

**JEFFERSON TOWNSHIP LOCAL
SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**



**ANNUAL
COMPREHENSIVE FINANCIAL REPORT**

**FOR THE
FISCAL YEAR ENDED JUNE 30, 2023**

OHIO AUDITOR OF STATE
KEITH FABER



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Board of Education
Jefferson Township Local School District
2625 South Union Rd
Dayton, OH 45417

We have reviewed the *Independent Auditor's Report* of the Jefferson Township Local School District, Montgomery County, prepared by Julian & Grube, Inc., for the audit period July 1, 2022 through June 30, 2023. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

A handwritten signature in cursive script that reads "Keith Faber".

Keith Faber
Auditor of State
Columbus, Ohio

March 14, 2024

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ANNUAL
COMPREHENSIVE FINANCIAL REPORT

OF THE

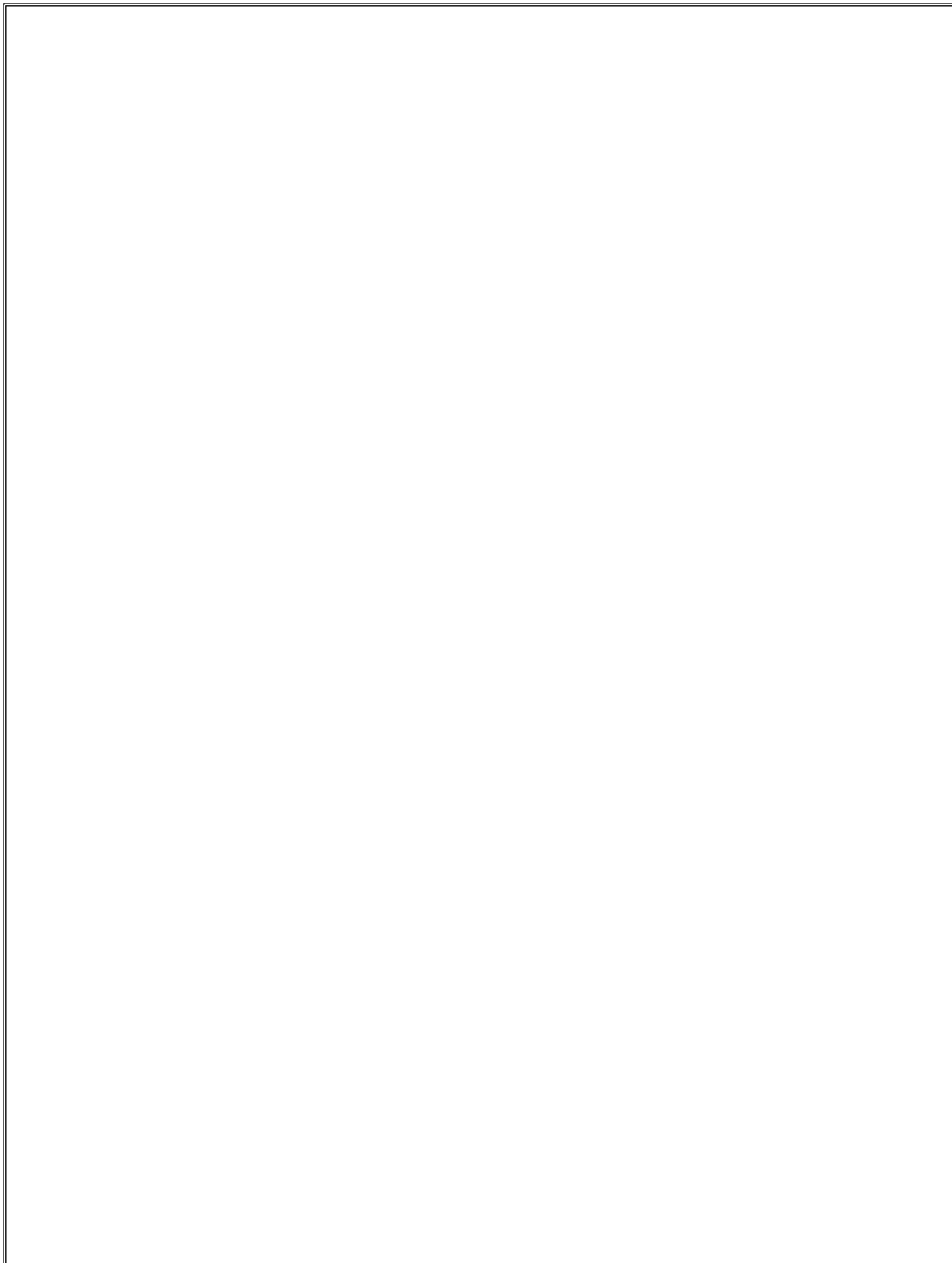
JEFFERSON TOWNSHIP
LOCAL SCHOOL DISTRICT

MONTGOMERY COUNTY, OHIO

FOR THE

FISCAL YEAR ENDED JUNE 30, 2023

PREPARED BY
TREASURER'S DEPARTMENT
MR. CRAIG A. JONES, TREASURER/CFO



INTRODUCTORY SECTION

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**JEFFERSON TOWNSHIP LOCAL SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

**ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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Jefferson Township Local Schools

2625 South Union Road * Dayton, Ohio 45417
Phone 937-835-5682 * Fax 937-835-5955

TREASURER/CFO
Craig A. Jones

**BOARD OF
EDUCATION**
Rev. Cuttino Dargan
Mr. Rodell Guest
Dr. Vilma Helms
Mr. Rodney Taylor
Mr. Oscar Young

December 22, 2023

To the Board of Education and Citizens of the
Jefferson Township Local School District, Montgomery County, Ohio:

We are pleased to present the Annual Comprehensive Financial Report (ACFR) of the Jefferson Township Local School District (the "District") for the fiscal year ended June 30, 2023. Responsibility for both the accuracy of the presented data, and the completeness and fairness of the presentation, including all disclosures, rests with the District. This report is prepared in conformance with accounting principles generally accepted in the United States of America (GAAP) as set forth by the Governmental Accounting Standards Board (GASB) and other recognized authoritative sources. We believe the enclosed data is fairly presented in all material aspects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds of the District. We further believe all disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included. This report has been prepared by the Treasurer/Chief Financial Officer's Office and includes an opinion from the Independent Auditor, Julian & Grube, Inc.

A comprehensive framework of internal control has been established to govern the processing and reporting of the District's financial data. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

Julian & Grube, Inc. has issued an unmodified opinion on the District's financial statements for the fiscal year ended June 30, 2023. The report of the independent auditors' is located in the front of the financial section of this report.

GAAP require that management provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of Management Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The District's MD&A provides an assessment of key financial highlights and performance taken as a whole. The MD&A can be found immediately following the Independent Auditors' Report.

This report will be made available via the World Wide Web at <https://www.jeffersontwp.k12.oh.us>.

DISTRICT OVERVIEW

The District and Its Facilities

The District is located in Montgomery County (County) approximately 80 miles west of the City of Columbus and 54 miles north of the City of Cincinnati. The District's total area is approximately 25.5 square miles. The District provides educational services, as mandated by state and/or federal laws, to children located within its boundaries. For the 2022-2023 school year, the District had 248 enrolled students, and is projecting that enrollment will decline slightly for the near future. As of the 2020 census the population of Jefferson Township was 5,855.

District Facilities

| Name of Building | Grades | Enrollment (2022-2023) | Square Feet | Year Building Completed |
|-------------------------------|--------|---------------------------|----------------|----------------------------|
| Blairwood Elementary | PK-6 | 138 | 38,500 | 1962 |
| Jefferson Jr./Sr. High School | 7-12 | 110 | 71,400 | 1966 |
| Total | | 248 | 109,900 | |

Organization of the District

The Board of Education (Board) of the Jefferson Township Local School District is a political and corporate body charged with the responsibility of managing and controlling affairs of the District. The District is also governed by the general laws of the State of Ohio as set forth in the Ohio Revised Code. The Board is comprised of five members who are elected for overlapping four-year terms.

| <u>Official</u> | <u>Office</u> | <u>Expiration of Current Term</u> | <u>Beginning of Tenure</u> |
|---------------------|----------------|-----------------------------------|----------------------------|
| Dr. Vilma Helms | President | 12/31/2023 | 01/01/2004 |
| Rev. Cuttino Dargan | Vice President | 12/31/2025 | 01/01/2010 |
| **Rodell Guest | Member | 12/31/2025 | 03/23/2023 |
| ***Rodney Taylor | Member | 12/31/2023 | 04/28/2023 |
| *Oscar Young | Member | 12/31/2023 | 04/28/2023 |

* Patrick Maxwell resigned 01/26/2022. Harley Schmidt was appointed 02/25/2022 to fill the unexpired term ending 12/31/2025. Harley Schmidt resigned 04/28/2023. Oscar Young was appointed 04/28/2023 to fill the unexpired term ending 12/31/2025.

**Angela McCleskey resigned 02/06/2023. Rodell Guest was appointed 03/23/2023 to fill the unexpired term ending 12/31/2025.

***C. V. Mitchell, III resigned 03/14/2023. Rodney Taylor was appointed 04/28/2023 to fill the unexpired term ending 12/31/2023.

Duties and responsibilities of the Board of Education are found in the laws governing public education in Ohio. The Board of Education directly employs the Superintendent and Treasurer/CFO and serves as the legislative body of the District. Board duties include:

- Informing the public concerning the progress and needs of the schools, and to solicit and weigh public opinion as it affects the schools.
- Considering and passing upon the recommendations of the Superintendent and Treasurer/CFO in all matters of policy, appointment or dismissal of employees, salary schedules or other personnel regulations, course of study, selection of textbooks, or other matters pertaining to the welfare of schools.
- Exercising its taxing power to provide funds for the operation of the District.
- Adopting an annual tax budget and appropriation measure.
- Approval of a five-year financial forecast as a tool in long-range planning.

The Superintendent of Schools is the chief executive officer of the District. The Superintendent has the responsibility for managing and placing teachers and other employees, assigning the pupils to the proper schools and grades, and performing such other duties as determined by the Board. Richard Gates, PhD. was appointed Superintendent in August 2008 after serving as Principal at Jefferson High School. Dr. Gates' current contract expires July 31, 2024.

The Treasurer/CFO is the chief financial officer of the District and is appointed by and reports directly to the Board. Craig A. Jones became Treasurer/CFO of the District on April 2, 2018. Mr. Jones' current contract expires July 31, 2026.

Professional staff members are represented by the Jefferson Township Education Association (JTEA). The current contract expires June 30, 2025. Classified staff are no longer represented by Ohio Association of Public-School Employees (OAPSE) 674. This contract expired June 30, 2021. In November 2022, OAPSE disclaimed interest in the bargaining unit and requested the State Employment Relations Board (SERB) to revoke its certification as the exclusive bargaining representative.

DISTRICT ORGANIZATION AND REPORTING ENTITY

The District operates under current standards prescribed by the Ohio State Board of Education as provided in division (D) of Section 3301.07 and Section 119.01 of the Ohio Revised Code. Under a locally elected five-member Board form of government, the District provides educational services as authorized by its charter or further mandated by state and/or federal agencies. The Board of Education serves as the taxing authority, contracting body, and policy maker for the District. In addition, the Board adopts the annual operating budget and approves all expenditures of District monies. The Board appoints the Superintendent and Treasurer/CFO. As the chief administrative officer, the Superintendent is responsible for the development, supervision, and operation of the school programs and facilities and appoints all other personnel in the District.

As the chief financial officer, the Treasurer/CFO is responsible for maintaining financial records, acting as the custodian of all District funds, and investing idle funds as specified by law.

The reporting entity is comprised of the primary government, component units, and other organizations that are included to ensure the financial statements of the District are not misleading. Component units are legally separate organizations for which the District is financially accountable. The District is financially accountable for an organization if the District appoints a voting majority of the organization's Governing Board and (1) the District is able to significantly influence the programs or services performed or provided by the organization; or (2) the District is legally entitled to or can otherwise have access to the organization's resources; or (3) the District is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or (4) the District is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the District in that the District approves the budget, the issuance of debt or the levying of taxes. Certain organizations are also included as component units if the nature and significance of the relationship between the primary government and the organization is such that exclusion by the primary government would render the primary government's financial statements incomplete or misleading. Currently, the District does not have any component units. Below are jointly governed organizations and public entity risk pools of the District:

JOINTLY GOVERNED ORGANIZATIONS

Miami Valley Career Technology Center

The Center is a separate body politic and corporate, established by the Ohio Revised Code (ORC) to provide vocational and special education needs of the students. The Miami Valley Career Technology Center accepts non-tuition students from the District as a member school; however, it is considered a separate political subdivision and is not considered to be part of the District. Financial information is available from the Miami Valley Career Technology Center, Brad Mckee, who serves as Treasurer/CFO at 6800 Hoke Road, Englewood, Ohio 45315.

Southwestern Ohio Educational Purchasing Council (SOEPC)

SOEPC is a purchasing cooperative made up of over 100 school districts in Montgomery and surrounding counties. The Montgomery County Educational Service Center acts as fiscal agent for the group. The purpose of the cooperative is to obtain lower prices for supplies and materials commonly used by the member districts. The members are obligated to pay all fees, charges, and assessments as established by SOEPC. Each member district has one voting representative. Title to any and all equipment and supplies purchased by SOEPC is held in trust for the member districts by the fiscal agent. Any district withdrawing from SOEPC shall forfeit its claim to any and all SOEPC assets. One year of prior notice is necessary for withdrawal from the group. During this time, the withdrawing member is liable for all member obligations. Payments to SOEPC are made from the District's general fund. Financial information is available from SOEPC by contacting Ken Swink, Director, at 303 Corporate Center Drive, Suite 208, Vandalia, Ohio 45377.

Metropolitan Educational Technology Association (META) Solutions

The District is a participant in META Solutions which is a computer consortium that resulted from the mergers between Tri-Rivers Educational Computer Association (TRECA), Metropolitan Educational Council (MEC), Metropolitan Dayton Educational Cooperative Association (MDECA), Southeastern Ohio Valley Voluntary Education Cooperative (SEOVEC), and South Central Ohio Computer Association (SCOCA). META Solutions develops, implements and supports the technology and instructional needs of schools in a cost-effective manner. META Solutions provides instructional, core, technology and purchasing services for its member districts. The Board of Directors consists of the Superintendents from eleven of the member districts. During fiscal year 2023, the District paid META Solutions \$56,639 for services. Financial information can be obtained from Ashley Widby, who serves as Chief Financial Officer, 100 Executive Drive, Marion, Ohio 43302.

PUBLIC ENTITY RISK POOL

Sheakley Workers' Compensation Group Retrospective Rating Plan

The District participates in a group retrospective rating plan for workers' compensation. The Sheakley Workers' Compensation Group Retrospective Rating Plan is a program where the District will continue to pay their individual bureau of workers' compensation premiums for the program year as required. The Bureau of Workers Compensation will evaluate the group's claim losses (compensation and medical costs, as well as claim reserves), at 12, 24 and 36 months following the end of the group retro policy year. If the Bureau of Workers Compensation findings result in a group retrospective premium calculation lower than the group's standard premium, participating employers may be entitled to a refund. Each year, the participating school districts pay an enrollment fee to Sheakley to cover the costs of administering the program.

Southwestern Ohio Educational Purchasing Cooperative Employee Benefit Plan

The EPC Benefit Plan (the Plan) is a group purchasing pool consisting of public school districts who are members of the Southwestern Ohio Educational Purchasing Cooperative. The purpose of a group purchasing pool is for members to pool funds or resources to purchase group insurance products to provide health benefits to participants at a lower rate than if the individual districts acted independently. Each district pays a monthly premium to the Plan for insurance coverage which is provided by Anthem Blue Cross or United Healthcare. Districts may also contribute monthly to the Plan for dental benefits provided through a self-funded dental plan administered by CoreSource. The Plan is governed by a Board of Trustees elected in accordance with the Trust Agreement and voted on by participating EPC member districts. Financial information can be obtained from Doug Merkle, who serves as administrator, at EPC Benefits Office, 303 Corporate Center Drive, Suite 208, Vandalia, Ohio 45377.

