilities	432,765	363,984
Long-term liabilities:		
Net pension liability	3,707,901	3,773,167
Net OPEB liability	349,807	373,797
Other amounts	229,892	265,414
Total liabilities	4,720,365	4,776,362
Deferred inflows of resources		
Pension	312,059	303,573
OPEB	363,249	377,135
Total deferred inflows of resources	675,308	680,708
Net Position		
Net investment in capital assets	1,526,777	1,660,504
Restricted	101,546	65,651
Unrestricted (deficit)	(3,040,462)	(2,717,886)
Total net position (deficit)	$ (1,412,139)	$ (991,731)

The net pension liability (NPL) is the largest single liability reported by the School 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 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 School's actual financial condition by adding deferred inflows related to pension and OPEB, the net pension liability and the net OPEB liability to the reported net position and subtracting deferred outflows related to pension and OPEB.

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

GASB 68 and GASB 75 require the net pension liability and the net OPEB liability to equal the School'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 School is not responsible for certain key factors affecting the balance of these liabilities. In Ohio, the employee shares the obligation of funding pension benefits with the employer. Both employer and employee contribution rates are capped by State statute. A change in these caps requires action of both Houses of the General Assembly and approval of the Governor. Benefit provisions are also determined by State statute. The Ohio Revised Code permits, but does not require, the retirement systems to provide healthcare to eligible benefit recipients. The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits.

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

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

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

Over time, net position can serve as a useful indicator of a government's financial position. At June 30, 2020, the School's liabilities plus deferred inflows of resources exceeded assets plus deferred outflows of resources by $1,412,139.

At year-end, capital assets represented 50.91% of total assets. Capital assets consisted of buildings and improvements, and furniture and equipment. Capital assets are used to provide services to the students and are not available for future spending. The School's net investment in capital assets at June 30, 2020 was $1,526,777. A portion of the School's net position, $101,546, represents resources that are subject to external restriction on how they may be used. The remaining balance of unrestricted net position is a deficit of ($3,040,462).

The table below shows the changes in net position for fiscal years 2020 and 2019.

Change in Net Position

	2020	2019	Percentage Change
Operating Revenues:			
Foundation payments	$ 2,568,047	$ 2,757,849	(6.88) %
Charges for services	4,158	6,500	(36.03) %
Other	3,131	13,162	(76.21) %
Total operating revenues	2,575,336	2,777,511	(7.28) %
Operating Expenses:			
Salaries and wages	1,894,579	1,998,557	(5.20) %
Fringe benefits	854,571	308,413	177.09 %
Contract services	812,872	887,682	(8.43) %
Materials and supplies	180,829	179,187	0.92 %
Other	21,750	22,433	(3.04) %
Depreciation	173,872	175,106	(0.70) %
Total operating expenses	3,938,473	3,571,378	10.28 %
Non-operating Revenues (Expenses):			
Federal and State grants	941,210	822,752	14.40 %
Donations	275	8,594	(96.80) %
Interest income	5,810	8,012	(27.48) %
Interest and fiscal charges	(4,566)	(3,076)	48.44 %
Total non-operating revenues (expenses)	942,729	836,282	12.73 %
Income before capital contributions	(420,408)	42,415	
Capital contributions	-	40,788	(100.00) %
Change in net position	(420,408)	83,203	
Net position at beginning of year	(991,731)	(1,074,934)	
Net position at end of year	$ (1,412,139)	$ (991,731)	

During fiscal year 2020, the School's net position decreased by $420,408 from a deficit of $991,731 to a deficit of $1,412,139. This decrease is primarily from a reduction in foundation revenues and increase in fringe benefits expenses. During fiscal year 2020, foundation revenue decreased $189,802 or 6.88% due to a decrease in State Foundation. The State Foundation decrease was a result of budget reductions made by the State of Ohio in response to COVID-19. The increase in fringe benefits is the result of an increase in pension and OPEB expenses compared to the previous fiscal year. These both increased due to activity occurring at the State Teachers Retirement System (STRS).

Capital Assets

At June 30, 2020, the School had $1,606,603 in buildings and improvements, and furniture and equipment, net of accumulated depreciation. See Note 5 to the basic financial statements for detail on capital assets.

Debt Administration

At June 30, 2020, the School had no outstanding debt.

Current Financial Related Activities

The School was founded by Developing Potential, Inc., which is now known as Sister Jerome's Schools, Inc. The School currently operates as an independent, non-profit Ohio public charter school, sponsored by the Ohio Department of Education.

The School is funded through the State's foundation program, as it has no tax base to draw upon and cannot charge tuition, levy taxes, or issue bonds secured by tax revenues. The School may apply for grants and solicit funding support from public and private sources. The School currently participates in the federal Title I program, Title II-A, Title III, Title IV-A, IDEA-B Special Education, IDEA Early Childhood Special Education, Federal Breakfast & Lunch and Medicaid.

Students benefit to a great degree from federal programs, which enhance the overall curriculum. The School will aggressively pursue adequate funding to secure the financial stability of the School.

Contacting the School's Financial Management

This financial report is designed to provide our clients and creditors with a general overview of the School's finances and to show the School's accountability for the money it receives. If you have questions about this report or need additional financial information contact: Ms. Michelle Johnson, Treasurer, Youngstown Community School, 50 Essex Street, Youngstown, Ohio, 44502.