ECONOMIC CONDITION AND OUTLOOK

Local Area Economy

The District is located in the Dayton Metropolitan Statistical Area (the “MSA”), which consists of Montgomery, Greene, and Miami Counties, and is located west of the City of Dayton. As of the 2020 census the district had a population of 5,855 with a median age of 50.6, median household income of \$44,291 and a poverty rate of 13.3%. As of the 2020 census Dayton, OH had a population of 137,644 with a median age of 33.0, median household income of \$33,116 and a poverty rate of 29.6%. The racial makeup of the district was 48% African American, 43% White, and 9% from other races. The racial makeup of Dayton, OH was 48% White, 41% African American and 11% other races.

The strength of the region’s economy is derived from the importance of its aviation and aerospace industries, coupled with its diverse economic base and its geographic location, with ready access to some of the largest markets in North America. While the area’s traditional manufacturing base, in automobile parts and assembly, has seen dramatic changes and economic dislocations in recent years, the manufacturing sector in medical, aerospace and high-tech sectors remains vibrant and strong. Development efforts continue to further diversify the economic base, leveraging technology sectors and the research and development activities at Wright-Patterson Air Force Base.

School Foundation

The State's School Foundation Program is the major source of revenue for the District's general fund. The State assists public districts under a statutory program, which includes direct payments to districts based upon a statutory formula. Such payments are made through the School Foundation Program established by the Ohio Revised Code (the "Code"). School Foundation Program funds distributed to a district are required to be used for current operating expenses, unless specifically allocated by the State for some other purposes. Basic eligibility for School Foundation Program payments is based on a district's compliance with State-mandated minimum standards. The District is in compliance with those standards and believes it will remain in good standing for the foreseeable future.

On December 3, 2003, the Ohio Supreme Court issued its latest opinion regarding the State of Ohio’s funding plan. It had been argued that the dependence on property taxes puts districts with low property values at a disadvantage, because tax rates must be higher than in districts with higher property values to raise a similar amount of money. The Supreme Court ruled once again that the State’s school funding plan is unconstitutional, but ended its control without prescribing a solution or ordering state officials back to the court. The Court did direct the Ohio General Assembly to enact a school-funding plan that is thorough and efficient. This was the fourth time the Ohio Supreme Court majority has found the school funding unconstitutional. The Court did not indicate any enforcement measures to ensure that the state administration overhauls the current system.

The 135th General Assembly adopted the fiscal year 2024-2025 biennium budget as Amended Substitute House Bill 33 (HB33). The most significant change in the funding is a move to fund students where they are educated, rather than where they reside. Community school students, STEM school students, students participating in a scholarship program (EdChoice, Cleveland Scholarship, Autism Scholarship, and Jon Peterson Special Needs Scholarship), and students participating in open enrollment will all be directly funded at their educating entity. This change will eliminate the deduction and transfer of funds from resident districts to educating entities for students participating in these school choice options.

MAJOR INITIATIVES

2022-2023 School Improvement Plan

The District is using the Ohio Improvement Process (OIP) to implement its plan. The OIP helps to facilitate District-wide improvement in instructional practices and student performance by use of collaborative structures and processes necessary to develop, implement, monitor and evaluate the OIP. Communication, engagement, decision-making and resource management are carried out through Teacher-Based Teams (TBT), Building Leadership Teams (BLT) and a District and Community School Leadership Team (DLT/CSLT). The goals and strategies of the plan are as follows:

- Goal 1: By 2025, the achievement results of Jefferson Township students in grades K-12 scoring proficient or higher will increase by a minimum of 2% in English Language arts/Mathematics or all content areas as measured by District, state and/or national assessments.
 - ❖ Strategy 1A: Align District curriculum and instructional resources with Ohio's Learning Standards.
 - ❖ Strategy 1B: Implement a variety of approved assessments that measure student learning aligned with Ohio's Learning Standards.
 - ❖ Strategy 1C: Make well-informed decisions about teaching and learning that are grounded in data.
- Goal 2: By 2025, Jefferson Township Local School District will create a welcoming environment for students, families and community as measured by increased participation at school-related events.
 - ❖ Strategy 2A: Create a District-wide culture and climate that promotes teaching and learning.

Significant Events for 2022-2023

Non-Negotiables and Turnaround Vision

Non-Negotiables:

- All students exiting 3rd grade will be proficient readers or better, based on the 3rd grade Ohio Achievement Reading Assessment.
- Bell-to-Bell, standards-based instruction will take place in every class every day.
- Increased rigor for all students.
- Personal Learning Plans (PLP) for every student.

Turnaround Vision:

- Grades K-3: The Blairwood Reading and Mathematics Learning Center.
- Grades K-6 curriculum: Literacy, English Language Arts, Mathematics, Social Studies and Science.
- Grades 4-12 STEM-based curriculum.
- Grade 5 will have a STEM focus. Additionally, Mathematics and Science classes in grades 7-12 will have a STEM focus. Each subsequent fiscal year additional STEM classes will be added.
- All Graduates will be post-secondary credentialed.
- 2-4 year College, Trade school options, or Employment options.
- Dual Credit (both high school and college) available for students in grades 10, 11, and 12.

College Credit Plus

Ohio's dual enrollment program, College Credit Plus (CCP), replaced Ohio's Post-Secondary Enrollment Options (PSEO) program and all alternative dual enrollment programs previously governed by Ohio Revised Code Chapter 3365. CCP is a statewide program that provides an opportunity for qualified students to take college courses for both high school and college credit, at no cost to the student. CCP is designed to promote rigorous academic pursuits and provide a wide variety of options to students in grades 7-12. Our CCP partnership with Sinclair Community College offers college-level courses taught on our high school campus.

CCP benefits Jefferson Township students in the following ways:

- ❖ Qualified students may earn college credit at no cost to students or families in courses taught by adjunct credentialed professors.
- ❖ All CCP students are assigned an adviser to assist them with scheduling and topics related to student success.
- ❖ Students may select courses in the Ohio Transfer Module (OTM) which guarantees these credits transfer to other public Ohio colleges and universities.
- ❖ Example Academic Pathways at Jefferson Township Local Schools have been identified for CCP students seeking to take courses that meet bachelor degree program requirements.

The College Credit Plus program default funding structure is established by Ohio Revised Code 3365.07. The CCP default amounts are based on the Per Pupil Foundation amount determined by Ohio’s General Assembly during the biennial budget process. These rates may change on an annual basis. Public schools pay for the cost of the program.

Ohio School Report Cards

The Ohio Department of Education and Workforce uses data reported by districts and schools to analyze performance in several categories. These data are used to assess schools and districts in the six report card components: Achievement, Progress, Early Literacy, Gap Closing, Graduation, and College, Career, Workforce and Military Readiness. With the exception of the College, Career, Workforce and Military Readiness Component, which are report only, the components receive 1-5-star ratings based on performance. Remember, though, that report cards are not the only measure of the success or accomplishments of a school or district.

The overall rating represents the outcomes of all components to determine whether a district or school meets state standards by achieving an overall rating of at least 3 stars. Once component ratings are assigned points, the points are weighted based on the percent that each contributes to the overall rating using the weights in the tables below. The weighted points are then summed to determine the overall rating.

| OVERALL RATING SCALE AND DESCRIPTIONS | | |
|---|---------------|---|
| Points Earned | Rating | Rating Description |
| Greater than or equal to 4.125 | 5 Stars | Significantly exceeds state standards |
| Greater than or equal to 3.625 but less than 4.125 | 4.5 Stars | Exceeds state standards |
| Greater than or equal to 3.125 but less than 3.625 | 4 Stars | Exceeds state standards |
| Greater than or equal to 2.625 but less than 3.125 | 3.5 Stars | Meets state standards |
| Greater than or equal to 2.125 but less than 2.625 | 3 Stars | Meets state standards |
| Greater than or equal to 1.625 but less than 2.125 | 2.5 Stars | Needs support to meet state standards |
| Greater than or equal to 1.125 but less than 1.625 | 2 Stars | Needs support to meet state standards |
| Greater than or equal to 0.563 but less than 1.125 | 1.5 Stars | Needs significant support to meet state standards |
| Less than 0.563 | 1 Star | Needs significant support to meet state standards |

District Support

The Ohio Improvement Process is an organizational strategy that supports the implementation of each step of the Ohio Improvement Process. Those steps include:

- Supporting Implementation: Team structures and processes that support the implementation of each step in the Ohio Improvement Process
 1. Identify critical needs by collecting and analyzing student data to pinpoint the root cause for areas of concern.
 2. Research and select evidence-based strategies to address the root cause.
 3. Plan for implementation by developing SMART goals and action steps to implement solutions
 4. Implement and monitor the action steps and the impact on student outcomes.
 5. Examine, reflect and adjust action steps based upon the effect on student outcomes.



FINANCIAL INFORMATION

The District's accounting system is organized on a fund basis. Each fund is a distinct, self-balancing entity. Records for general governmental operations are maintained on a budgetary basis system of accounting as prescribed by State statute. Cash basis accounting differs from Accounting Principles Generally Accepted in the United States of America (GAAP) as promulgated by the Governmental Accounting Standards Board (GASB).

Assistance

As a recipient of Federal and State assistance, the District is responsible for ensuring that adequate internal controls are in place to ensure compliance with applicable laws and regulations related to those programs. These internal controls are subject to periodic evaluation by management of the District.

Financial Condition

The District continues to prepare financial statements following GASB Statement No. 34, "Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments." GASB 34 created basic financial statements for reports as follows:

Government-wide financial statements - These statements are prepared on an accrual basis of accounting which is similar to the basis of accounting followed by many businesses. The government-wide statement distinguishes between those activities of the District that are governmental and those that are considered business-type activities. The District reports no business-type activities.

Fund financial statements - These statements present information for individual major funds rather than by fund type. Non-major funds are presented in total in one column. Governmental funds use the modified accrual basis of accounting and include a reconciliation to the governmental activities accrual information presented in the government-wide financial statements. Proprietary and fiduciary funds use the accrual basis of accounting. The District reports no proprietary or fiduciary funds.

Statement of budgetary comparisons - These statements present comparisons of actual information to the legally adopted budget. The budgetary basis as provided by law is based upon accounting for certain transaction on a basis of cash receipts, disbursements, and encumbrances.

Management Discussion and Analysis for the District - This discussion is located in the financial section of this report following the audit opinion and provides an assessment of the District finances and the outlook for the future.

Financial policies which had a significant impact of the current period's financial statements include internal controls and budgetary controls as discussed on the following page.

Long-term Financial Planning

As required by Ohio law, the district submitted a five-year financial forecast of operational revenues and expenditures along with assumptions in November 2023. A minor deficit of expenditures over revenues is projected for the last fiscal year of the forecasted fiscal years. Given the uncertainty of future state budgets, local, state and national economic factors, fiscal year 2025 and beyond may deviate significantly from the forecast.

Internal Controls

The management of the District is responsible for establishing and maintaining internal controls designed to ensure that the assets of the District are protected from loss, theft, or misuse and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with GAAP. In developing and revising the District's accounting and internal controls, management has considered the adequacy of internal controls to provide reasonable, but not absolute, assurance regarding:

- the safeguarding of assets against loss from unauthorized use or disposition; and
- the reliability of financial records for preparing financial statements and maintaining accountability for assets.

The concept of reasonable assurance recognizes that:

- the cost of a control should not exceed the benefits likely to be derived; and
- the evaluation of costs and benefits requires estimates and judgments by management.

The District uses a fully automated accounting system as well as an automated system for payroll. These systems, coupled with the manual control procedures, ensure that the financial information generated is both accurate and reliable. During the 2022-2023 school year, the District relied on State software through META Solutions for financial accounting software.

Management believes that the internal controls adequately meet the above objectives.

Budgetary Controls

In addition, the District maintains budgetary controls. The objective of these controls is to ensure compliance with legal provisions embodied in the annual appropriations resolution approved by the Board of Education. Activities of all funds are included in the annual appropriations resolution. The level of budgetary control (that is, the level at which expenditures cannot legally exceed the appropriated amount) is by fund. The District has chosen to present budgetary information at the function level in the required supplementary information.

The District maintains an encumbrance accounting system as one technique of accomplishing budgetary control. Unencumbered appropriation balances are verified prior to the release of purchase orders to ensure funds are available to meet the obligation created by the purchase order. Encumbered amounts at year end are carried forward to succeeding fiscal year and are not re-appropriated.

As demonstrated by the statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound financial management.

OTHER INFORMATION

Independent Audit

State statute requires an annual audit. The firm of Julian & Grube, Inc. conducted the audit for fiscal year 2023. The audit has been conducted in accordance with generally accepted auditing standards, generally accepted government auditing standards, and includes a review of internal controls and tests of compliance with Federal and State laws and regulations. The Independent Auditor's Report is included in this ACFR.

In addition to the financial audit, a single audit was performed as required by Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). The single audit report is not included in the ACFR.

Awards

GFOA Certificate of Achievement

For the 5th consecutive year, the Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Jefferson Township Local School District for its Annual Comprehensive Financial Report for the fiscal year ended June 30, 2022. The Certificate of Achievement is the highest form of recognition for excellence in the state and local government financial reporting.

In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized Annual Comprehensive Financial Report, whose contents conform to program standards. Such reports must satisfy both accounting principles generally accepted in the United States of America and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. The District believes the current report continues to conform to the high standards required by the Certificate of Achievement program.

ASBO Certificate of Excellence

For the 5th consecutive year, the Association of School Business Officials International (ASBO), a professional organization founded in 1910, awarded a Certificate of Excellence in Financial Reporting Award to Jefferson Township Local School District for its Annual Comprehensive Financial Report for the fiscal year ended June 30, 2022. This award is granted only after an intensive review of the financial report by an expert ASBO Panel of Review consisting of certified public accountants and practicing school business officials. Receiving this award is recognition that a school system meets the highest standards of excellence in school finance reporting.

A certificate of excellence is valid for one year only. We believe our current report conforms to the standards set by the ASBO Panel of Review, and we are submitting it to ASBO to determine its eligibility for the award.

Acknowledgements

The preparation of this report could not have been accomplished without the efficient and dedicated services of Assistant Treasurer, Terry Oglesby. We want to express our appreciation to all that assisted and contributed to its preparation. A special note of appreciation is extended to the staff of the firm Julian & Grube, Inc. for their consultant services. We would like to acknowledge all members of the Board who have expressed their interest and support in planning and conducting the financial operations of the District in a fiscally responsible, professional and progressive manner as well as realizing the importance of attaining and maintaining the public trust and confidence of the community.

Handwritten signatures in blue ink. The first signature is 'Craig A. Jones' and the second is 'Richard Gates'.

Craig A. Jones
Treasurer/CFO

Richard Gates, PhD
Superintendent

**JEFFERSON TOWNSHIP LOCAL SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

**LIST OF PRINCIPAL OFFICIALS
JUNE 30, 2023**

ELECTED OFFICIALS

Vilma Helms, Ph.D., President, Board of Education
Rev. Cuttino Dargan, Vice President, Board of Education
Rodell Guest, Board of Education Member
Rodney Taylor, Board of Education Member
Oscar Young, Board of Education Member

ADMINISTRATIVE OFFICIALS

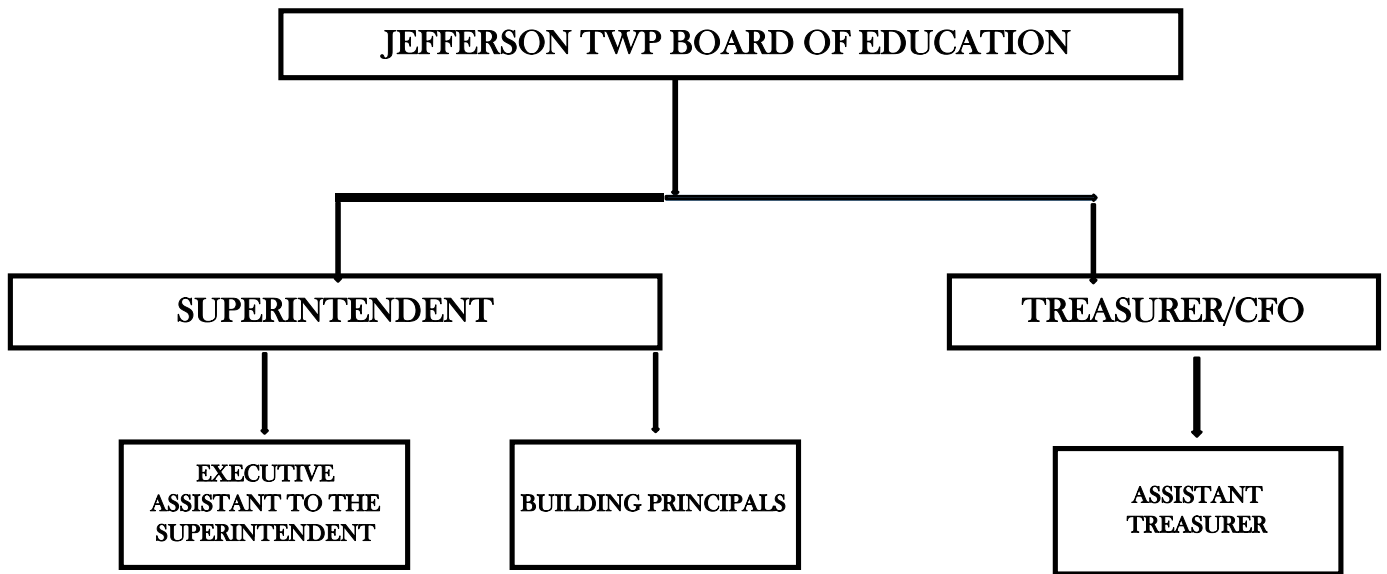
Richard Gates, Ph.D., Superintendent
Anne Watson, Principal, Blairwood Elementary
Christopher Caldwell, Principal, Jefferson Jr./Sr. High

OFFICE OF THE TREASURER/CFO

Craig A. Jones, Treasurer/CFO
Terry Oglesby, Assistant Treasurer

**JEFFERSON TOWNSHIP LOCAL SCHOOL
DISTRICT**

ORGANIZATIONAL CHART





Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Jefferson Township Local School District
Ohio**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2022

Christopher P. Morill

Executive Director/CEO



ASSOCIATION OF
SCHOOL BUSINESS OFFICIALS
INTERNATIONAL

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

Jefferson Township Local School District

**for its Annual Comprehensive Financial Report
for the Fiscal Year Ended June 30, 2022.**

The district report meets the criteria established for
ASBO International's Certificate of Excellence in Financial Reporting.