BASIC
FINANCIAL STATEMENTS

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YOUNGSTOWN COMMUNITY SCHOOL
MAHONING COUNTY, OHIO

STATEMENT OF NET POSITION
JUNE 30, 2020

Assets:	
Current assets:	
Equity in pooled cash	
and cash equivalents	$ 1,228,018
Receivables:	
Accounts	129
Intergovernmental	101,154
Prepayments	6,968
Total current assets	1,336,269
Non-current assets:	
Net OPEB asset	212,774
Depreciable capital assets, net	1,606,603
Total non-current assets	1,819,377
Total assets	3,155,646
Deferred outflows of resources:	
Pension	755,491
OPEB	72,397
Total deferred outflows of resources	827,888
Liabilities:	
Current liabilities:	
Accounts payable	1,490
Accrued wages and benefits	261,122
Compensated absences	4,249
Pension and postemployment benefits	49,070
Intergovernmental payable	94,696
Capital lease obligation	22,138
Total current liabilities	432,765
Non-current liabilities:	
Compensated absences payable	172,204
Capital lease obligation	57,688
Net pension liability	3,707,901
Net OPEB liability	349,807
Total non-current liabilities	4,287,600
Total liabilities	4,720,365
Deferred inflows of resources:	
Pension	312,059
OPEB	363,249
Total deferred inflows of resources	675,308
Net position:	
Net investment in capital assets	1,526,777
Restricted for:	
State programs	44,055
Federal programs	56,074
Other purposes	1,417
Unrestricted (deficit)	(3,040,462)
Total net position (deficit)	$ (1,412,139)

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

YOUNGSTOWN COMMUNITY SCHOOL
MAHONING COUNTY, OHIO

STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

Operating revenues:		
Foundation payments	$	2,568,047
Charges for services		4,158
Other		3,131
Total operating revenues		2,575,336
Operating expenses:		
Salaries and wages		1,894,579
Fringe benefits		854,571
Contract services		812,872
Materials and supplies		180,829
Other		21,750
Depreciation		173,872
Total operating expenses		3,938,473
Operating loss		(1,363,137)
Non-operating revenues (expenses):		
Federal and State grants		941,210
Interest income		5,810
Donations		275
Interest and fiscal charges		(4,566)
Total nonoperating revenues (expenses)		942,729
Change in net position		(420,408)
Net position (deficit) at beginning of year		(991,731)
Net position (deficit) at end of year	$	(1,412,139)

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

YOUNGSTOWN COMMUNITY SCHOOL
MAHONING COUNTY, OHIO

STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

Cash flows from operating activities:	
Cash received from State foundation payments	$ 2,549,385
Cash received from charges for services	4,158
Cash received from other operations	3,174
Cash payments for personal services	(2,523,465)
Cash payments for contract services	(713,143)
Cash payments for materials and supplies	(186,662)
Cash payments for other operations	(21,750)
Net cash used in operating activities	(888,303)
Cash flows from noncapital financing activities:	
Federal and State grants	941,836
Donations	275
Net cash provided by noncapital financing activities	942,111
Cash flows from capital and related financing activities:	
Acquisition of capital assets	(19,084)
Principal retirement	(21,061)
Interest and fiscal charges	(4,566)
Net cash used in capital and related financing activities	(44,711)
Cash flows from investing activities:	
Interest received	5,810
Net cash provided by investing activities	5,810
Net increase in cash and cash equivalents	14,907
Cash and cash equivalents at beginning of year	1,213,111
Cash and cash equivalents at end of year	$ 1,228,018
Reconciliation of operating loss to net cash used in operating activities:	
Operating loss	$ (1,363,137)
Adjustments:	
Depreciation	173,872
Changes in assets, deferred outflows, liabilities and deferred inflows:	
Decrease in accounts receivable	14,785
Decrease in intergovernmental receivable	13,714
Increase in prepayments	(5,413)
Decrease in net OPEB asset	6,942
Decrease in deferred outflows - Pension	336,845
Increase in deferred outflows - OPEB	(25,575)
Increase in accounts payable	1,490
Decrease in accrued wages and benefits	(27,277)
Increase in intergovernmental payable	80,766
Decrease in compensated absences payable	(9,135)
Increase in pension and postemployment benefits payable	8,476
Decrease in net pension liability	(65,266)
Decrease in net OPEB liability	(23,990)
Increase in deferred inflows - Pension	8,486
Decrease in deferred inflows - OPEB	(13,886)
Net cash used in operating activities	$ (888,303)

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

NOTE 1 - DESCRIPTION OF THE SCHOOL

Youngstown Community School (the "School") is a school as provided for by Ohio Revised Code Chapters 3314 and 1702 within the Youngstown City School District. The School, which is part of the State's education program, is independent of any school district and is nonsectarian in its programs, admission policies, employment practices, and all other operations. The Youngstown Community School may sue and be sued in its own name, acquire facilities as needed, and contract for services necessary for the operation of the School.

The creation of the School was initially proposed to the Ohio Department of Education by Developing Potential, Inc., which is now known as Sister Jerome's Schools, Inc., on July 17, 1998. The Ohio Department of Education approved the proposal and entered into a contract with Developing Potential, Inc., which provided for the commencement of School operations on September 8, 1998. On July 2, 2001, the School became its own incorporation. The School operates as an independent non-profit Ohio public charter school.

The School operates under a thirteen-member Board of Developers (the "Board"). The Board is responsible for carrying out the provisions of the contract which include, but are not limited to, State-mandated provisions regarding student population, curriculum, academic goals, performance standards, and qualifications of teachers. The Board controls the School's one instructional/support facility staffed by 34 certified personnel and 11 classified personnel to provide services to 319 students.

The School participates in a jointly governed organization, the Area Cooperative Computerized Educational Service System. This organization is discussed in Note 16 to the basic financial statements.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The basic financial statements (BFS) of the School 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 School's significant accounting policies are described below.

A. Basis of Presentation

Enterprise fund accounting is used to account for operations that are financed and operated in a manner similar to private business enterprises where the intent is that the costs (expenses) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges or where it has been decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

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

B. Measurement Focus and Basis of Accounting

Enterprise fund accounting uses a flow of economic resources measurement focus. With this measurement focus, all assets, deferred outflows of resources, liabilities, and deferred inflows of resources are included on the statement of net position. The statement of revenues, expenses and changes in net position presents increases (i.e., revenues) and decreases (i.e., expenses) in total net position. Basis of accounting refers to when revenues and expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made. The accrual basis of accounting is used for reporting purposes. Revenues are recognized when they are earned, and expenses are recognized when they are incurred.

C. Deferred Outflows of Resources and Deferred Inflows of Resources

In addition to assets, the 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) until then. For the School see Notes 11 and 12 for deferred outflows of resources related the School's net pension liability and net OPEB liability/asset, respectively.

In addition to liabilities, the statement of net position reports 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 School, see Notes 11 and 12 for deferred inflows of resources related to the School's net pension liability and net OPEB liability/asset, respectively.

D. Budgetary Process

Community schools are statutorily required to adopt a budget by Ohio Revised Code 3314.032(C). However, unlike traditional public schools located in the State of Ohio, community schools are not required to follow the specific budgetary process and limits set forth in the Ohio Revised Code Chapter 5705, unless specifically provided in the contract between the School and its Sponsor. The School is required to adopt an annual budget and a five-year forecast.

E. Cash and Investments

The School maintains two depository accounts and a repurchase agreement. All funds of the School are maintained in these accounts. The depository accounts and repurchase agreement are presented on the statement of net position as "equity in pooled cash and cash equivalents". During fiscal year 2020, investments were limited to the repurchase agreement, which is reported at cost.

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

F. Capital Assets and Depreciation

Capital assets are capitalized at cost and updated for additions and deletions during the year. Donated capital assets are recorded at their acquisition value as of the date donated. The School maintains a capitalization threshold of $500. The School does not have any infrastructure. Improvements are capitalized. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not capitalized.

All capital assets are depreciated. Depreciation is computed using the straight-line method. The building is depreciated over an estimated useful life of thirty years. Improvements are depreciated over the remaining useful lives of the related capital assets. Equipment is depreciated over five to ten years.

G. Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the School. Operating expenses are necessary costs incurred to provide the service that is the primary activity of the School. All revenues and expenses not meeting this definition are reported as non-operating.

H. Intergovernmental Revenues

The School currently participates in the State foundation program, the Federal Part B IDEA program, the Federal Title I program, and various other State and federal grant programs. Revenues received from the State foundation program are recognized as operating revenues in the accounting period in which all eligibility requirements have been met. Other grants and entitlements are recognized as non-operating revenues in the accounting period in which all eligibility requirements have been met.

Eligibility requirements include timing requirements, which specify the fiscal year when the resources are required to be used or the fiscal year when use is permitted, matching requirements, in which the School must provide local resources to be used for a specified purpose, and expense requirements, in which the resources are provided to the School on a reimbursement basis.

I. 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 School will compensate the employees for the benefits through paid time off or some other means. Employees of the School cannot carry over vacation balances from one year to the next. Therefore, the liability for compensated absences payable reported on the statement of net position does not include a component for vacation liability.

Sick leave benefits are accrued as a liability using the vesting method. The liability includes the employees who are currently eligible to receive termination benefits and those the School has identified as probable of receiving payment in the future. The amount is based on accumulated sick leave and employees' wage rates at fiscal year-end, taking into consideration any limits specified in the School's termination policy. At June 30, 2020, there were no known retirees. Therefore, there was no liability reported on the statement of net position for compensated absences payable.

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

J. Net Position

Net position represents the difference between assets plus deferred outflows of resources and liabilities plus deferred inflows of resources. 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 or liabilities 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 School or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. The amount restricted for other purposes represents amounts restricted for food service operations.

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

K. Prepayments

Certain payments to vendors reflect the costs applicable to future accounting periods and are recorded as prepaid items in the financial statements. These items are reported as assets on the statement of net position using the consumption method. A current asset for the prepaid amounts is recorded at the time of the purchase and the expense is reported in the year in which services are consumed.

L. Inventory

On the financial statements, purchased inventories are presented at the lower of cost or market. Inventories are recorded on a first-in, first-out basis and are expensed when used. Inventories are accounted for using the consumption method and consist of general instructional, office and custodial materials and supplies. The School had no inventory as of June 30, 2020.

M. Estimates

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

N. 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.

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

O. Fair Value

The School 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.

P. Accrued Liabilities and Long-Term Obligation

All payables and other accrued liabilities are reported on the statement of net position. Accrued liabilities include accrued wages and benefits (e.g. amounts due to employees for work performed prior to June 30, 2020), pension and postemployment benefits payable (e.g. amounts due to retirement agencies), and intergovernmental payable (e.g. amounts due to other governments for services performed prior to June 30, 2020). Long-term obligations are detailed on Note 8.

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE

Change in Accounting Principles

For fiscal year 2020, the School 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. The implementation of GASB Statement No. 84 did not have an effect on the financial statements of the School.

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 School.

NOTE 4 - DEPOSITS AND INVESTMENTS

A. Cash on Hand

At fiscal year-end, the School had $150 in undeposited cash on hand, which is included in the basic financial statements as part of "equity in pooled cash and cash equivalents".

B. Deposits with Financial Institutions

At June 30, 2020, the carrying amount of School deposits was $246,593. The bank balance of School deposits was $281,741, which excludes the $981,275 repurchase agreement included in investments below. Of this balance, $250,000 was covered by the FDIC and the remaining $31,741 was covered by the Ohio Pooled Collateral System (OPCS). There are no significant statutory restrictions regarding the deposit and investment of funds by the non-profit corporation.

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

C. Investments

As of June 30, 2020, the School had the following investment and maturity:

Measurement/ Investment type	Measurment Value	Investment Maturity 6 months or less
Cost:		
Repurchase agreement	$ 981,275	$ 981,275

The School's investments in repurchase agreements are valued using quoted prices in markets 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 as 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 School's investment policy limits investment portfolio maturities to five years or less.

Credit Risk: The School's investment in the federal agency securities that underlie the repurchase agreement, was rated AA+ and Aaa by Standard & Poor's and Moody's Investor Services, respectively. The School's investment policy does not specifically address credit risk beyond requiring the School to only invest in securities authorized by State statute.

Custodial Credit Risk: For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the School will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Of the School's investment in repurchase agreements, the entire balance is collateralized by underlying securities that are held by the investment's counterparty, not in the name of the School. Ohio law requires the fair value of the securities subject to repurchase agreements must exceed the principal value of securities subject to a repurchase agreement by 2%. The School has no investment policy dealing with investment custodial credit risk beyond the requirement in State statute that prohibits payment for investments prior to the delivery of the securities representing such investments to the Treasurer or qualified trustee.