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

John W. Hutchison
President

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

Siobhán McMahon, CAE
Chief Operations Officer/
Interim Executive Director

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FINANCIAL SECTION

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Independent Auditor's Report

Jefferson Township Local School District
Montgomery County
2625 South Union Road
Dayton, Ohio 45417

To the Members of the Board of Education:

Report on the Audit of the Financial Statements

Opinions

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Jefferson Township Local School District, as of June 30, 2023, and the respective changes in financial position, thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

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

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

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Jefferson Township Local School District's basic financial statements. The accompanying combining and individual nonmajor fund financial statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual financial report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 22, 2023 on our consideration of the Jefferson Township Local School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Jefferson Township Local School District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Jefferson Township Local School District's internal control over financial reporting and compliance.



Julian & Grube, Inc.
December 22, 2023

**JEFFERSON TOWNSHIP LOCAL SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(UNAUDITED)**

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

Financial Highlights

Key financial highlights for fiscal year 2023 are as follows:

- In total, net position of governmental activities decreased \$682,986 which represents a 16.03% decrease from June 30, 2022's net position.
- General revenues accounted for \$5,496,702 in revenue or 73.52% of all revenues. Program specific revenues in the form of charges for services and sales, grants and contributions accounted for \$1,979,787 or 26.48% of total revenues of \$7,476,489.
- The District had \$8,159,475 in expenses related to governmental activities; \$1,979,787 of these expenses were offset by program specific charges for services, grants and contributions. General revenues supporting governmental activities (primarily taxes and unrestricted grants and entitlements) of \$5,496,702 were not adequate to provide for these programs.
- The District's major governmental funds are the general fund and the ESSER fund. The general fund had \$6,200,923 in revenues and \$7,025,123 in expenditures and other financing uses. During fiscal year 2023, the general fund's balance decreased \$824,200 from a balance of \$6,870,154 to \$6,045,954.
- The ESSER fund had \$231,275 in revenues and \$561,111 in expenditures. During fiscal year 2023, the ESSER fund's balance decreased \$329,836 from a deficit balance of \$2,712 to a deficit balance of \$332,548.

Using the Basic Financial Statements

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

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

Reporting the District as a Whole

Statement of Net Position and the Statement of Activities

While this document contains the large number of funds used by the District to provide programs and activities, the view of the District as a whole looks at all financial transactions and asks the question, "How did we do financially during 2023?" The statement of net position and statement of activities answer this question. These statements include all assets, deferred outflows of resources, liabilities, deferred inflows of resources, revenues and expenses using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting will take into account all of the current year's revenues and expenses regardless of when cash is received or paid.

**JEFFERSON TOWNSHIP LOCAL SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(UNAUDITED)

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

In the statement of net position and statement of activities, the governmental activities include the District's programs and services, including instruction, support services, operation and maintenance of plant, pupil transportation, extracurricular activities and food service operations.

Reporting the District's Most Significant Funds

Fund Financial Statements

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

Governmental Funds

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

Notes to the Basic Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Required Supplementary Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the District's budgetary schedule, net pension liability and net OPEB liability/asset.

**JEFFERSON TOWNSHIP LOCAL SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(UNAUDITED)

The District as a Whole

The statement of net position provides the perspective of the District as a whole. The table below provides a summary of the District's net position for June 30, 2023 and June 30, 2022.

| | Governmental Activities 2023 | Governmental Activities 2022 |
|---|---|---|
| <u>Assets</u> | | |
| Current and other assets | \$ 10,227,431 | \$ 11,151,682 |
| Net OPEB asset | 329,154 | 272,444 |
| Capital assets, net | <u>1,734,684</u> | <u>1,441,318</u> |
| Total assets | <u>12,291,269</u> | <u>12,865,444</u> |
| <u>Deferred Outflows of Resources</u> | | |
| Pension | 1,564,725 | 1,315,078 |
| OPEB | <u>389,699</u> | <u>220,195</u> |
| Total deferred outflows of resources | <u>1,954,424</u> | <u>1,535,273</u> |
| <u>Liabilities</u> | | |
| Current liabilities | 465,592 | 286,940 |
| Long-term liabilities: | | |
| Due within one year | 153,629 | 101,211 |
| Due in more than one year: | | |
| Net pension liability | 4,802,112 | 2,674,772 |
| Net OPEB liability | 514,341 | 533,085 |
| Other amounts | <u>424,301</u> | <u>451,909</u> |
| Total liabilities | <u>6,359,975</u> | <u>4,047,917</u> |
| <u>Deferred Inflows of Resources</u> | | |
| Property taxes levied for next year | 2,349,982 | 2,396,639 |
| Payment in lieu of taxes levied for next year | 6,746 | 6,805 |
| Pension | 1,046,689 | 2,948,629 |
| OPEB | <u>905,676</u> | <u>741,116</u> |
| Total deferred inflows of resources | <u>4,309,093</u> | <u>6,093,189</u> |
| <u>Net Position</u> | | |
| Net investment in capital assets | 1,386,684 | 1,064,318 |
| Restricted | 560,238 | 515,538 |
| Unrestricted | <u>1,629,703</u> | <u>2,679,755</u> |
| Total net position | <u>\$ 3,576,625</u> | <u>\$ 4,259,611</u> |

The net pension liability is reported pursuant to Governmental Accounting Standards Board (GASB) Statement 68, "Accounting and Financial Reporting for Pensions—an Amendment of GASB Statement 27." The net other postemployment benefits (OPEB) liability/asset is reported pursuant to GASB Statement 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions." For reasons discussed below, many end users of this financial statement will gain a clearer understanding of the District's actual financial condition by adding deferred inflows related to pension and OPEB, the net pension liability, and the net OPEB liability to the reported net position and subtracting deferred outflows related to pension and OPEB and the net OPEB asset.

**JEFFERSON TOWNSHIP LOCAL SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(UNAUDITED)

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

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

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

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

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

Most long-term liabilities have set repayment schedules or, in the case of compensated absences (i.e. sick and vacation leave), are satisfied through paid time-off or termination payments. There is no repayment schedule for the net pension liability or the net OPEB liability/asset. 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/asset are satisfied, these liabilities are separately identified within the long-term liability section of the statement of net position.

In accordance with GASB 68 and GASB 75, the District's statements prepared on an accrual basis of accounting include an annual pension expense and an annual OPEB expense for their proportionate share of each plan's *change* in net pension liability and net OPEB liability/asset, 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, 2023, the District's assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$3,576,625.

Deferred outflows related to pension increased primarily due to changes in the net difference between projected and actual earnings on pension plan investments by the State Teachers Retirement System (STRS) and School Employees Retirement System (SERS). See Note 11 for more detail.

Total assets include a net OPEB asset reported by STRS. See Note 12 for more detail.

**JEFFERSON TOWNSHIP LOCAL SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

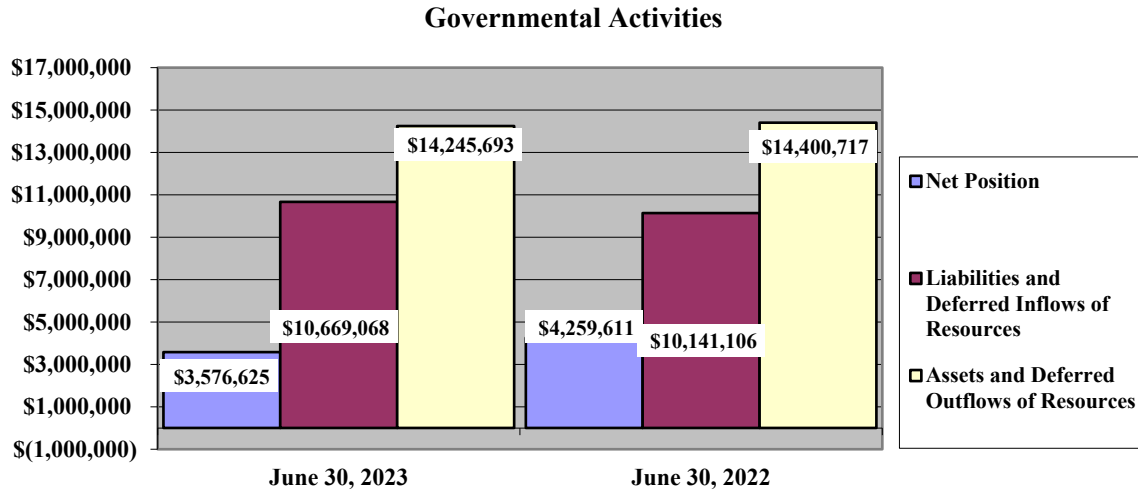
**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(UNAUDITED)**

At year end, capital assets represented 14.11% of total assets. Capital assets include land, land improvements, buildings and improvements, furniture and equipment and vehicles. Capital assets net of related debt at June 30, 2023, were \$1,386,684. These capital assets are used to provide services to the students and are not available for future spending. Although the District's investment in capital assets is reported net of related debt, it should be noted that the resources to repay the debt must be provided from other sources, since capital assets may not be used to liquidate these liabilities.

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

A portion of the District's net position, \$560,238, represents resources that are subject to external restriction on how they may be used. The remaining balance of unrestricted net position is \$1,629,703.

The table below presents the District's governmental activities liabilities and deferred inflows, net position and assets as of June 30, 2023 and June 30, 2022.



**JEFFERSON TOWNSHIP LOCAL SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(UNAUDITED)

The table below shows the change in net position for fiscal years 2023 and 2022.

| | Change in Net Position | |
|--|---|---|
| | Governmental Activities <u>2023</u> | Governmental Activities <u>2022</u> |
| <u>Revenues</u> | | |
| Program revenues: | | |
| Charges for services and sales | \$ 316,377 | \$ 174,999 |
| Operating grants and contributions | 1,663,410 | 1,156,971 |
| General revenues: | | |
| Property taxes | 2,864,097 | 3,241,263 |
| Payments in lieu of taxes | 6,746 | 6,805 |
| Grants and entitlements | 2,413,428 | 2,187,275 |
| Investment earnings | 210,591 | 14,721 |
| Other | <u>1,840</u> | <u>895</u> |
| Total revenues | <u>7,476,489</u> | <u>6,782,929</u> |
| <u>Expenses</u> | | |
| Program expenses: | | |
| Instruction: | | |
| Regular | 1,604,868 | 1,293,427 |
| Special | 1,393,155 | 1,052,058 |
| Other | 79,355 | 8,093 |
| Support services: | | |
| Pupil | 481,247 | 488,547 |
| Instructional staff | 503,493 | 309,727 |
| Board of education | 36,010 | 44,076 |
| Administration | 761,612 | 623,327 |
| Fiscal | 399,748 | 332,565 |
| Operations and maintenance | 1,398,176 | 965,804 |
| Pupil transportation | 766,399 | 587,366 |
| Central | 142,444 | 197,007 |
| Operation of non-instructional services: | | |
| Food service operations | 266,944 | 179,858 |
| Other non-instructional services | 89,069 | 20,696 |
| Extracurricular activities | 215,894 | 143,202 |
| Interest and fiscal charges | <u>21,061</u> | <u>22,688</u> |
| Total expenses | <u>8,159,475</u> | <u>6,268,441</u> |
| Change in net position | (682,986) | 514,488 |
| Net position at beginning of year | <u>4,259,611</u> | <u>3,745,123</u> |
| Net position at end of year | <u>\$ 3,576,625</u> | <u>\$ 4,259,611</u> |

**JEFFERSON TOWNSHIP LOCAL SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(UNAUDITED)**

Governmental Activities

Net position of the District's governmental activities decreased \$682,986. Total governmental expenses of \$8,159,475 were offset by program revenues of \$1,979,787 and general revenues of \$5,496,702. Program revenues supported 24.26% of the total governmental expenses.

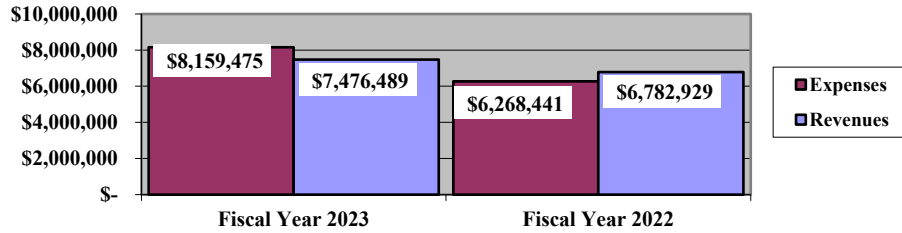
Overall, expenses of the governmental activities increased \$1,891,034 or 30.17%, primarily related to an increase in operations and maintenance and instructional expenditures.

The primary sources of revenue for governmental activities are derived from property taxes, payments in the lieu of taxes, and unrestricted grants and entitlements. These revenue sources represent 70.68% of total governmental revenue.

The largest expense of the District is for support services. Support services expenses totaled \$4,489,129 or 55.02% of total governmental expenses for fiscal year 2023.

The graph below presents the District's governmental activities revenue and expenses for fiscal years 2023 and 2022.

Governmental Activities - Revenues and Expenses



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**JEFFERSON TOWNSHIP LOCAL SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(UNAUDITED)**

The statement of activities shows the cost of program services and the charges for services and grants offsetting those services. The following table shows, for governmental activities, the total cost of services and the net cost of services. That is, it identifies the cost of these services supported by tax revenue and unrestricted State grants and entitlements.

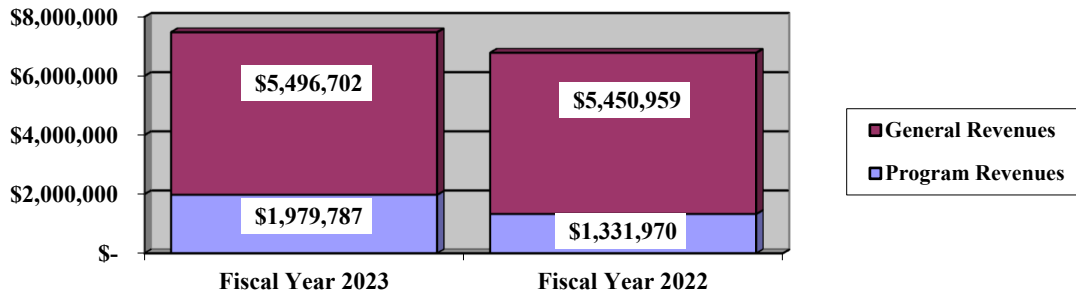
Governmental Activities

| | Total Cost of Services 2023 | Net Cost of Services 2023 | Total Cost of Services 2022 | Net Cost of Services 2022 |
|--|-----------------------------------|---------------------------------|-----------------------------------|---------------------------------|
| Program expenses | | | | |
| Instruction: | | | | |
| Regular | \$ 1,604,868 | \$ 1,412,259 | \$ 1,293,427 | \$ 1,194,269 |
| Special | 1,393,155 | 788,413 | 1,052,058 | 566,088 |
| Other | 79,355 | 79,355 | 8,093 | 8,093 |
| Support services: | | | | |
| Pupil | 481,247 | 234,282 | 488,547 | 378,567 |
| Instructional staff | 503,493 | 398,073 | 309,727 | 142,018 |
| Board of education | 36,010 | 36,010 | 44,076 | 44,076 |
| Administration | 761,612 | 754,569 | 623,327 | 440,468 |
| Fiscal | 399,748 | 399,748 | 332,565 | 332,565 |
| Operations and maintenance | 1,398,176 | 919,046 | 965,804 | 965,804 |
| Pupil transportation | 766,399 | 725,754 | 587,366 | 567,407 |
| Central | 142,444 | 142,444 | 197,007 | 196,592 |
| Operation of non-instructional services: | | | | |
| Food service operations | 266,944 | 52,174 | 179,858 | (61,305) |
| Other non-instructional services | 89,069 | 1,796 | 20,696 | (4,061) |
| Extracurricular activities | 215,894 | 214,704 | 143,202 | 143,202 |
| Interest and fiscal charges | 21,061 | 21,061 | 22,688 | 22,688 |
| Total expenses | \$ 8,159,475 | \$ 6,179,688 | \$ 6,268,441 | \$ 4,936,471 |

The dependence upon tax and other general revenues for governmental activities is apparent, as 74.09% of instruction activities are supported through taxes and other general revenues for fiscal year 2023. For all governmental activities, general revenue support is 75.74% for fiscal year 2023.

The graph below presents the District's governmental activities revenue for fiscal years 2023 and 2022.

Governmental Activities - General and Program Revenues



**JEFFERSON TOWNSHIP LOCAL SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(UNAUDITED)

The District's Funds

The District's governmental funds reported a combined fund balance of \$6,165,172, which is less than last year's balance of \$7,279,308. The schedule below indicates the fund balance and the total change in fund balance as of June 30, 2023 and 2022.

| | <u>Fund Balance</u> <u>June 30, 2023</u> | <u>Fund Balance</u> <u>June 30, 2022</u> | <u>Change</u> | <u>Percentage</u> <u>Change</u> |
|--------------------|---|---|-----------------------|------------------------------------|
| General | \$ 6,045,954 | \$ 6,870,154 | \$ (824,200) | (12.00) % |
| ESSER | (332,548) | (2,712) | (329,836) | (12,162.09) % |
| Other Governmental | <u>451,766</u> | <u>411,866</u> | <u>39,900</u> | 9.69 % |
| Total | <u>\$ 6,165,172</u> | <u>\$ 7,279,308</u> | <u>\$ (1,114,136)</u> | (15.31) % |

General Fund

The District's general fund balance decreased \$824,200 during the current fiscal year.

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

| | <u>2023</u> <u>Amount</u> | <u>2022</u> <u>Amount</u> | <u>Change</u> | <u>Percentage</u> <u>Change</u> |
|---|------------------------------|------------------------------|---------------------|------------------------------------|
| <u>Revenues</u> | | | | |
| Property taxes | \$ 3,004,390 | \$ 3,125,512 | \$ (121,122) | (3.88) % |
| Tuition and fees | 265,148 | 155,329 | 109,819 | 70.70 % |
| Investment earnings | 210,591 | 14,721 | 195,870 | 1,330.55 % |
| Intergovernmental | 2,682,641 | 2,334,083 | 348,558 | 14.93 % |
| Other revenues | <u>38,153</u> | <u>7,700</u> | <u>30,453</u> | 395.49 % |
| Total | <u>\$ 6,200,923</u> | <u>\$ 5,637,345</u> | <u>\$ 563,578</u> | 10.00 % |
| <u>Expenditures</u> | | | | |
| Instruction | \$ 2,690,507 | \$ 2,129,415 | \$ 561,092 | 26.35 % |
| Support services | 4,121,485 | 3,151,590 | 969,895 | 30.77 % |
| Facilities acquisition and construction | 250 | - | 250 | 100.00 % |
| Extracurricular activities | <u>202,581</u> | <u>146,912</u> | <u>55,669</u> | 37.89 % |
| Total | <u>\$ 7,014,823</u> | <u>\$ 5,427,917</u> | <u>\$ 1,586,906</u> | 29.24 % |

Property taxes revenue decreased \$121,122 or 3.88% due to increased collections during fiscal year 2023. Intergovernmental revenue increased \$348,558 due to an increase in grant revenue during fiscal year 2023. Tuition and fees revenue increased \$109,819 or 70.70% primarily due to an increase in foundation revenue in fiscal year 2023. All other revenues remained consistent with the prior year.

Instruction expenditures increased \$561,092 or 26.35% primarily due to large increases in regular, special, and other expenditures. Support expenditures increased 30.77% due to increased pupil, operations and maintenance, and pupil transportation expenditures in fiscal year 2023. Extracurricular expenditures increased by 37.89% due to an increase in extracurricular activity related to COVID-19 in fiscal year 2023.

**JEFFERSON TOWNSHIP LOCAL SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(UNAUDITED)

ESSER Fund

The ESSER fund had \$231,275 in revenues and \$561,111 in expenditures. During fiscal year 2023, the ESSER fund's balance decreased \$329,836 from a deficit balance of \$2,712 to a deficit balance \$332,548.

General Fund Budgeting Highlights

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

For fiscal year 2023, the general fund, original and final budgeted revenues and other financing sources were \$5,591,473. Actual revenues and other financing sources for fiscal year 2023 were \$6,159,141. This represents a \$567,668 increase from final budgeted revenues and other financing sources.

General fund original and final appropriations (appropriated expenditures plus other financing uses) totaled \$5,830,431 and \$7,855,181, respectively. The actual budget basis expenditures and other financing uses for fiscal year 2023 totaled \$7,845,907, which was \$9,274 less than the final budget appropriations.

Capital Assets and Debt Administration

Capital Assets

At the end of fiscal year 2023, the District had \$1,734,684 (net of accumulated depreciation) invested in land, land improvements, buildings and improvements, furniture and equipment and vehicles. This entire amount is reported in governmental activities. The following table shows June 30, 2023 balances compared to June 30, 2022.

**Capital Assets at June 30
(Net of Depreciation)**

| | Governmental Activities | |
|---------------------------|-------------------------|------------------|
| | 2023 | 2022 |
| Land | \$ 151,690 | \$ 151,690 |
| Land improvements | 21,691 | 26,003 |
| Building and improvements | 1,103,629 | 1,179,154 |
| Furniture and equipment | 457,674 | 84,471 |
| Total | \$ 1,734,684 | \$ 1,441,318 |

The overall increase in capital assets of \$293,366 is due to the District having additions to capital assets in fiscal year 2023.

See Note 8 to the basic financial statements for additional information on the District's capital assets.

**JEFFERSON TOWNSHIP LOCAL SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(UNAUDITED)**

Debt Administration

At June 30, 2023, the District had \$348,000 in finance purchase agreements. Of this total, \$30,000 is due within one year and \$318,000 is due in more than one year. The following table summarizes the debt outstanding.

Outstanding Debt, at Year End

| | Governmental Activities <u>2023</u> | Governmental Activities <u>2022</u> |
|----------------------------|---|---|
| Finance purchase agreement | \$ 348,000 | \$ 377,000 |
| Total | \$ 348,000 | \$ 377,000 |

See Note 9 to the basic financial statements for additional information on the District's debt administration.

Current Financial Related Activities

The District is located in an area of Montgomery County that is mainly rural in nature with relatively small, assessed value for the generation of property taxes. The District also relies heavily on State funding as over fifty-five percent of the general fund's revenue is derived from State sources. The District needs to control expenditures and use its five-year forecast as a strong fiscal management tool to help increase the overall balances of the District.

Contacting the District's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need additional financial information, please visit our website at <https://www.jeffersontwp.k12.oh.us/> or contact the Treasurer's office at Jefferson Township Local School District, 2625 S. Union Road, Dayton, Ohio 45417 or call (937) 835-5682.

**JEFFERSON TOWNSHIP LOCAL SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

STATEMENT OF NET POSITION
JUNE 30, 2023

| | Governmental Activities |
|--|------------------------------------|
| Assets: | |
| Equity in pooled cash and cash equivalents | \$ 6,146,072 |
| Receivables: | |
| Property taxes | 3,607,752 |
| Payment in lieu of taxes | 6,746 |
| Intergovernmental | 439,409 |
| Prepayments | 9,343 |
| Materials and supplies inventory | 18,109 |
| Net OPEB asset | 329,154 |
| Capital assets: | |
| Nondepreciable capital assets | 151,690 |
| Depreciable capital assets, net | 1,582,994 |
| Capital assets, net | 1,734,684 |
| Total assets | 12,291,269 |
| Deferred outflows of resources: | |
| Pension | 1,564,725 |
| OPEB | 389,699 |
| Total deferred outflows of resources | 1,954,424 |
| Liabilities: | |
| Accounts payable | 135,179 |
| Accrued wages and benefits payable | 200,512 |
| Intergovernmental payable | 30,797 |
| Pension and postemployment benefits payable | 99,104 |
| Long-term liabilities: | |
| Due within one year | 153,629 |
| Due in more than one year: | |
| Net pension liability | 4,802,112 |
| Net OPEB liability | 514,341 |
| Other amounts due in more than one year | 424,301 |
| Total liabilities | 6,359,975 |
| Deferred inflows of resources: | |
| Property taxes levied for the next fiscal year | 2,349,982 |
| Payment in lieu of taxes levied for the next fiscal year | 6,746 |
| Pension | 1,046,689 |
| OPEB | 905,676 |
| Total deferred inflows of resources | 4,309,093 |
| Net position: | |
| Net investment in capital assets | 1,386,684 |
| Restricted for: | |
| Capital projects | 460,440 |
| OPEB | 75,686 |
| Food service operations | 15,923 |
| Extracurricular activities | 8,189 |
| Unrestricted | 1,629,703 |
| Total net position | \$ 3,576,625 |

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**JEFFERSON TOWNSHIP LOCAL SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

| | Expenses | Program Revenues | | Net (Expense) Revenue and Changes in Net Position Governmental Activities |
|---|---------------------|-----------------------------------|---------------------------------------|--|
| | | Charges for Services and Sales | Operating Grants and Contributions | |
| Governmental activities: | | | | |
| Instruction: | | | | |
| Regular | \$ 1,604,868 | \$ 72,759 | \$ 119,850 | \$ (1,412,259) |
| Special | 1,393,155 | 192,389 | 412,353 | (788,413) |
| Other | 79,355 | - | - | (79,355) |
| Support services: | | | | |
| Pupil | 481,247 | 29,567 | 217,398 | (234,282) |
| Instructional staff | 503,493 | - | 105,420 | (398,073) |
| Board of education | 36,010 | - | - | (36,010) |
| Administration | 761,612 | - | 7,043 | (754,569) |
| Fiscal | 399,748 | - | - | (399,748) |
| Operations and maintenance | 1,398,176 | 21 | 479,109 | (919,046) |
| Pupil transportation | 766,399 | - | 40,645 | (725,754) |
| Central | 142,444 | - | - | (142,444) |
| Operation of non-instructional services: | | | | |
| Food service operations | 266,944 | 20,451 | 194,319 | (52,174) |
| Other non-instructional services | 89,069 | - | 87,273 | (1,796) |
| Extracurricular activities | 215,894 | 1,190 | - | (214,704) |
| Interest and fiscal charges | 21,061 | - | - | (21,061) |
| Totals | \$ 8,159,475 | \$ 316,377 | \$ 1,663,410 | (6,179,688) |

General revenues:

Property taxes levied for:

| | |
|--|------------------|
| General purposes | 2,782,258 |
| Capital projects | 81,839 |
| Payments in lieu of taxes | 6,746 |
| Grants and entitlements not restricted to specific programs | 2,413,428 |
| Investment earnings | 210,591 |
| Miscellaneous | 1,840 |
| Total general revenues | 5,496,702 |

Change in net position (682,986)

Net position at beginning of year 4,259,611

Net position at end of year \$ 3,576,625

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**JEFFERSON TOWNSHIP LOCAL SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2023

| | <u>General</u> | <u>Elementary and Secondary School Emergency Relief</u> | <u>Nonmajor Governmental Funds</u> | <u>Total Governmental Funds</u> |
|--|---------------------|---|--|---|
| Assets: | | | | |
| Equity in pooled cash and cash equivalents | \$ 5,172,467 | \$ 480,013 | \$ 493,592 | \$ 6,146,072 |
| Receivables: | | | | |
| Property taxes | 3,505,262 | - | 102,490 | 3,607,752 |
| Payment in lieu of taxes | 6,746 | - | - | 6,746 |
| Interfund loans | 754,083 | - | - | 754,083 |
| Intergovernmental | 35,216 | 332,548 | 71,645 | 439,409 |
| Prepayments | 9,213 | - | 130 | 9,343 |
| Materials and supplies inventory | 18,109 | - | - | 18,109 |
| Due from other funds | 62,000 | - | - | 62,000 |
| Total assets | <u>\$ 9,563,096</u> | <u>\$ 812,561</u> | <u>\$ 667,857</u> | <u>\$ 11,043,514</u> |
| Liabilities: | | | | |
| Accounts payable | \$ 42,851 | \$ 80,161 | \$ 12,167 | \$ 135,179 |
| Accrued wages and benefits payable | 192,671 | - | 7,841 | 200,512 |
| Compensated absences payable | 36,379 | - | - | 36,379 |
| Intergovernmental payable | 30,694 | - | 103 | 30,797 |
| Pension and postemployment benefits payable | 86,702 | - | 12,402 | 99,104 |
| Interfund loans payable | - | 732,400 | 21,683 | 754,083 |
| Due to other funds | - | - | 62,000 | 62,000 |
| Total liabilities | <u>389,297</u> | <u>812,561</u> | <u>116,196</u> | <u>1,318,054</u> |
| Deferred inflows of resources: | | | | |
| Property taxes levied for the next fiscal year | 2,282,873 | - | 67,109 | 2,349,982 |
| Payment in lieu of taxes levied for the next fiscal year | 6,746 | - | - | 6,746 |
| Delinquent property tax revenue not available | 803,010 | - | 23,141 | 826,151 |
| Intergovernmental revenue not available | 35,216 | 332,548 | 9,645 | 377,409 |
| Total deferred inflows of resources | <u>3,127,845</u> | <u>332,548</u> | <u>99,895</u> | <u>3,560,288</u> |
| Fund balances: | | | | |
| Nonspendable: | | | | |
| Materials and supplies inventory | 18,109 | - | - | 18,109 |
| Prepayments | 9,213 | - | 130 | 9,343 |
| Restricted: | | | | |
| Capital improvements | - | - | 437,299 | 437,299 |
| Food service operations | - | - | 15,793 | 15,793 |
| Extracurricular activities | - | - | 8,189 | 8,189 |
| Committed: | | | | |
| Underground storage tank | 11,000 | - | - | 11,000 |
| Assigned: | | | | |
| Student instruction | 19,158 | - | - | 19,158 |
| Student and staff support | 115,161 | - | - | 115,161 |
| Extracurricular activities | 13,926 | - | - | 13,926 |
| Unassigned (deficits) | <u>5,859,387</u> | <u>(332,548)</u> | <u>(9,645)</u> | <u>5,517,194</u> |
| Total fund balances (deficit) | <u>6,045,954</u> | <u>(332,548)</u> | <u>451,766</u> | <u>6,165,172</u> |
| Total liabilities, deferred inflows and fund balances | <u>\$ 9,563,096</u> | <u>\$ 812,561</u> | <u>\$ 667,857</u> | <u>\$ 11,043,514</u> |