Concentration of Credit Risk: The School 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 School at June 30, 2020:

Measurement/ Investment type	Measurement Value	% of Total
Cost:		
Repurchase Agreement	$ 981,275	100.00

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

D. Reconciliation of Cash and Cash Equivalents to the Statement of Net Position

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

Cash and cash equivalents per note	
Carrying amount of deposits	$ 246,593
Investment	981,275
Cash on hand	150
Total	$ 1,228,018
Cash and cash equivalents per statement of net position	$ 1,228,018

NOTE 5 - CAPITAL ASSETS

A summary of the School's capital assets at June 30, 2020 follows:

	Balance 06/30/19	Additions	Deductions	Balance 06/30/20
Capital assets:				
Capital assets, being depreciated:				
Buildings and improvements	$ 4,105,953	$ -	$ -	$ 4,105,953
Furniture and equipment	393,116	19,084	-	412,200
Total capital assets, being depreciated	4,499,069	19,084	-	4,518,153
Less: accumulated depreciation:				
Buildings and improvements	(2,463,570)	(136,865)	-	(2,600,435)
Furniture and equipment	(274,108)	(37,007)	-	(311,115)
Total accumulated depreciation	(2,737,678)	(173,872)	-	(2,911,550)
Governmental activities capital assets, net	$ 1,761,391	$ (154,788)	$ -	$ 1,606,603

NOTE 6 - RECEIVABLES

Receivables at June 30, 2020 consisted of accounts (billings for user charged services and student fees) and intergovernmental grants and entitlements. All intergovernmental receivables are considered collectible in full due to the stable condition of State programs and the current year guarantee of federal funds. A list of the receivables reported on the statement of net position follows:

Accounts	$ 129
Intergovernmental	101,154
Total	$ 101,283

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

NOTE 7 - CAPITAL LEASES

During prior fiscal years, the School entered into capitalized leases for copier equipment. The School's lease agreements meet the criteria of a capital lease as defined by generally accepted accounting principles, which defines a capital lease generally as one which transfers benefits and risks of ownership to the lessee. The equipment has been capitalized in the amount of $117,157, which is the present value of the minimum lease payments at the inception of the lease. The net book value of the equipment as of June 30, 2020 was $61,817.

During fiscal year 2020, the School made principal and interest payments in the amounts of $21,061 and $4,566, respectively.

Fiscal Year	Total
2021	$ 25,627
2022	25,227
2023	20,820
2024	15,615
Total	87,289
Less: Interest	(7,463)
Present Value	$ 79,826

NOTE 8 - LONG TERM OBLIGATIONS

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

	Balance at 06/30/19	Additions	Reductions	Balance at 06/30/20	Due Within One Year
Compensated absences	$ 185,588	$ 4,249	$ (13,384)	$ 176,453	$ 4,249
Capital lease obligation	100,887	-	(21,061)	79,826	22,138
Net pension liability	3,773,167	100,193	(165,459)	3,707,901	-
Net OPEB liability	373,797	-	(23,990)	349,807	-
Total long-term obligations	$ 4,433,439	$ 104,442	$ (223,894)	$ 4,313,987	$ 26,387

Compensated absences - See Note 9 for detail.

Capital lease - See Note 7 for detail.

Net pension liability - See Note 11 for detail.

Net OPEB liability - See Note 12 for detail.

NOTE 9 - OTHER EMPLOYEE BENEFITS

The criteria for determining vacation leave and sick leave benefits are derived from School policies. Classified employees earn ten to twenty days of vacation per year, depending upon length of service. Accumulated unused vacation time is paid to classified employees upon termination of employment, but does not carry forward from year to year. Teachers do not earn vacation time. Certified and classified employees earn sick leave at a rate of 1.25 days per month in a twelve-month period. Certified employees can accumulate a sick leave balance up to a maximum of 180 days and are paid 25% of this balance. Classified employees can accumulate a sick leave balance up to a maximum of 180 days and are paid 25% of this balance. Accumulated unused vacation time is paid to classified employees upon termination of employment, but does not carry forward from year to year, with the exception of fiscal year 2020, board resolution # 786-20. The Board approved carrying over 5 vacation days from fiscal year 2020 to fiscal year 2021. Upon retirement, and with a minimum of ten years' service, employees receive a severance payment based on these criteria.

NOTE 10 - RISK MANAGEMENT

A. Property and Liability

The School is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. For fiscal year 2020, the School contracted with Philadelphia Indemnity Insurance Company for general and professional liability insurance with a $1,000,000 each occurrence limit, $3,000,000 annual aggregate, a $0 deductible for general liability insurance, and a $5,000 deductible for professional liability insurance. The School contracted with Philadelphia Indemnity Insurance Company for business personal property with a limit of $730,000 at 50 Essex Street, a limit of $30,000 at 44 Essex Street, and a $1,000 deductible. Settled claims have not exceeded this commercial coverage in any of the past three years. There have been no significant reductions in coverage from the prior year.

B. Workers' Compensation Rating Plan

For fiscal year 2020, the School participated in the Better Business Bureau Group Rating Plan (GRP), an insurance purchasing pool. The intent of the GRP is to achieve the benefit of a reduced premium for the School by virtue of its grouping and representation with other participants in the GRP. The workers' compensation experience of the participants is calculated as one experience and a common premium rate is applied to all participants in the GRP. Each participant pays its workers' compensation premium to the State based on the rate for the GRP rather than its individual rate.

Participation in the GRP is limited to participants that can meet the GRP's selection criteria. The firm of Professional Risk Management (PRM) provides administrative, cost control, and actuarial services to the GRP.

C. Employee Benefits

The School has contracted with the Mahoning County Schools Employee Insurance Consortium (See Note 17) for employee medical, prescription drug, dental, and vision benefits, which are provided through Medical Mutual. The School has also contracted with Anthem Life for life insurance benefits. The School pays 90% of the monthly premium for single coverage. An employee may add a spouse or child or family, but the employee pays 75% of the monthly premium.