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**JEFFERSON TOWNSHIP LOCAL SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO
NET POSITION OF GOVERNMENTAL ACTIVITIES
JUNE 30, 2023

| | | | |
|--|----|-------------|-------------|
| Total governmental fund balances | | \$ | 6,165,172 |
| <i>Amounts reported for governmental activities on the statement of net position are different because:</i> | | | |
| Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. | | | 1,734,684 |
| Other long-term assets are not available to pay for current-period expenditures and therefore are deferred inflows in the funds. | | | |
| Delinquent property taxes receivable | \$ | 826,151 | |
| Intergovernmental receivable | | 377,409 | |
| Total | | 1,203,560 | 1,203,560 |
| The net pension/OPEB assets & liabilities are not due and payable in the current period; therefore, the assets, liabilities and related deferred inflows/outflows of resources are not reported in governmental funds. | | | |
| Deferred outflows - pension | | 1,564,725 | |
| Deferred inflows - pension | | (1,046,689) | |
| Net pension liability | | (4,802,112) | |
| Deferred outflows - OPEB | | 389,699 | |
| Deferred inflows - OPEB | | (905,676) | |
| Net OPEB asset | | 329,154 | |
| Net OPEB liability | | (514,341) | |
| Total | | (4,985,240) | (4,985,240) |
| Long-term liabilities, including financed purchase agreements, are not due and payable in the current period and therefore are not reported in the funds. | | | |
| Financed purchase agreement | | (348,000) | |
| Compensated absences | | (193,551) | |
| Total | | (541,551) | (541,551) |
| Net position of governmental activities | | \$ | 3,576,625 |

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**JEFFERSON TOWNSHIP LOCAL SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

| | <u>General</u> | <u>Elementary and Secondary School Emergency Relief</u> | <u>Nonmajor Governmental Funds</u> | <u>Total Governmental Funds</u> |
|--|---------------------|---|--|---|
| Revenues: | | | | |
| Property taxes | \$ 3,004,390 | \$ - | \$ 88,237 | \$ 3,092,627 |
| Intergovernmental | 2,682,641 | 231,275 | 911,368 | 3,825,284 |
| Investment earnings | 210,591 | - | 1,454 | 212,045 |
| Tuition and fees | 265,148 | - | - | 265,148 |
| Extracurricular | 29,567 | - | 1,190 | 30,757 |
| Charges for services | - | - | 20,472 | 20,472 |
| Contributions and donations | 553 | - | - | 553 |
| Payment in lieu of taxes | 6,746 | - | - | 6,746 |
| Miscellaneous | 1,287 | - | - | 1,287 |
| Total revenues | <u>6,200,923</u> | <u>231,275</u> | <u>1,022,721</u> | <u>7,454,919</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Instruction: | | | | |
| Regular | 1,490,012 | 80,161 | 40,800 | 1,610,973 |
| Special | 1,121,140 | - | 288,941 | 1,410,081 |
| Other | 79,355 | - | - | 79,355 |
| Support services: | | | | |
| Pupil | 373,585 | - | 109,738 | 483,323 |
| Instructional staff | 399,759 | - | 107,516 | 507,275 |
| Board of education | 15,527 | - | - | 15,527 |
| Administration | 771,069 | 2,043 | 5,399 | 778,511 |
| Fiscal | 379,563 | - | 2,223 | 381,786 |
| Operations and maintenance | 1,277,516 | 141,943 | 295 | 1,419,754 |
| Pupil transportation | 766,399 | - | - | 766,399 |
| Central | 138,067 | - | - | 138,067 |
| Operation of non-instructional services: | | | | |
| Food service operations | - | - | 284,267 | 284,267 |
| Other non-instructional services | - | - | 89,069 | 89,069 |
| Extracurricular activities | 202,581 | - | 14,812 | 217,393 |
| Facilities acquisition and construction | 250 | 336,964 | - | 337,214 |
| Debt service: | | | | |
| Principal retirement | - | - | 29,000 | 29,000 |
| Interest and fiscal charges | - | - | 21,061 | 21,061 |
| Total expenditures | <u>7,014,823</u> | <u>561,111</u> | <u>993,121</u> | <u>8,569,055</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>(813,900)</u> | <u>(329,836)</u> | <u>29,600</u> | <u>(1,114,136)</u> |
| Other financing sources (uses): | | | | |
| Transfers in | - | - | 10,300 | 10,300 |
| Transfers (out) | (10,300) | - | - | (10,300) |
| Total other financing sources (uses) | <u>(10,300)</u> | <u>-</u> | <u>10,300</u> | <u>-</u> |
| Net change in fund balances | (824,200) | (329,836) | 39,900 | (1,114,136) |
| Fund balances (deficit) at beginning of year | <u>6,870,154</u> | <u>(2,712)</u> | <u>411,866</u> | <u>7,279,308</u> |
| Fund balances (deficit) at end of year | <u>\$ 6,045,954</u> | <u>\$ (332,548)</u> | <u>\$ 451,766</u> | <u>\$ 6,165,172</u> |

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**JEFFERSON TOWNSHIP LOCAL SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

| | | |
|--|------------|------------------|
| Net change in fund balances - total governmental funds | \$ | (1,114,136) |
| <i>Amounts reported for governmental activities in the statement of activities are different because:</i> | | |
| Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. | | |
| Capital asset additions | \$ 425,585 | |
| Current year depreciation | (132,219) | |
| Total | | 293,366 |
| Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. | | |
| Property taxes | (228,530) | |
| Intergovernmental | 250,100 | |
| Total | | 21,570 |
| Repayment of finance purchase agreement principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities on the statement of net position. | | |
| | | 29,000 |
| Contractually required contributions are reported as expenditures in governmental funds; however, the statement of net position reports these amounts as deferred outflows of resources. | | |
| Pension | 457,511 | |
| OPEB | 18,716 | |
| Total | | 476,227 |
| Except for amounts reported as deferred inflows/outflows of resources, changes in the net pension/OPEB liability/asset are reported as pension/OPEB expense in the statement of activities. | | |
| Pension | (433,264) | |
| OPEB | 61,682 | |
| Total | | (371,582) |
| Some expenses reported in the statement of activities, such as compensated absences, do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. | | |
| | | (17,431) |
| Change in net position of governmental activities | \$ | (682,986) |

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**JEFFERSON TOWNSHIP LOCAL SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 1 - DESCRIPTION OF THE SCHOOL DISTRICT

The Jefferson Township Local School District (the “District”) is located in Montgomery County and encompasses all of Jefferson Township. The District serves an area of approximately 25.5 square miles.

The District was established through the consolidation of existing land areas and school districts and is organized under Sections 2 and 3, Article VI of the Constitution of the State of Ohio. Under such laws there is no authority for a school district to have a charter or adopt local laws. The legislative power of the school district is vested in the Board of Education, consisting of five members elected at large for staggered four year terms.

The District currently operates one elementary school and one comprehensive junior/senior high school. The District employs 16 non-certified, 19 certified employees and 9 administrators to provide services to 251 students in grades K through 12 and various community groups.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity

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

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

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

JOINTLY GOVERNED ORGANIZATIONS

Miami Valley Career Technology Center

The Center is a separate body politic and corporate, established by the Ohio Revised Code (ORC) to provide vocational and special education needs of the students. The Miami Valley Career Technology Center accepts non-tuition students from the District as a member school; however, it is considered a separate political subdivision and is not considered to be part of the District. Financial information is available from the Miami Valley Career Technology Center, Brad McKee, who serves as Treasurer at 6800 Hoke Road, Englewood, Ohio 45315.

**JEFFERSON TOWNSHIP LOCAL SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

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

Southwestern Ohio Educational Purchasing Council (SOEPC)

SOEPC is a purchasing cooperative made up of over 100 school districts in Montgomery and surrounding counties. The Montgomery County Educational Service Center acts as fiscal agent for the group. The purpose of the cooperative is to obtain lower prices for supplies and materials commonly used by the member districts. The members are obligated to pay all fees, charges, and assessments as established by SOEPC. Each member district has one voting representative. Title to any and all equipment and supplies purchased by SOEPC is held in trust for the member districts by the fiscal agent. Any district withdrawing from SOEPC shall forfeit its claim to any and all SOEPC assets. One year of prior notice is necessary for withdrawal from the group. During this time, the withdrawing member is liable for all member obligations. Payments to SOEPC are made from the District's general fund. Financial information is available from SOEPC by contacting Ken Swink, Director, at 303 Corporate Center Drive, Suite 208, Vandalia, Ohio 45377.

Metropolitan Educational Technology Association (META) Solutions

The District is a participant in META Solutions which is a computer consortium that resulted from the mergers between Tri-Rivers Educational Computer Association (TRECA), Metropolitan Educational Council (MEC), Metropolitan Dayton Educational Cooperative Association (MDECA), Southeastern Ohio Valley Voluntary Education Cooperative (SEOVEC), and South-Central Ohio Computer Association (SCOCA). META Solutions develops, implements and supports the technology and instructional needs of schools in a cost-effective manner. META Solutions provides instructional, core, technology and purchasing services for its member districts. The Board of Directors consists of the Superintendents from eleven of the member districts. During fiscal year 2023, the District paid META Solutions \$56,639 for services. Financial information can be obtained from Ashley Widby, who serves as Chief Financial Officer, 100 Executive Drive, Marion, Ohio 43302.

PUBLIC ENTITY RISK POOLS

Sheakley Workers' Compensation Group Retrospective Rating Plan

The District participates in a group retrospective rating plan for workers' compensation. The Sheakley Workers' Compensation Group Retrospective Rating Plan is a program where the District will continue to pay their individual bureau of workers' compensation premiums for the program year as required. The Bureau of Workers Compensation will evaluate the group's claim losses (compensation and medical costs, as well as claim reserves), at 12, 24 and 36 months following the end of the group retro policy year. If the Bureau of Workers Compensation findings result in a group retrospective premium calculation lower than the group's standard premium, participating employers may be entitled to a refund. Each year, the participating school districts pay an enrollment fee to Sheakley to cover the costs of administering the program.

Southwestern Ohio Educational Purchasing Cooperative Employee Benefit Plan - The EPC Benefit Plan (the Plan) is a group purchasing pool consisting of public school districts who are members of the Southwestern Ohio Educational Purchasing Cooperative. The purpose of a group purchasing pool is for members to pool funds or resources to purchase group insurance products to provide health benefits to participants at a lower rate than if the individual districts acted independently. Each district pays a monthly premium to the Plan for insurance coverage which is provided by Anthem Blue Cross or United Healthcare. Districts may also contribute monthly to the Plan for dental benefits provided through a self-funded dental plan administered by CoreSource. The Plan is governed by a Board of Trustees elected in accordance with the Trust Agreement and voted on by participating EPC member districts. Financial information can be obtained from Doug Merkle, who serves as administrator, at EPC Benefits Office, 303 Corporate Center Drive, Suite 208, Vandalia, Ohio 45377.

B. Fund Accounting

The District uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The District reports only governmental funds.

**JEFFERSON TOWNSHIP LOCAL SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

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

GOVERNMENTAL FUNDS

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

The following are the District's major governmental funds:

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

Elementary and Secondary School Emergency Relief fund - To provide emergency relief grants to school districts related to the COVID-19 pandemic. Restrictions include, but are not limited to, providing for coordination of preparedness and response efforts, training and professional development of staff, planning and coordination during long-term closure, and purchasing technology for students.

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

C. Basis of Presentation and Measurement Focus

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

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

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

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

**JEFFERSON TOWNSHIP LOCAL SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

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

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

D. Basis of Accounting

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

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

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

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

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

Deferred Outflows of Resources and Deferred Inflows of Resources - In addition to assets, the government-wide statement of net position will report a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net assets that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. See Notes 11 and 12 for deferred outflows of resources related to net pension liability and net OPEB liability/asset, respectively.

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

**JEFFERSON TOWNSHIP LOCAL SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

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

See Notes 11 and 12 for deferred inflows of resources related to net pension liability and net OPEB liability/asset, respectively. These deferred inflows of resources are only reported on the government-wide statement of net position.

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

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

E. Cash and Investments

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

During fiscal year 2023, the District invested in STAR Ohio. STAR Ohio (the State Treasury Asset Reserve of Ohio), is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but has adopted Governmental Accounting Standards Board (GASB), Statement No. 79, "Certain External Investment Pools and Pool Participants." The District measures their investment in STAR Ohio at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides an NAV per share that approximates fair value.

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

Under existing Ohio statutes all investment earnings are assigned to the general fund unless statutorily required to be credited to a specific fund. The Board of Education has, by resolution, specified the funds to receive an allocation of interest earnings. Interest revenue credited to the general fund during fiscal year 2023 amounted to \$210,591, which includes \$20,494 assigned from other District funds.

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

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

**JEFFERSON TOWNSHIP LOCAL SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

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

F. Inventory

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

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

G. Capital Assets

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

All capital assets are capitalized at cost (or estimated historical cost) and updated for acquisitions and disposals during the fiscal year. Donated capital assets are recorded at their acquisition value as of the date received. 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. The District maintains a capitalization threshold of \$3,000. The District does not possess infrastructure.

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

| <u>Description</u> | <u>Governmental Activities Estimated Lives</u> |
|----------------------------|--|
| Land improvements | 5 - 20 years |
| Buildings and improvements | 20 - 50 years |
| Furniture and equipment | 5 - 20 years |
| Vehicles | 5 - 10 years |

H. Interfund Balances

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

I. Compensated Absences

Compensated absences of the District consist of vacation leave and sick leave to the extent that payments to the employee for these absences are attributable to services already rendered and are not contingent on a specific event that is outside the control of the District and the employee.

**JEFFERSON TOWNSHIP LOCAL SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

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

In accordance with the provisions of GASB Statement No. 16, “Accounting for Compensated Absences”, a liability for vacation leave is accrued if a) the employees’ rights to payment are attributable to services already rendered; and b) it is probable that the employer will compensate the employees for the benefits through paid time off or other means, such as cash payment at termination or retirement. An accrual for earned sick leave is made to the extent that it is probable that the benefits will result in termination (severance) payments. A liability for sick leave is accrued using the vesting method; i.e., the liability is based on the sick leave accumulated at June 30, 2023, by those employees who are currently eligible to receive termination (severance) payments, as well as those employees expected to become eligible in the future. For purposes of establishing a liability for sick leave on employees expected to become eligible to retire in the future, all employees with at least five years of service regardless of their age were considered expected to become eligible to retire in accordance with GASB Statement No. 16.

The total liability for vacation and sick leave payments has been calculated using pay rates in effect at June 30, 2023 and reduced to the maximum payment allowed by labor contract and/or statute, plus any applicable additional salary related payments.

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

For governmental fund financial statements, compensated absences are recognized as liabilities and expenditures as payments come due each period upon the occurrence of employee resignations and retirements. Other long-term obligations are recognized as a liability on the fund statements when due.

J. Accrued Liabilities and Long-Term Obligations

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

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

K. Fund Balance

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

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

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

**JEFFERSON TOWNSHIP LOCAL SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

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

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

Assigned - Amounts in the assigned fund balance classification are intended to be used by the District for specific purposes but do not meet the criteria to be classified as restricted nor committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the general fund, assigned amounts represent intended uses established by policies of the District Board of Education, which includes giving the Treasurer the authority to constrain monies for intended purposes.

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

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

L. Net Position

Net position represents the difference between assets and deferred outflows of resources and liabilities and 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 used for the acquisition, construction or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction or improvement of those assets or related debt also should be included in this component of net position. Net position is reported as restricted when there are limitations imposed on its use either through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

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

M. Prepayments

Certain payments to vendors reflect the costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. These items are reported as assets on the balance sheet using the consumption method. A current asset for the prepaid amounts is recorded at the time of the purchase and the expenditure/expense is reported in the year in which services are consumed.

At fiscal year-end, because prepayments are not available to finance future governmental fund expenditures, the fund balance is considered nonspendable in an amount equal to the carrying value of the asset on the fund financial statement.

**JEFFERSON TOWNSHIP LOCAL SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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

N. Estimates

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

O. Interfund Activity

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

P. 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 to pension/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.

Q. Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the Board of Education and that are either unusual in nature or infrequent in occurrence. The District had neither for fiscal year 2023.

R. Fair Value

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

S. Nonpublic Schools

Within the District's boundaries one nonpublic school is operated as a private school. Current state legislation provides funding to the nonpublic school. These monies are received and disbursed on behalf of the nonpublic school by the Treasurer/CFO of the District, as directed by the nonpublic school. This activity is reflected in a nonmajor special revenue fund for financial reporting purposes.

**JEFFERSON TOWNSHIP LOCAL SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE

A. Change in Accounting Principles

For fiscal year 2023, the District has implemented GASB Statement No. 91, "Conduit Debt Obligations", GASB Statement No. 94, "Public-Private and Public-Public Partnerships and Availability Payment Arrangements", GASB Statement No. 96, "Subscription Based Information Technology Arrangements", certain questions and answers of GASB Implementation Guide 2021-1 and certain paragraphs of GASB Statement No. 99, "Omnibus 2022".

GASB Statement No. 91 provides a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures. The implementation of GASB Statement No. 91 did not have an effect on the financial statements of the District.

GASB Statement No. 94 is to improve financial reporting by addressing issues related to public-private and public partnership arrangements (PPPs). As used in this Statement, a PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset (the underlying PPP asset), for a period of time in an exchange or exchange-like transaction. The implementation of GASB Statement No. 94 did not have an effect on the financial statements of the District.

GASB Statement No. 96 provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, Leases, as amended. The implementation of GASB Statement No. 96 did not have an effect on the financial statements of the District.

GASB Implementation Guide 2021-1 provides clarification on issues related to previously established GASB guidance. The implementation of GASB Implementation Guide 2021-1 did not have an effect on the financial statements of the District.

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

**JEFFERSON TOWNSHIP LOCAL SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE – (Continued)

B. Deficit Fund Balances

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

| <u>Major fund</u> | <u>Deficit</u> |
|-----------------------------------|----------------|
| ESSER | \$ 332,548 |
| | |
| <u>Nonmajor governmental fund</u> | |
| Title I | 9,645 |

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

NOTE 4 - DEPOSITS AND INVESTMENTS

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

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

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

Interim deposits are deposits of interim monies. Interim monies are those monies which are not needed for immediate use, but which will be needed before the end of the current period of designation of depositories.

Interim deposits must be evidenced by time certificates of deposit maturing not more than one year from the date of deposit or by savings or deposit accounts including passbook accounts.

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

1. United States Treasury Notes, Bills, Bonds, or any other obligation or security issued by the United States Treasury or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including, but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, and Government National Mortgage Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided that the fair value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio; and with certain limitations including a requirement for maturity within ten years from the date of settlement, bonds and other obligations of political subdivisions of the State of Ohio, if training requirements have been met;

**JEFFERSON TOWNSHIP LOCAL SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

5. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
6. No-load money market mutual funds consisting exclusively of obligations described in items (1) and (2) above and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
7. The State Treasurer's investment pool, the State Treasury Asset Reserve of Ohio (STAR Ohio); and,
8. Certain bankers' acceptances for a period not to exceed one hundred eighty days) and commercial paper notes (for a period not to exceed two hundred seventy days) in an amount not to exceed 40 percent of the interim monies available for investment at any one time if training requirements have been met. The investment in commercial paper notes of a single issuer shall not exceed in the aggregate five percent of interim moneys available for investment at the time of purchase.

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

Investments in stripped principal or interest obligations, reverse repurchase agreements and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage and short selling are also prohibited. Except as noted above, an investment must mature within five years from the date of purchase unless matched to a specific obligation or debt of the District and must be purchased with the expectation that it will be held to maturity. Investments may only be made through specified dealers and institutions. Payment for investments may be made only upon delivery of the securities representing the investments to the Treasurer or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

A. Deposits with Financial Institutions

At June 30, 2023, the carrying amount of all District deposits was \$3,866,256 and the bank balance of all District deposits was \$3,799,619. \$3,348,435 of the District's bank balance was covered by the FDIC and \$451,184 was covered by the OPCS.

B. Investments

As of June 30, 2023, the District had the following investment and maturity:

| <u>Measurement/ Investment type</u> | <u>Measurement Value</u> | <u>Investment Maturity</u> 6 months or less |
|---|------------------------------|---|
| <i>NAV per share:</i> STAR Ohio | <u>\$ 2,279,816</u> | <u>\$ 2,279,816</u> |

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

Credit Risk: Standard & Poor's has assigned STAR Ohio an AAAM money market rating. Ohio law requires that STAR Ohio maintain the highest rating provided by at least one nationally recognized standard rating service. The District's investment policy does not specifically address credit risk beyond requiring the District to only invest in securities authorized by State statute.

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NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

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

Concentration of Credit Risk: The District places no limit on the amount that may be invested in any one issuer. The following table includes the percentage of each investment type held by the District at June 30, 2023:

| <u>Measurement/Investment type</u> | <u>Measurement Value</u> | <u>% of Total</u> |
|------------------------------------|--------------------------|-------------------|
| <i>NAV Per Share:</i> | | |
| STAR Ohio | \$ 2,279,816 | 100.00 |

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

The following is a reconciliation of cash and investments as reported in the note above to cash and cash equivalents as reported on the statement of net position as of June 30, 2023:

| | |
|--|---------------------|
| <u>Cash and investments per note</u> | |
| Carrying amount of deposits | \$ 3,866,256 |
| Investments | 2,279,816 |
| Total | <u>\$ 6,146,072</u> |
| <u>Cash and cash equivalents per statement of net position</u> | |
| Governmental activities | \$ 6,146,072 |
| Total | <u>\$ 6,146,072</u> |

NOTE 5 - INTERFUND TRANSACTIONS

- A. Interfund balances at June 30, 2023 as reported on the fund financial statements, consist of the following individual interfund loans payable/receivable, due to other funds, and due from other funds:

| | | |
|--------------------------------------|------------------------------------|-------------------|
| <u>Interfund loans receivable</u> | <u>Interfund loans payable</u> | <u>Amount</u> |
| General fund | ESSER fund | \$ 732,400 |
| General fund | Nonmajor governmental funds | 21,683 |
| Total | | <u>\$ 754,083</u> |
| | | |
| <u>Balances due from other funds</u> | <u>Balances due to other funds</u> | <u>Amount</u> |
| General fund | Nonmajor governmental funds | \$ 62,000 |

The primary purpose of the interfund balances is to cover costs in specific funds where revenues were not received by June 30. These interfund balances will be repaid once the anticipated revenues are received. The interfund balances are expected to be repaid within one fiscal year. Interfund balances between governmental funds are eliminated on the government-wide financial statements.

The primary purpose of the amount due to the general fund from the nonmajor governmental fund was to eliminate negative cash balances due to outstanding project requests. The amount will be repaid once cash is received. Amounts due to/from between governmental funds are eliminated on the government-wide statements.

**JEFFERSON TOWNSHIP LOCAL SCHOOL DISTRICT
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**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 5 - INTERFUND TRANSACTIONS - (Continued)

B. Interfund transfers for the fiscal year ended June 30, 2023, consisted of the following, as reported on the fund financial statements:

| <u>Transfers from the general fund to:</u> | <u>Amount</u> |
|--|------------------|
| Nonmajor governmental funds | <u>\$ 10,300</u> |

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, and (2) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations. All transfers were made in compliance with Ohio Revised Code Sections 5705.14, 5705.15 and 5705.16.

Interfund transfers between governmental funds are eliminated for reporting in the statement of activities.

NOTE 6 - PROPERTY TAXES

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

Property taxes include amounts levied against all real property and public utility property. Real property tax revenues received in calendar year 2023 represent the collection of calendar year 2022 taxes. Real property taxes received in calendar year 2023 were levied after April 1, 2022, on the assessed values as of January 1, 2022, the lien date. Assessed values for real property taxes are established by State statute at 35 percent of appraised fair value. Real property taxes are payable annually or semiannually. If paid annually, payment is due December 31; if paid semiannually, the first payment is due December 31, with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established. Public utility property tax revenues received in calendar year 2023 represent the collection of calendar year 2022 taxes. Public utility real and personal property taxes received in calendar year 2023 became a lien on December 31, 2021, were levied after April 1, 2022, and are collected with real property taxes. Public utility real property is assessed at 35 percent of true value; public utility tangible personal property is currently assessed at varying percentages of true value.

Accrued property taxes receivable includes real property, public utility property and delinquent tangible personal property taxes which are measurable as of June 30, 2023, and for which there is an enforceable legal claim. Although total property tax collections for the next fiscal year are measurable, only the amount of real property taxes available as an advance at June 30 was levied to finance current fiscal year operations and is reported as revenue at fiscal year-end. The portion of the receivable not levied to finance current fiscal year operations is offset by a credit to deferred inflows of resources.

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

The District receives property taxes from Montgomery County. The County Auditor periodically advances to the District its portion of the taxes collected. Second-half real property tax payments collected by the County by June 30, 2023, are available to finance fiscal year 2023 operations. The amount available as an advance at June 30, 2023 was \$419,379 in the general fund and \$12,240 in the permanent improvement fund (a nonmajor governmental fund). This amount is recorded as revenue. The amount available as an advance at June 30, 2022 was \$322,853 in the general fund and \$9,310 in the permanent improvement fund (a nonmajor governmental fund). The amount of second-half real property taxes available for advance at fiscal year-end can vary based on the date the tax bills are sent.

**JEFFERSON TOWNSHIP LOCAL SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 6 - PROPERTY TAXES - (Continued)

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

| | 2022 Second Half Collections | | 2023 First Half Collections | |
|---|---------------------------------|----------------|--------------------------------|----------------|
| | <u>Amount</u> | <u>Percent</u> | <u>Amount</u> | <u>Percent</u> |
| Agricultural/residential and other real estate | \$ 97,615,100 | 94.49 | \$ 98,302,950 | 94.19 |
| Public utility personal | <u>5,689,900</u> | <u>5.51</u> | <u>6,068,660</u> | <u>5.81</u> |
| Total | <u>\$ 103,305,000</u> | <u>100.00</u> | <u>\$ 104,371,610</u> | <u>100.00</u> |
| Tax rate per \$1,000 of assessed valuation | \$61.40 | | \$61.40 | |

NOTE 7 - RECEIVABLES

Receivables at June 30, 2023 consisted of taxes, payments in lieu of taxes, and intergovernmental grants and entitlements. All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes, the stable condition of state programs, and the current year guarantee of federal funds. A summary of the principal items of receivables reported on the statement of net position follows:

Governmental activities:

| | |
|--------------------------|---------------------|
| Property taxes | \$ 3,607,752 |
| Payment in lieu of taxes | 6,746 |
| Intergovernmental | <u>439,409</u> |
| Total receivables | <u>\$ 4,053,907</u> |

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

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**JEFFERSON TOWNSHIP LOCAL SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 8 - CAPITAL ASSETS

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

| | <u>Balance</u> <u>06/30/22</u> | <u>Additions</u> | <u>Deductions</u> | <u>Balance</u> <u>06/30/23</u> |
|---|-----------------------------------|-------------------|-------------------|-----------------------------------|
| <u>Governmental activities:</u> | | | | |
| <i>Capital assets, not being depreciated:</i> | | | | |
| Land | \$ 151,690 | \$ - | \$ - | \$ 151,690 |
| Total capital assets, not being depreciated | <u>151,690</u> | <u>-</u> | <u>-</u> | <u>151,690</u> |
| <i>Capital assets, being depreciated:</i> | | | | |
| Land improvements | 754,162 | - | - | 754,162 |
| Buildings and improvements | 3,719,529 | - | - | 3,719,529 |
| Furniture and equipment | 952,596 | 425,585 | - | 1,378,181 |
| Vehicles | <u>386,356</u> | <u>-</u> | <u>-</u> | <u>386,356</u> |
| Total capital assets, being depreciated | <u>5,812,643</u> | <u>425,585</u> | <u>-</u> | <u>6,238,228</u> |
| <i>Less: accumulated depreciation</i> | | | | |
| Land improvements | (728,159) | (4,312) | - | (732,471) |
| Buildings and improvements | (2,540,375) | (75,525) | - | (2,615,900) |
| Furniture and equipment | (868,125) | (52,382) | - | (920,507) |
| Vehicles | <u>(386,356)</u> | <u>-</u> | <u>-</u> | <u>(386,356)</u> |
| Total accumulated depreciation | <u>(4,523,015)</u> | <u>(132,219)</u> | <u>-</u> | <u>(4,655,234)</u> |
| Governmental activities capital assets, net | <u>\$ 1,441,318</u> | <u>\$ 293,366</u> | <u>\$ -</u> | <u>\$ 1,734,684</u> |

Depreciation expense was charged to the governmental functions as follows:

| | |
|--|-------------------|
| <u>Instruction:</u> | |
| Regular | \$ 37,941 |
| Special | 4,214 |
| <u>Support services:</u> | |
| Board of education | 20,628 |
| Operation and maintenance | 66,955 |
| Extracurricular | 162 |
| <u>Operation of non-instructional services:</u> | |
| Food service operations | <u>2,319</u> |
| Total depreciation expense | <u>\$ 132,219</u> |

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**JEFFERSON TOWNSHIP LOCAL SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 9 - LONG-TERM OBLIGATIONS

A. During fiscal year 2023, the following changes occurred in the governmental activities long-term obligations.

| | <u>Balance</u> <u>06/30/22</u> | <u>Additions</u> | <u>Reductions</u> | <u>Balance</u> <u>06/30/23</u> | <u>Amounts</u> <u>Due in</u> <u>One Year</u> |
|---|-----------------------------------|---------------------|---------------------|-----------------------------------|--|
| Governmental activities: | | | | | |
| Finance purchase agreement | | | | | |
| - direct borrowing | \$ 377,000 | \$ - | \$ (29,000) | \$ 348,000 | \$ 30,000 |
| Net pension liability | 2,674,772 | 2,127,340 | - | 4,802,112 | - |
| Net OPEB liability | 533,085 | - | (18,744) | 514,341 | - |
| Compensated absences | <u>176,120</u> | <u>133,001</u> | <u>(79,191)</u> | <u>229,930</u> | <u>123,629</u> |
| Total long-term obligations, governmental activities | <u>\$ 3,760,977</u> | <u>\$ 2,260,341</u> | <u>\$ (126,935)</u> | <u>\$ 5,894,383</u> | <u>\$ 153,629</u> |

In 2002, the District entered into a finance-purchase agreement with the Rickenbacker Port Authority (through the OASBO Expanded Asset Pooled Financing Program) for the construction of an administration building. This is considered a direct borrowing. Direct borrowings have terms negotiated directly between the District and the lender and are not offered for public sale. US Bank has been designated as trustee for the agreement. The source of revenue to fund the principal and interest payments is general operating revenues of the District. Capital assets acquired by the agreement have been capitalized in the amount of \$708,000, which is equal to the present value of the future minimum payments as of the date of their inception. Accumulated depreciation as of June 30, 2023 was \$492,129 leaving a current book value of \$215,871. During fiscal year 2023, the District paid \$29,000 in principal and \$21,061 in interest and fiscal charges on the finance purchase agreement. Principal and interest payments are recorded as debt service expenditures in the nonmajor permanent improvement capital projects fund.

The following is a summary of the District's future minimum annual payments to retire the finance purchase agreement:

| <u>Fiscal Year</u> <u>Ending June 30,</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|--|-------------------|------------------|-------------------|
| 2024 | \$ 30,000 | \$ 19,347 | \$ 49,347 |
| 2025 | 32,000 | 17,546 | 49,546 |
| 2026 | 34,000 | 15,629 | 49,629 |
| 2027 | 36,000 | 13,595 | 49,595 |
| 2028 | 38,000 | 11,446 | 49,446 |
| 2029 - 2032 | <u>178,000</u> | <u>21,381</u> | <u>199,381</u> |
| Total | <u>\$ 348,000</u> | <u>\$ 98,944</u> | <u>\$ 446,944</u> |

See Note 11 for detail on the net pension liability. The District pays obligations related to employee compensation from the fund benefitting from their service, which is primarily the general fund.

See Note 12 for detail on the net OPEB liability. The District pays obligations related to employee compensation from the fund benefitting from their service, which is primarily the general fund.

Compensated absences will be paid from the fund in which employees are paid which, for the District, is primarily the general fund.

**JEFFERSON TOWNSHIP LOCAL SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 9 - LONG-TERM OBLIGATIONS - (Continued)

B. Legal Debt Margin

The Ohio Revised Code provides that voted net general obligation debt of the District shall never exceed 9% of the total assessed valuation of the District. The code further provides that unvoted indebtedness shall not exceed 1/10 of 1% of the property valuation of the District. The code additionally states that unvoted indebtedness related to energy conservation debt shall not exceed 9/10 of 1% of the property valuation of the District. The assessed valuation used in determining the District's legal debt margin has been modified by House Bill 530 which became effective March 30, 2006. In accordance with House Bill 530, the assessed valuation used in the District's legal debt margin calculation excluded tangible personal property used in business, telephone or telegraph property, interexchange telecommunications company property and personal property owned or leased by a railroad company and used in railroad operations. The effects of these debt limitations at June 30, 2023, are a voted debt margin of \$9,393,445 and an unvoted debt margin of \$104,372.