NOTE 11 - 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 School'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 School's obligation for this liability to annually required payments. The School cannot control benefit terms or the manner in which pensions are financed; however, the School 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 pension and postemployment benefits payable on both the accrual and modified accrual basis of accounting.

Plan Description - School Employees Retirement System (SERS)

Plan Description - The School 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.

NOTE 11 - 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 School 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 School's contractually required contribution to SERS was $65,499 for fiscal year 2020. Of this amount, $2,180 is reported as pension and postemployment benefits payable.

Plan Description - State Teachers Retirement System (STRS)

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

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

NOTE 11 - 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 School 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 School’s contractually required contribution to STRS was $199,909 for fiscal year 2020. Of this amount, $30,320 is reported as pension and postemployment benefits payable.

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

The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The School's proportion of the net pension liability was based on the School's share of contributions to the pension plan relative to the projected contributions of all participating entities.

NOTE 11 - DEFINED BENEFIT PENSION PLANS - (Continued)

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

	SERS	STRS	Total
Proportion of the net pension liability prior measurement date	0.01338730%	0.01367330%	
Proportion of the net pension liability current measurement date	0.01448910%	0.01284680%	
Change in proportionate share	0.00110180%	-0.00082650%	
Proportionate share of the net pension liability	$ 866,908	$ 2,840,993	$ 3,707,901
Pension expense	$ 174,304	$ 371,169	$ 545,473

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

	SERS	STRS	Total
Deferred outflows of resources			
Differences between expected and actual experience	$ 21,984	$ 23,132	$ 45,116
Changes of assumptions	-	333,729	333,729
Difference between employer contributions and proportionate share of contributions/ change in proportionate share	41,878	69,360	111,238
Contributions subsequent to the measurement date	65,499	199,909	265,408
Total deferred outflows of resources	$ 129,361	$ 626,130	$ 755,491

	SERS	STRS	Total
Deferred inflows of resources			
Differences between expected and actual experience	$ -	$ 12,298	$ 12,298
Net difference between projected and actual earnings on pension plan investments	11,129	138,851	149,980
Difference between employer contributions and proportionate share of contributions/ change in proportionate share	-	149,781	149,781
Total deferred inflows of resources	$ 11,129	$ 300,930	$ 312,059

$265,408 reported as deferred outflows of resources related to pension resulting from School contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2021.

NOTE 11 - DEFINED BENEFIT PENSION PLANS - (Continued)

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

	SERS	STRS	Total
Fiscal Year Ending June 30:			
2021	$ 54,671	$ 194,548	$ 249,219
2022	(7,506)	(4,178)	(11,684)
2023	(740)	(48,816)	(49,556)
2024	6,308	(16,263)	(9,955)
Total	$ 52,733	$ 125,291	$ 178,024

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.

NOTE 11 - DEFINED BENEFIT PENSION PLANS - (Continued)

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

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

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

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

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

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

	1% Decrease	Current Discount Rate	1% Increase
School's proportionate share of the net pension liability	$ 1,214,848	$ 866,908	$ 575,117

NOTE 11 - 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.

NOTE 11 - 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 School's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate **-** The following table presents the School's proportionate share of the net pension liability calculated using the current period discount rate assumption of 7.45%, as well as what the School'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
School's proportionate share of the net pension liability	$ 4,151,794	$ 2,840,993	$ 1,731,332

NOTE 12 - 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 School'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 School's obligation for this liability to annually required payments. The School cannot control benefit terms or the manner in which OPEB are financed; however, the School does receive the benefit of employees' services in exchange for compensation including OPEB.

NOTE 12 - 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 pension and postemployment benefits payable on both the accrual and modified accrual basis of accounting.

Plan Description - School Employees Retirement System (SERS)

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

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

Funding Policy - State statute permits SERS to fund the health care benefits through employer contributions. Each year, after the allocation for statutorily required pensions and benefits, the Retirement Board may allocate the remainder of the employer contribution of 14% of covered payroll to the Health Care Fund in accordance with the funding policy. For the fiscal year ended June 30, 2020, SERS did not allocate any employer contributions to post-employment health care. An additional health care surcharge on employers is collected for employees earning less than an actuarially determined minimum compensation amount, pro-rated if less than a full year of service credit was earned. For fiscal year 2020, this amount was $19,600. Statutes provide that no employer shall pay a health care surcharge greater than 2% of that employer's SERS-covered payroll; nor may SERS collect in aggregate more than 1.5% of the total statewide SERS-covered payroll for the health care surcharge. For fiscal year 2020, the School's surcharge obligation was $4,494.

NOTE 12 - 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 School's contractually required contribution to SERS was $4,494 for fiscal year 2020. Of this amount, $4,494 is reported as pension and postemployment benefits payable.

Plan Description - State Teachers Retirement System (STRS)

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

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 School's proportion of the net OPEB liability/asset was based on the School's share of contributions to the respective retirement systems relative to the contributions of all participating entities.

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

	SERS	STRS	Total
Proportion of the net OPEB liability/asset prior measurement date	0.01347370%	0.01367330%	
Proportion of the net OPEB liability/asset current measurement date	0.01391000%	0.01284680%	
Change in proportionate share	0.00043630%	-0.00082650%	
Proportionate share of the net OPEB liability	$ 349,807	$ -	$ 349,807
Proportionate share of the net OPEB asset	$ -	$ (212,774)	$ (212,774)
OPEB expense	$ 14,498	$ (66,513)	$ (52,015)

NOTE 12 - DEFINED BENEFIT OPEB PLANS - (Continued)

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

	SERS	STRS	Total
Deferred outflows of resources			
Differences between expected and actual experience	$ 5,136	$ 19,291	$ 24,427
Net difference between projected and actual earnings on OPEB plan investments	839	-	839
Changes of assumptions	25,550	4,473	30,023
Difference between employer contributions and proportionate share of contributions/ change in proportionate share	8,411	4,203	12,614
Contributions subsequent to the measurement date	4,494	-	4,494
Total deferred outflows of resources	$ 44,430	$ 27,967	$ 72,397