NOTE 10 - RISK MANAGEMENT

A. Comprehensive

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District carries general liability insurance coverage through a commercial carrier. Absent the deductible, the risk of loss transfers entirely to the commercial carrier.

Settled claims resulting from these risks have not exceeded the commercial insurance coverage in any of the past three years. There has been no significant reduction in amounts of insurance coverage from fiscal year 2022.

B. Employee Medical and Dental Insurance

The District purchases medical and dental insurance through the Southwestern Ohio Educational Purchasing Cooperative Employee Benefit Plan (the "Plan"). The Plan is a public entity risk pool currently operating as a common risk management and insurance program. The intent of the Plan is to achieve the benefit of a reduced premium for the District by virtue of its grouping and representation with other participants in the Plan. The Plan is self-sustaining through member premiums and will reinsure through commercial coverage for claims in excess of the pooling level per fiscal year.

NOTE 11 - DEFINED BENEFIT PENSION PLANS

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

Net Pension Liability/Net OPEB Liability/Asset

The net pension liability and the net OPEB liability/asset reported on the statement of net position represents a liability or asset to employees for pensions and OPEB, respectively.

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

**JEFFERSON TOWNSHIP LOCAL SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 11 - DEFINED BENEFIT PENSION PLANS - (Continued)

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

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

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

The remainder of this note includes the required pension disclosures. See Note 12 for the required OPEB disclosures.

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

Plan Description - School Employees Retirement System (SERS)

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

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 | 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.

**JEFFERSON TOWNSHIP LOCAL SCHOOL DISTRICT
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**NOTES TO THE BASIC FINANCIAL STATEMENTS
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NOTE 11 - DEFINED BENEFIT PENSION PLANS - (Continued)

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.

An individual whose benefit effective date is before April 1, 2018, is eligible for a cost-of-living adjustment (COLA) on the first anniversary date of the benefit. Beginning April 1, 2018, new benefit recipients must wait until the fourth anniversary of their benefit for COLA eligibility. The COLA is added each year to the base benefit amount on the anniversary date of the benefit. A three-year COLA suspension was in effect for all benefit recipients for the years 2018, 2019, and 2020. Upon resumption of the COLA, it will be indexed to the percentage increase in the CPI-W, not to exceed 2.5% and with a floor of 0%. In 2022, the Board of Trustees approved a 2.5% cost-of-living adjustment (COLA) for eligible retirees and beneficiaries in 2023.

Funding Policy - Plan members are required to contribute 10.00% of their annual covered salary and the District is required to contribute 14.00% 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 10.00% for plan members and 14.00% for employers. The Retirement Board, acting with the advice of the actuary, allocates the employer contribution rate among four of the System's funds (Pension Trust Fund, Death Benefit Fund, Medicare B Fund, and Health Care Fund). For the fiscal year ended June 30, 2023, the allocation to pension, death benefits, and Medicare B was 14.00%. For fiscal year 2023, the Retirement Board did not allocate any employer contribution to the Health Care Fund.

The District's contractually required contribution to SERS was \$232,904 for fiscal year 2023. Of this amount, \$42,061 is reported as pension and postemployment benefits payable.

Plan Description - State Teachers Retirement System (STRS)

Plan Description - Licensed teachers participate in STRS, 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 (CO) Plan. Benefits are established by Ohio Revised Code Chapter 3307.

The DB plan offers an annual retirement allowance based on final average salary multiplied by a percentage that varies based on years of service. Effective August 1, 2015, the calculation is 2.20% of final average salary for the five highest years of earnings multiplied by all years of service. Eligibility changes will be phased in until August 1, 2023, when retirement eligibility for unreduced benefits will be five years of service credit and age 65, or 35 years of service credit and at least age 60.

Eligibility changes for DB Plan members who retire with actuarially reduced benefits will be phased in until August 1, 2023 when retirement eligibility will be five years of qualifying service credit and age 60, or 30 years of service credit regardless of age.

The DC Plan allows members to place all of their member contributions and 9.53% of the 14% employer contributions into an investment account. The member determines how to allocate the member and employer money among various investment choices offered by STRS Ohio. 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.

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NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 11 - DEFINED BENEFIT PENSION PLANS - (Continued)

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 and after termination of employment.

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

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

Funding Policy - Employer and member contribution rates are established by the State Teachers Retirement Board and limited by Chapter 3307 of the Ohio Revised Code. The fiscal year 2023 employer and employee contribution rate of 14% was equal to the statutory maximum rates. For fiscal year 2023, the full employer contribution was allocated to pension.

The District's contractually required contribution to STRS was \$224,607 for fiscal year 2023. Of this amount, \$36,628 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, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on the District's share of contributions to the pension plan relative to the contributions of all participating entities.

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

| | <u>SERS</u> | <u>STRS</u> | <u>Total</u> |
|--|---------------------|----------------------|--------------|
| Proportion of the net pension liability prior measurement date | 0.027715200% | 0.012921740% | |
| Proportion of the net pension liability current measurement date | <u>0.036537600%</u> | <u>0.012711910%</u> | |
| Change in proportionate share | <u>0.008822400%</u> | <u>-0.000209830%</u> | |
| Proportionate share of the net pension liability | \$ 1,976,238 | \$ 2,825,874 | \$ 4,802,112 |
| Pension expense | \$ 259,750 | \$ 173,514 | \$ 433,264 |

**JEFFERSON TOWNSHIP LOCAL SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 11 - DEFINED BENEFIT PENSION PLANS - (Continued)

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

| | <u>SERS</u> | <u>STRS</u> | <u>Total</u> |
|--|-------------------|-------------------|---------------------|
| Deferred outflows of resources | | | |
| Differences between expected and actual experience | \$ 80,039 | \$ 36,173 | \$ 116,212 |
| Net difference between projected and actual earnings on pension plan investments | - | 98,333 | 98,333 |
| Changes of assumptions | 19,500 | 338,172 | 357,672 |
| Difference between employer contributions and proportionate share of contributions/ change in proportionate share | 303,468 | 231,529 | 534,997 |
| Contributions subsequent to the measurement date | <u>232,904</u> | <u>224,607</u> | <u>457,511</u> |
| Total deferred outflows of resources | <u>\$ 635,911</u> | <u>\$ 928,814</u> | <u>\$ 1,564,725</u> |
| | <u>SERS</u> | <u>STRS</u> | <u>Total</u> |
| Deferred inflows of resources | | | |
| Differences between expected and actual experience | \$ 12,974 | \$ 10,809 | \$ 23,783 |
| Net difference between projected and actual earnings on pension plan investments | 68,960 | - | 68,960 |
| Changes of assumptions | - | 254,546 | 254,546 |
| Difference between employer contributions and proportionate share of contributions/ change in proportionate share | <u>27,201</u> | <u>672,199</u> | <u>699,400</u> |
| Total deferred inflows of resources | <u>\$ 109,135</u> | <u>\$ 937,554</u> | <u>\$ 1,046,689</u> |

\$457,511 reported as deferred outflows of resources related to pension resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the fiscal year ending June 30, 2024.

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

| | <u>SERS</u> | <u>STRS</u> | <u>Total</u> |
|-----------------------------|-------------------|---------------------|------------------|
| Fiscal Year Ending June 30: | | | |
| 2024 | \$ 135,014 | \$ (155,248) | \$ (20,234) |
| 2025 | 142,768 | (90,501) | 52,267 |
| 2026 | (98,511) | (274,190) | (372,701) |
| 2027 | <u>114,601</u> | <u>286,592</u> | <u>401,193</u> |
| Total | <u>\$ 293,872</u> | <u>\$ (233,347)</u> | <u>\$ 60,525</u> |

**JEFFERSON TOWNSHIP LOCAL SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 11 - DEFINED BENEFIT PENSION PLANS - (Continued)

Actuarial Assumptions - SERS

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

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

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

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

| | |
|---|---|
| Wage inflation: | |
| Current measurement date | 2.40% |
| Prior measurement date | 2.40% |
| Future salary increases, including inflation: | |
| Current measurement date | 3.25% to 13.58% |
| Prior measurement date | 3.25% to 13.58% |
| COLA or ad hoc COLA: | |
| Current measurement date | 2.00% |
| Prior measurement date | 2.00% |
| Investment rate of return: | |
| Current measurement date | 7.00% net of system expenses |
| Prior measurement date | 7.00% net of system expenses |
| Discount rate: | |
| Current measurement date | 7.00% |
| Prior measurement date | 7.00% |
| Actuarial cost method | Entry age normal (level percent of payroll) |

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

**JEFFERSON TOWNSHIP LOCAL SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 11 - DEFINED BENEFIT PENSION PLANS - (Continued)

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

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

The long-term return expectation for the Pension Plan Investments has been determined 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 asset class are summarized in the following table:

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

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

Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate - Net pension liability is sensitive to changes in the discount rate, and to illustrate the potential impact the following table presents the net pension liability calculated using the discount rate of 7.00%, as well as what each plan's net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.00%), or one percentage point higher (8.00%) than the current rate.

| | Current | | |
|--|--------------------|----------------------|--------------------|
| | <u>1% Decrease</u> | <u>Discount Rate</u> | <u>1% Increase</u> |
| District's proportionate share of the net pension liability | \$ 2,908,927 | \$ 1,976,238 | \$ 1,190,459 |

**JEFFERSON TOWNSHIP LOCAL SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

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 June 30, 2022, actuarial valuation are presented below:

| | June 30, 2022 | June 30, 2021 |
|--------------------------------------|---|---|
| Inflation | 2.50% | 2.50% |
| Projected salary increases | Varies by service from 2.50% to 8.50% | 12.50% at age 20 to 2.50% at age 65 |
| Investment rate of return | 7.00%, net of investment expenses, including inflation | 7.00%, net of investment expenses, including inflation |
| Discount rate of return | 7.00% | 7.00% |
| Payroll increases | 3.00% | 3.00% |
| Cost-of-living adjustments (COLA) | 0.00% | 0.00% |

For the June 30, 2022 actuarial valuation, post-retirement mortality rates are based on the Pub-2010 Teachers Healthy Annuitant Mortality Table, adjusted 110% for males, projected forward generationally using mortality improvement scale MP-2020. Pre-retirement mortality rates are based on Pub-2010 Teachers Employee Table adjusted 95% for females, projected forward generationally using mortality improvement scale MP-2020. Post-retirement disabled mortality rates are based on Pub-2010 Teachers Disable Annuitant Table projected forward generationally using mortality improvement scale MP-2020.

For the prior measurement date, post-retirement mortality rates are based on the RP-2014 Annuitant Mortality Tables 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. Pre-retirement mortality rates are based on RP-2014 Employee Mortality Tables, projected forward generationally using mortality improvement scale MP-2016. Post-retirement disabled mortality rates are based on the RP-2014 Disabled Mortality Tables 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, 2022 valuation are based on the results of an actuarial experience study for the period July 1, 2015 through June 30, 2021. An actuarial experience study is done on a quinquennial basis.

STRS 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 | 26.00 % | 6.60 % |
| International Equity | 22.00 | 6.80 |
| Alternatives | 19.00 | 7.38 |
| Fixed Income | 22.00 | 1.75 |
| Real Estate | 10.00 | 5.75 |
| Liquidity Reserves | 1.00 | 1.00 |
| Total | <u>100.00 %</u> | |

**JEFFERSON TOWNSHIP LOCAL SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 11 – DEFINED BENEFIT PENSION PLANS - (Continued)

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

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

Discount Rate - The discount rate used to measure the total pension liability was 7.00% as of June 30, 2022. The projection of cash flows used to determine the discount rate assumes that member and employer contributions will be made at the statutory contribution rates in accordance with the rates described previously. For this purpose, only employer contributions that are intended to fund benefits of current plan members and their beneficiaries are included. Based on those assumptions, STRS Ohio’s fiduciary net position was projected to be available to make all projected future benefit payments to current plan members as of June 30, 2022. Therefore, the long-term expected rate of return on pension plan investments of 7.00% was applied to all periods of projected benefit payments to determine the total pension liability as of June 30, 2022.

Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate - The following table represents the net pension liability as of June 30, 2022, calculated using the current period discount rate assumption of 7.00%, as well as what the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.00%) or one percentage point higher (8.00%) than the current assumption:

| | 1% Decrease | Current Discount Rate | 1% Increase |
|--|--------------|--------------------------|--------------|
| District's proportionate share of the net pension liability | \$ 4,268,866 | \$ 2,825,874 | \$ 1,605,549 |

Changes Between Measurement Date and Reporting Date - STRS approved a one-time 1.00% cost-of-living adjustment to eligible benefit recipients effective July 1, 2023. It is unknown what effect this change will have on the net pension liability.

NOTE 12 - DEFINED BENEFIT OPEB PLANS

Net OPEB Liability/Asset

See Note 11 for a description of the net OPEB liability (asset).

Plan Description - School Employees Retirement System (SERS)

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

**JEFFERSON TOWNSHIP LOCAL SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
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NOTE 12 - DEFINED BENEFIT OPEB PLANS - (Continued)

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, 2023, 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 2023, this amount was \$25,000. 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 2023, the District's surcharge obligation was \$18,716.

The surcharge added to the allocated portion of the 14% employer contribution rate is the total amount assigned to the Health Care Fund. The District's contractually required contribution to SERS was \$18,716 for fiscal year 2023. Of this amount, \$18,716 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. The Medicare Part B monthly reimbursement elimination date was postponed indefinitely. 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, 2023, 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, 2022, and the total OPEB liability/asset used to calculate the net OPEB liability/asset was determined by an actuarial valuation as of that date. The District's proportion of the net OPEB liability/asset was based on the District's share of contributions to the respective retirement systems relative to the contributions of all participating entities.

**JEFFERSON TOWNSHIP LOCAL SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
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NOTE 12 - DEFINED BENEFIT OPEB PLANS - (Continued)

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

| | <u>SERS</u> | <u>STRS</u> | <u>Total</u> |
|---|---------------------|----------------------|--------------|
| Proportion of the net OPEB liability/asset prior measurement date | 0.028167100% | 0.012921740% | |
| Proportion of the net OPEB liability/asset current measurement date | <u>0.036633700%</u> | <u>0.012711910%</u> | |
| Change in proportionate share | <u>0.008466600%</u> | <u>-0.000209830%</u> | |
| Proportionate share of the net OPEB liability | \$ 514,341 | \$ - | \$ 514,341 |
| Proportionate share of the net OPEB asset | \$ - | \$ (329,154) | \$ (329,154) |
| OPEB expense | \$ (9,092) | \$ (52,590) | \$ (61,682) |

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

| | <u>SERS</u> | <u>STRS</u> | <u>Total</u> |
|---|-------------------|-------------------|-------------------|
| Deferred outflows of resources | | | |
| Differences between expected and actual experience | \$ 4,321 | \$ 4,770 | \$ 9,091 |
| Net difference between projected and actual earnings on OPEB plan investments | 2,672 | 5,732 | 8,404 |
| Changes of assumptions | 81,810 | 14,018 | 95,828 |
| Difference between employer contributions and proportionate share of contributions/ change in proportionate share | 245,414 | 12,246 | 257,660 |
| Contributions subsequent to the measurement date | <u>18,716</u> | <u>-</u> | <u>18,716</u> |
| Total deferred outflows of resources | <u>\$ 352,933</u> | <u>\$ 36,766</u> | <u>\$ 389,699</u> |
| Deferred inflows of resources | | | |
| Differences between expected and actual experience | \$ 329,011 | \$ 49,432 | \$ 378,443 |
| Changes of assumptions | 211,139 | 233,397 | 444,536 |
| Difference between employer contributions and proportionate share of contributions/ change in proportionate share | <u>75,292</u> | <u>7,405</u> | <u>82,697</u> |
| Total deferred inflows of resources | <u>\$ 615,442</u> | <u>\$ 290,234</u> | <u>\$ 905,676</u> |

\$18,716 reported as deferred outflows of resources related to OPEB resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability/asset in the fiscal year ending June 30, 2024.

**JEFFERSON TOWNSHIP LOCAL SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 12 - DEFINED BENEFIT OPEB PLANS - (Continued)

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

| Fiscal Year Ending June 30: | SERS | STRS | Total |
|-----------------------------|--------------|--------------|--------------|
| 2024 | \$ (77,410) | \$ (68,762) | \$ (146,172) |
| 2025 | (77,361) | (74,974) | (152,335) |
| 2026 | (63,930) | (36,886) | (100,816) |
| 2027 | (38,197) | (14,374) | (52,571) |
| 2028 | (19,949) | (19,553) | (39,502) |
| Thereafter | (4,378) | (38,919) | (43,297) |
| Total | \$ (281,225) | \$ (253,468) | \$ (534,693) |

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.