	SERS	STRS	Total
Deferred inflows of resources			
Differences between expected and actual experience	$ 76,850	$ 10,824	$ 87,674
Net difference between projected and actual earnings on OPEB plan investments	-	13,363	13,363
Changes of assumptions	19,602	233,282	252,884
Difference between employer contributions and proportionate share of contributions/ change in proportionate share	-	9,328	9,328
Total deferred inflows of resources	$ 96,452	$ 266,797	$ 363,249

$4,494 reported as deferred outflows of resources related to OPEB resulting from School contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability/asset in the year ending June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

	SERS	STRS	Total
Fiscal Year Ending June 30:			
2021	$ (17,341)	$ (52,158)	$ (69,499)
2022	(9,069)	(52,158)	(61,227)
2023	(8,825)	(46,801)	(55,626)
2024	(8,863)	(44,923)	(53,786)
2025	(8,535)	(42,616)	(51,151)
Thereafter	(3,883)	(174)	(4,057)
Total	$ (56,516)	$ (238,830)	$ (295,346)

NOTE 12 - 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.

NOTE 12 - 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:

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

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

NOTE 12 - DEFINED BENEFIT OPEB PLANS - (Continued)

Sensitivity of the School'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
School's proportionate share of the net OPEB liability	$ 424,600	$ 349,807	$ 290,339

	1% Decrease	Current Trend Rate	1% Increase
School's proportionate share of the net OPEB liability	$ 280,266	$ 349,807	$ 442,071

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.

NOTE 12 - 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	100.00 %	

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

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

Discount Rate - The discount rate used to measure the total OPEB asset was 7.45% as of June 30, 2019. The projection of cash flows used to determine the discount rate assumes STRS Ohio continues to allocate no employer contributions to the health care fund. Based on these assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments to current plan members. Therefore, the long-term expected rate of return on health care plan investments of 7.45% was used to measure the total OPEB asset as of June 30, 2019.

NOTE 12 - DEFINED BENEFIT OPEB PLANS - (Continued)

Sensitivity of the School'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
School's proportionate share of the net OPEB asset	$ 181,560	$ 212,774	$ 239,017

	1% Decrease	Current Trend Rate	1% Increase
School's proportionate share of the net OPEB asset	$ 241,276	$ 212,774	$ 177,866

NOTE 13 - CONTINGENCIES

A. Grants

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

B. Litigation

The School is not party to legal proceedings which, in the opinion of School management, will have a material effect, if any, on the financial condition of the School.

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NOTE 14 - CONTRACT SERVICES

For the fiscal year ended June 30, 2020, contract services expenses were as follows:

Professional and technical services	$ 242,525
Property services	387,036
Travel expenses	5,382
Communications	7,718
Utilities	61,908
Contracted services	100,218
Pupil transportation	8,085
Total	$ 812,872

NOTE 15 - FEDERAL TAX EXEMPT STATUS

On March 14, 2002, the School was granted status as an exempt organization under Internal Revenue Code Section 501(c)(3) and is exempt from federal income taxes. Management is not aware of any course of action or series of events that have occurred that might adversely affect the School's tax exempt status.

NOTE 16 - JOINTLY GOVERNED ORGANIZATION

ACCESS (Area Cooperative Computerized Educational Service System) is one of 18 Information Technology Centers (ITCs) licensed by the Ohio Department of Education (ODE). ACCESS is a membership organization, wholly owned by its member districts and governed by a Board of Directors elected by the membership. ACCESS serves 26 school districts in Columbiana and Mahoning County, two (2) educational service centers, nine (9) non-public schools, one (1) Special Education Regional Resource Centers and The Public Library of Youngstown & Mahoning County. The jointly governed organization was formed for the purpose of applying modern technology with the aid of computers and other electronic equipment to administrative and instructional functions among member schools. Each of the member schools supports ACCESS based upon a per-pupil charge, which was $44.75 for fiscal year 2019. The Youngstown Community School fee was $15,132 for fiscal year 2019. Of this amount, the School paid $11,835 to ACCESS and $3,297 was paid by the federal E-Rate program. ACCESS is governed by an Assembly consisting of the Superintendents or other designees of the member school districts. The Assembly exercises total control over the operation of ACCESS, including budgeting, appropriating, contracting and designating management. All ACCESS revenues are generated from charges for services and State funding. Financial information can be obtained by contacting the Treasurer at the Mahoning County Educational Service Center, who serves as fiscal agent, at 100 Debartolo Place, Youngstown, Ohio, 44512.

NOTE 17 - PUBLIC ENTITY RISK POOL

The Mahoning County Schools Employee Insurance Consortium (the "Consortium") is a shared risk pool comprised of various schools within Mahoning County. The Consortium is governed by an Assembly, which consists of one representative from each participating school (usually the Superintendent or designee). The Assembly elects officers for one-year terms to serve as the Board of Directors. The Assembly exercises control over the operation of the Consortium. All Consortium revenues are generated from charges for services.

NOTE 18 - 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 periods of the School. The investments of the pension and other employee benefit plans are subject to increased market volatility, which could result in a significant decline in fair value, consistent with the general decline in financial markets. However, because the values of individual investments fluctuate with market conditions, the amount of losses that will be recognized in subsequent periods, if any, cannot be determined. In addition, the impact on the School's future operating costs, revenues, and any recovery from emergency funding, either federal or state, cannot be estimated.

REQUIRED SUPPLEMENTARY INFORMATION

YOUNGSTOWN COMMUNITY SCHOOL
MAHONING COUNTY, OHIO

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

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

LAST SEVEN FISCAL YEARS

	2020	2019	2018	2017
School's proportion of the net pension liability	0.01448910%	0.01338730%	0.01309320%	0.01282580%
School's proportionate share of the net pension liability	$ 866,908	$ 766,715	$ 782,290	$ 938,730
School's covered payroll	$ 494,659	$ 438,296	$ 418,679	$ 413,507
School's proportionate share of the net pension liability as a percentage of its covered payroll	175.25%	174.93%	186.85%	227.02%
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 School's measurement date which is the prior year-end.

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

2016		2015		2014	
	0.01231610%		0.01285200%		0.01285200%
$	702,769	$	650,432	$	764,267
$	370,781	$	373,442	$	427,030
	189.54%		174.17%		178.97%
	69.16%		71.70%		65.52%

YOUNGSTOWN COMMUNITY SCHOOL
MAHONING COUNTY, OHIO

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

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

LAST SEVEN FISCAL YEARS

	2020	2019	2018	2017
School's proportion of the net pension liability	0.01284680%	0.01367330%	0.01353177%	0.01368123%
School's proportionate share of the net pension liability	$ 2,840,993	$ 3,006,452	$ 3,214,501	$ 4,579,520
School's covered payroll	$ 1,504,779	$ 1,554,064	$ 1,502,786	$ 1,479,021
School's proportionate share of the net pension liability as a percentage of its covered payroll	188.80%	193.46%	213.90%	309.63%
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 School's measurement date which is the prior year-end.

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

2016	2015	2014
0.01269483%	0.01354453%	0.01354453%
$ 3,508,480	$ 3,294,498	$ 3,924,385
$ 1,148,800	$ 1,383,877	$ 1,493,992
305.40%	238.06%	262.68%
72.10%	74.70%	69.30%

YOUNGSTOWN COMMUNITY SCHOOL
MAHONING COUNTY, OHIO

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

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

LAST TEN FISCAL YEARS

	2020	**2019**	**2018**	**2017**
Contractually required contribution	$ 65,499	$ 66,779	$ 59,170	$ 58,615
Contributions in relation to the contractually required contribution	(65,499)	(66,779)	(59,170)	(58,615)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -
School's covered payroll	$ 467,850	$ 494,659	$ 438,296	$ 418,679
Contributions as a percentage of covered payroll	14.00%	13.50%	13.50%	14.00%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

2016	2015	2014	2013	2012	2011
$ 57,891	$ 48,869	$ 51,759	$ 59,101	$ 54,672	$ 44,608
(57,891)	(48,869)	(51,759)	(59,101)	(54,672)	(44,608)
$ -	$ -	$ -	$ -	$ -	$ -
$ 413,507	$ 370,781	$ 373,442	$ 427,030	$ 406,483	$ 354,877
14.00%	13.18%	13.86%	13.84%	13.45%	12.57%

YOUNGSTOWN COMMUNITY SCHOOL
MAHONING COUNTY, OHIO

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

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

LAST TEN FISCAL YEARS

	2020	2019	2018	2017
Contractually required contribution	$ 199,909	$ 210,669	$ 217,569	$ 210,390
Contributions in relation to the contractually required contribution	(199,909)	(210,669)	(217,569)	(210,390)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -
School's covered payroll	$ 1,427,921	$ 1,504,779	$ 1,554,064	$ 1,502,786
Contributions as a percentage of covered payroll	14.00%	14.00%	14.00%	14.00%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

	2016	2015	2014	2013	2012	2011
	$ 207,063	$ 160,832	$ 179,904	$ 194,219	$ 178,857	$ 184,407
	(207,063)	(160,832)	(179,904)	(194,219)	(178,857)	(184,407)
	$ -	$ -	$ -	$ -	$ -	$ -
	$ 1,479,021	$ 1,148,800	$ 1,383,877	$ 1,493,992	$ 1,375,823	$ 1,418,515
	14.00%	14.00%	13.00%	13.00%	13.00%	13.00%

YOUNGSTOWN COMMUNITY SCHOOL
MAHONING COUNTY, OHIO

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

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

LAST FOUR FISCAL YEARS

	2020	**2019**	**2018**	**2017**
School's proportion of the net OPEB liability	0.01391000%	0.01347370%	0.01332070%	0.01301967%
School's proportionate share of the net OPEB liability	$ 349,807	$ 373,797	$ 357,493	$ 371,109
School's covered payroll	$ 494,659	$ 438,296	$ 418,679	$ 413,507
School's proportionate share of the net OPEB liability as a percentage of its covered payroll	70.72%	85.28%	85.39%	89.75%
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 School's measurement date which is the prior year-end.

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

YOUNGSTOWN COMMUNITY SCHOOL
MAHONING COUNTY, OHIO

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

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

LAST FOUR FISCAL YEARS

	2020	2019	2018	2017
School's proportion of the net OPEB liability/asset	0.01284680%	0.01367330%	0.01353177%	0.01368123%
School's proportionate share of the net OPEB liability/(asset)	$ (212,774)	$ (219,716)	$ 527,960	$ 731,676
School's covered payroll	$ 1,504,779	$ 1,554,064	$ 1,502,786	$ 1,479,021
School's proportionate share of the net OPEB liability/asset as a percentage of its covered payroll	14.14%	14.14%	35.13%	49.47%
Plan fiduciary net position as a percentage of the total OPEB liability/asset	174.70%	176.00%	47.10%	37.33%

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 School's measurement date which is the prior year-end.

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

YOUNGSTOWN COMMUNITY SCHOOL
MAHONING COUNTY, OHIO

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

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

LAST TEN FISCAL YEARS

	2020	2019	2018	2017
Contractually required contribution	$ 4,494	$ 6,565	$ 8,992	$ 7,418
Contributions in relation to the contractually required contribution	(4,494)	(6,565)	(8,992)	(7,418)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -
School's covered payroll	$ 467,850	$ 494,659	$ 438,296	$ 418,679
Contributions as a percentage of covered payroll	0.96%	1.33%	2.05%	1.77%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

2016	2015	2014	2013	2012	2011
$ 6,683	$ 9,657	$ 7,825	$ 7,048	$ 7,807	$ 10,646
(6,683)	(9,657)	(7,825)	(7,048)	(7,807)	(10,646)
$ -	$ -	$ -	$ -	$ -	$ -
$ 413,507	$ 370,781	$ 373,442	$ 427,030	$ 406,483	$ 354,877
1.62%	2.60%	2.10%	1.65%	1.92%	3.00%

YOUNGSTOWN COMMUNITY SCHOOL
MAHONING COUNTY, OHIO

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

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

LAST TEN FISCAL YEARS

	2020	2019	2018	2017
Contractually required contribution	$ -	$ -	$ -	$ -
Contributions in relation to the contractually required contribution	-	-	-	-
Contribution deficiency (excess)	$ -	$ -	$ -	$ -
School's covered payroll	$ 1,427,921	$ 1,504,779	$ 1,554,064	$ 1,502,786
Contributions as a percentage of covered payroll	0.00%	0.00%	0.00%	0.00%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

2016		2015		2014		2013		2012		2011	
$	-	$	-	$	14,155	$	14,940	$	13,758	$	14,185
	-		-		(14,155)		(14,940)		(13,758)		(14,185)
$	-	$	-	$	-	$	-	$	-	$	-
$	1,479,021	$	1,148,800	$	1,383,877	$	1,493,992	$	1,375,823	$	1,418,515
	0.00%		0.00%		1.00%		1.00%		1.00%		1.00%

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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 years 2019-2020.

(Continued)

OTHER POSTEMPLOYMENT BENEFITS (OPEB)

SCHOOL EMPLOYEES RETIREMENT SYSTEM (SERS) OF OHIO

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

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

STATE TEACHERS RETIREMENT SYSTEM (STRS) OF OHIO

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

SUPPLEMENTARY INFORMATION

YOUNGSTOWN COMMUNITY SCHOOL
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			
Child Nutrition Cluster:			
(D) School Breakfast Program- COVID-19	10.553	2020	$ 5,570
(D) School Breakfast Program	10.553	2020	66,471
Total School Breakfast Program			72,041
(D) National School Lunch Program- COVID-19	10.555	2020	9,622
(D) National School Lunch Program	10.555	2020	115,643
Total National School Lunch Program			125,265
Total Child Nutrition Cluster			197,306
Fresh Fruit and Vegetable Program	10.582	2020	16,435
Total U.S. Department of Agriculture			213,741
U.S. DEPARTMENT OF EDUCATION PASSED THROUGH THE OHIO DEPARTMENT OF EDUCATION			
(E) Title I Grants to Local Educational Agencies	84.010	2020	374,335
(E) Title I Grants to Local Educational Agencies	84.010	2019	67,585
Total Title I Grants to Local Educational Agencies			441,920
Special Education Cluster (IDEA):			
Special Education_Grants to States	84.027	2020	61,460
Special Education_Grants to States_Restoration	84.027	2020	6,590
Special Education_Grants to States	84.027	2019	12,247
Total Special Education_Grants to States			80,297
Special Education_Preschool Grants	84.173	2020	141
Special Education_Preschool Grants_Restoration	84.173	2020	308
Total Special Education_Preschool Grants			449
Total Special Education Cluster (IDEA)			80,746
(E) Supporting Effective Instruction State Grants	84.367	2020	5,315
Student Support and Academic Enrichment Program	84.424	2020	28,554
Student Support and Academic Enrichment Program	84.424	2019	2,252
Total Student Support and Academic Enrichment Program			30,806
Elementary and Secondary School Emergency Relief (ESSER) Fund- COVID-19	84.425D	2020	7,666
Total U.S. Department of Education			566,453
Total Federal Financial Assistance			$ 780,194

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS:

(A) This schedule includes the federal award activity of the Youngstown Community School 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 Youngstown Community School, it is not intended to and does not present the financial position, changes in net position, or cash flows of the Youngstown Community School.

(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 School 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) Federal regulations require schools to obligate certain federal awards by June 30. However, with the Ohio Department of Education's consent, School District's can transfer unobligated amounts to the subsequent fiscal year or a similar program. During fiscal year 2020, the Youngstown Community School, with the Ohio Department of Education's consent, transferred from Supporting Effective Instruction (CFDA#84.367) to Title I Grants to Local Educational Agencies (CFDA#84.010).

Julian & Grube

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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*

Youngstown Community School
Mahoning County
50 Essex Street
Youngstown, Ohio 44502

To the Governing Board:

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 Youngstown Community School, Mahoning 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 Youngstown Community School's basic financial statements, and have issued our report thereon dated November 25, 2020, wherein we noted as discussed in Note 18 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 Youngstown Community School'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 opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Youngstown Community School's internal control. Accordingly, we do not express an opinion on the effectiveness of the Youngstown Community School'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 Youngstown Community School'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 Youngstown Community School’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 Youngstown Community School’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 Youngstown Community School’s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Julian & Grube, Inc.

Julian & Grube, Inc.
November 25, 2020

Julian & Grube

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Independent Auditor's Report on Compliance for the Major Program and on Internal Control Over Compliance Required by the Uniform Guidance

Youngstown Community School
Mahoning County
50 Essex Street
Youngstown, Ohio 44502

To the Governing Board:

Report on Compliance for the Major Federal Program

We have audited the Youngstown Community School's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on the Youngstown Community School's major federal program for the fiscal year ended June 30, 2020. The Youngstown Community School'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 Youngstown Community School'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 Youngstown Community School'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 Youngstown Community School's compliance.

Opinion on the Major Federal Program

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

Report on Internal Control over Compliance

Management of the Youngstown Community School 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 Youngstown Community School'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 Youngstown Community School'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.

Julian & Grube, Inc.

Julian & Grube, Inc.
November 25, 2020

YOUNGSTOWN COMMUNITY SCHOOL
MAHONING COUNTY, OHIO

SCHEDULE OF FINDINGS
2 CFR § 200.515
JUNE 30, 2020

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

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

None

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None

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OHIO AUDITOR OF STATE
KEITH FABER

YOUNGSTOWN COMMUNITY SCHOOL

MAHONING COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

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

Certified for Release 3/18/2021