**JEFFERSON TOWNSHIP LOCAL SCHOOL DISTRICT
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NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 12 - DEFINED BENEFIT OPEB PLANS - (Continued)

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

Wage inflation:

| | |
|--------------------------|-------|
| Current measurement date | 2.40% |
| Prior measurement date | 2.40% |

Future salary increases, including inflation:

| | |
|--------------------------|-----------------|
| Current measurement date | 3.25% to 13.58% |
| Prior measurement date | 3.25% to 13.58% |

Investment rate of return:

| | |
|--------------------------|---|
| Current measurement date | 7.00% net of investment expense, including inflation |
| Prior measurement date | 7.00% net of investment expense, including inflation |

Municipal bond index rate:

| | |
|--------------------------|-------|
| Current measurement date | 3.69% |
| Prior measurement date | 1.92% |

Single equivalent interest rate, net of plan investment expense,
including price inflation:

| | |
|--------------------------|-------|
| Current measurement date | 4.08% |
| Prior measurement date | 2.27% |

Medical trend assumption:

| | |
|--------------------------|-----------------|
| Current measurement date | 7.00 to 4.40% |
| Prior measurement date | |
| Medicare | 5.125 to 4.400% |
| Pre-Medicare | 6.750 to 4.400% |

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

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

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

**JEFFERSON TOWNSHIP LOCAL SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 12 - DEFINED BENEFIT OPEB PLANS - (Continued)

The long-term expected rate of return on plan assets is reviewed as part of the actuarial 5-year experience study. The most recent study covers fiscal years 2016 through 2020, and was adopted by the Board in 2021. Several factors are considered in evaluating the long-term rate of return assumption including long-term historical data, estimates inherent in current market data, and a long-normal distribution analysis in which best-estimate ranges of expected future real rates of return were developed by the investment consultant for each major asset class. These ranges were combined to produce the long-term expected rate of return, 7.00%, 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 are summarized as follows:

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

Discount Rate - The discount rate used to measure the total OPEB liability at June 30, 2022, was 4.08%. The discount rate used to measure total OPEB liability prior to June 30, 2022, was 2.27%. The projection of cash flows used to determine the discount rate assumed that contributions will be made from members and the System at the contribution rate of 1.50% of projected covered payroll each year, which includes a 1.50% payroll surcharge and no contributions from the basic benefits plan. Based on these assumptions, the OPEB plan's fiduciary net position was projected to become insufficient to make all projected future benefit payments of current System members by SERS actuaries. The Municipal Bond Index Rate is used in the determination of the SEIR for both the June 30, 2022 and the June 30, 2021 total OPEB liability. The Municipal Bond Index rate is the single rate that will generate a present value of benefit payments equal to the sum of the present value determined by the long-term expected rate of return, and the present value determined by discounting those benefits after the date of depletion. The Municipal Bond Index Rate is 3.69% at June 30, 2022 and 1.92% at June 30, 2021.

Sensitivity of the District's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate and Changes in the Health Care Cost Trend Rates - The net OPEB liability is sensitive to changes in the discount rate and the health care cost trend rate. The following table presents the net OPEB liability, what the net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (3.08%) and higher (5.08%) than the current discount rate (4.08%). Also shown is what the net OPEB liability would be based on health care cost trend rates that are 1 percentage point lower (6.00% decreasing to 3.40%) and higher (8.00% decreasing to 5.40%) than the current rate (7.00% decreasing to 4.40%).

**JEFFERSON TOWNSHIP LOCAL SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 12 - DEFINED BENEFIT OPEB PLANS - (Continued)

| | 1% Decrease | Current Discount Rate | 1% Increase |
|---|-------------|--------------------------|-------------|
| District's proportionate share of the net OPEB liability | \$ 638,819 | \$ 514,341 | \$ 413,853 |

| | 1% Decrease | Current Trend Rate | 1% Increase |
|---|-------------|-----------------------|-------------|
| District's proportionate share of the net OPEB liability | \$ 396,649 | \$ 514,341 | \$ 668,065 |

Actuarial Assumptions - STRS

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results used in the June 30, 2022 actuarial valuation, compared with June 30, 2021 actuarial valuation, are presented below:

| | June 30, 2022 | | June 30, 2021 | |
|--------------------------------------|---|----------|---|----------|
| Inflation | 2.50% | | 2.50% | |
| Projected salary increases | Varies by service from 2.50% to 8.50% | | 12.50% at age 20 to 2.50% at age 65 | |
| Investment rate of return | 7.00%, net of investment expenses, including inflation | | 7.00%, net of investment expenses, including inflation | |
| Payroll increases | 3.00% | | 3.00% | |
| Cost-of-living adjustments (COLA) | 0.00% | | 0.00% | |
| Discount rate of return | 7.00% | | 7.00% | |
| Blended discount rate of return | N/A | | N/A | |
| Health care cost trends | | | | |
| | Initial | Ultimate | Initial | Ultimate |
| Medical | | | | |
| Pre-Medicare | 7.50% | 3.94% | 5.00% | 4.00% |
| Medicare | -68.78% | 3.94% | -16.18% | 4.00% |
| Prescription Drug | | | | |
| Pre-Medicare | 9.00% | 3.94% | 6.50% | 4.00% |
| Medicare | -5.47% | 3.94% | 29.98% | 4.00% |

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

For the June 30, 2022 actuarial valuation, for healthy retirees the post-retirement mortality rates are based on the Pub-2010 Teachers Healthy Annuitant Mortality Table, adjusted 110% for males, projected forward generationally using mortality improvement scale MP-2020; pre-retirement mortality rates are based on Pub-2010 Teachers Employee Table adjusted 95% for females, projected forward generationally using mortality improvement scale MP-2020. For disabled retirees, mortality rates are based on the Pub-2010 Teachers Disabled Annuitant Table projected forward generationally using mortality improvement scale MP-2020.

**JEFFERSON TOWNSHIP LOCAL SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 12 - DEFINED BENEFIT OPEB PLANS - (Continued)

For the prior measurement date, for healthy retirees the mortality rates are based on the RP-2014 Annuitant Mortality Tables 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 Tables 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, 2022 valuation are based on the results of an actuarial experience study for the period July 1, 2015 through June 30, 2021. An actuarial experience study is done on a quinquennial basis.

Assumption Changes Since the Prior Measurement Date - The discount rate remained unchanged at 7.00% for the June 30, 2022 valuation.

Benefit Term Changes Since the Prior Measurement Date - Salary increase rates were updated based on the actuarial experience study for the period July 1, 2015 through June 30, 2021 and were changed from age based to service based.

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

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

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

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

Discount Rate - The discount rate used to measure the total OPEB liability was 7.00% as of June 30, 2022. The projection of cash flows used to determine the discount rate assumed STRS Ohio continues to allocate no employer contributions to the health care fund. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments to current plan members as of June 30, 2022. Therefore, the long-term expected rate of return on health care fund investments of 7.00% was applied to all periods of projected health care costs to determine the total OPEB liability as of June 30, 2022.

Sensitivity of the District's Proportionate Share of the Net OPEB Asset to Changes in the Discount and Health Care Cost Trend Rate - The following table represents the net OPEB asset as of June 30, 2022, calculated using the current period discount rate assumption of 7.00%, as well as what the net OPEB asset would be if it were calculated using a discount rate that is one percentage point lower (6.00%) or one percentage point higher (8.00%) 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.

**JEFFERSON TOWNSHIP LOCAL SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 12 - DEFINED BENEFIT OPEB PLANS - (Continued)

| | 1% Decrease | Current Discount Rate | 1% Increase |
|---|-------------|--------------------------|-------------|
| District's proportionate share of the net OPEB asset | \$ 304,802 | \$ 329,154 | \$ 350,448 |
| | 1% Decrease | Current Trend Rate | 1% Increase |
| District's proportionate share of the net OPEB asset | \$ 341,412 | \$ 329,154 | \$ 313,680 |

NOTE 13 - CONTINGENCIES

A. Grants

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

B. Litigation

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

NOTE 14 - SET-ASIDES

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

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

| | <u>Capital Improvements</u> |
|---|---------------------------------|
| Set-aside balance June 30, 2022 | \$ - |
| Current year set-aside requirement | 56,237 |
| Current year offsets | <u>(56,237)</u> |
| Total | <u>\$ -</u> |
| Balance carried forward to fiscal year 2024 | <u>\$ -</u> |
| Set-aside balance June 30, 2023 | <u>\$ -</u> |

**JEFFERSON TOWNSHIP LOCAL SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 15 - OTHER COMMITMENTS

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

| <u>Fund</u> | <u>Year-End Encumbrances</u> |
|-----------------------------|----------------------------------|
| General | \$ 145,527 |
| ESSER | 343,838 |
| Nonmajor governmental funds | <u>92,199</u> |
| Total | <u>\$ 581,564</u> |

NOTE 16 - TAX ABATEMENTS

In a prior fiscal year, Jefferson Township entered into a Community Reinvestment Area (CRA). Under this agreement, the District's property taxes were reduced by approximately \$3,682 in fiscal year 2023.

In a prior fiscal year, the City of West Carrollton entered into a Community Reinvestment Area (CRA). Under this agreement, the District's property taxes were reduced by approximately \$13,136 in fiscal year 2023.

NOTE 17 - COVID-19

The United States and the State of Ohio declared a state of emergency in March of 2020 due to the COVID-19 pandemic. Ohio's state of emergency ended in June 2021 while the national state of emergency ended in April 2023. During fiscal year 2023, the District received COVID-19 funding. The District will continue to spend available COVID-19 funding consistent with the applicable program guidelines.

**JEFFERSON TOWNSHIP LOCAL SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

| | <u>Budgeted Amounts</u> | | | Variance with Final Budget Positive (Negative) |
|---|-------------------------|---------------------|---------------------|---|
| | <u>Original</u> | <u>Final</u> | <u>Actual</u> | |
| Revenues: | | | | |
| Property taxes | \$ 2,833,692 | \$ 2,814,212 | \$ 2,907,864 | \$ 93,652 |
| Intergovernmental | 2,393,933 | 2,490,935 | 2,666,303 | 175,368 |
| Investment earnings | 14,974 | 15,000 | 210,591 | 195,591 |
| Tuition and fees | 164,286 | 164,568 | 265,148 | 100,580 |
| Contributions and donations | - | - | 453 | 453 |
| Payment in lieu of taxes | - | - | 6,746 | 6,746 |
| Miscellaneous | 6,589 | 6,600 | 1,287 | (5,313) |
| Total revenues | <u>5,413,474</u> | <u>5,491,315</u> | <u>6,058,392</u> | <u>567,077</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Instruction: | | | | |
| Regular | 1,297,548 | 1,708,204 | 1,469,646 | 238,558 |
| Special | 773,904 | 973,909 | 1,087,481 | (113,572) |
| Other | - | - | 79,815 | (79,815) |
| Support services: | | | | |
| Pupil | 419,019 | 400,397 | 381,219 | 19,178 |
| Instructional staff | 242,677 | 734,297 | 389,580 | 344,717 |
| Board of education | 27,876 | 26,075 | 15,355 | 10,720 |
| Administration | 798,580 | 784,834 | 766,627 | 18,207 |
| Fiscal | 446,807 | 435,114 | 413,072 | 22,042 |
| Operations and maintenance | 809,280 | 891,384 | 1,325,364 | (433,980) |
| Pupil transportation | 573,843 | 788,552 | 761,837 | 26,715 |
| Central | 260,049 | 243,250 | 183,250 | 60,000 |
| Extracurricular activities | 140,758 | 131,665 | 208,028 | (76,363) |
| Facilities acquisition and construction | - | - | 250 | (250) |
| Total expenditures | <u>5,790,341</u> | <u>7,117,681</u> | <u>7,081,524</u> | <u>36,157</u> |
| Excess of expenditures over revenues | <u>(376,867)</u> | <u>(1,626,366)</u> | <u>(1,023,132)</u> | <u>603,234</u> |
| Other financing sources (uses): | | | | |
| Refund of prior year's expenditures | 150,546 | 42,881 | 43,472 | 591 |
| Transfers (out) | (10,691) | (10,000) | (10,300) | (300) |
| Advances in | 27,453 | 57,277 | 57,277 | - |
| Advances (out) | (29,399) | (727,500) | (754,083) | (26,583) |
| Total other financing sources (uses) | <u>137,909</u> | <u>(637,342)</u> | <u>(663,634)</u> | <u>(26,292)</u> |
| Net change in fund balance | (238,958) | (2,263,708) | (1,686,766) | 576,942 |
| Fund balance at beginning of year | 6,437,009 | 6,437,009 | 6,437,009 | - |
| Prior year encumbrances appropriated | 269,562 | 269,562 | 269,562 | - |
| Fund balance at end of year | <u>\$ 6,467,613</u> | <u>\$ 4,442,863</u> | <u>\$ 5,019,805</u> | <u>\$ 576,942</u> |

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

**JEFFERSON TOWNSHIP LOCAL SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
ELEMENTARY AND SECONDARY SCHOOL EMERGENCY RELIEF FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

| | <u>Budgeted Amounts</u> | | <u>Actual</u> | <u>Variance with Final Budget Positive (Negative)</u> |
|--|-------------------------|---------------------|------------------|---|
| | <u>Original</u> | <u>Final</u> | | |
| Revenues: | | | | |
| Intergovernmental | \$ 2,489,186 | \$ 3,222,019 | \$ 231,275 | \$ (2,990,744) |
| Total revenue | <u>2,489,186</u> | <u>3,222,019</u> | <u>231,275</u> | <u>(2,990,744)</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Regular | 415,930 | 122,291 | 122,291 | - |
| Support services: | | | | |
| Administration | 11,877 | 3,492 | 3,492 | - |
| Operations and maintenance | 1,293,150 | 380,210 | 380,210 | - |
| Facilities acquisition and construction | 1,361,836 | 400,406 | 400,405 | 1 |
| Total expenditures | <u>3,082,793</u> | <u>906,399</u> | <u>906,398</u> | <u>1</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>(593,607)</u> | <u>2,315,620</u> | <u>(675,123)</u> | <u>(2,990,743)</u> |
| Other financing sources (uses): | | | | |
| Advances in | 732,400 | 732,400 | 732,400 | - |
| Advances (out) | (194,807) | (57,277) | (57,277) | - |
| Total other financing sources (uses) | <u>537,593</u> | <u>675,123</u> | <u>675,123</u> | <u>-</u> |
| Net change in fund balance | (56,014) | 2,990,743 | - | (2,990,743) |
| Fund balance at beginning of year | - | - | - | - |
| Prior year encumbrances appropriated | 56,014 | 56,014 | 56,014 | - |
| Fund balance at end of year | <u>\$ -</u> | <u>\$ 3,046,757</u> | <u>\$ 56,014</u> | <u>\$ (2,990,743)</u> |

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**JEFFERSON TOWNSHIP LOCAL SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 1 - BUDGETARY PROCESS

The budgetary process is prescribed by provisions of the Ohio Revised Code and entails the preparation of budgetary documents within an established timetable. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriation resolution, all of which are prepared on the budgetary basis of accounting. The certificate of estimated resources and the appropriation resolution are subject to amendment throughout the year with the legal restriction that appropriations cannot exceed estimated resources, as certified. The specific timetable for fiscal year 2023 is as follows:

1. Prior to January 15, the Superintendent and Treasurer submit to the Board of Education a proposed operating budget for the fiscal year commencing the following July 1. The budget includes proposed expenditures and the means of financing for all funds. Public hearings are publicized and conducted to obtain taxpayers' comments. The purpose of this budget document is to reflect the need for existing (or increased) tax rates.
2. By no later than January 20, the Board-adopted budget is filed with the Montgomery County Budget Commission for tax rate determination.
3. Prior to April 1, the Board of Education accepts, by formal resolution, the tax rates as determined by the Budget Commission and receives the Commission's certificate of estimated resources which states the projected revenue of each fund. Prior to July 1, the District must revise its budget so that total contemplated expenditures from any fund during the ensuing year will not exceed the amount stated in the certificate of estimated resources. The revised budget then serves as a basis for the appropriation measure. On or about July 1, the certificate is amended to include any unencumbered balances from the preceding year as reported by the District Treasurer. The certificate of estimated resources may be further amended during the fiscal year if projected increases or decreases in revenue are identified by the District Treasurer. The budget figures, as shown in the accompanying budgetary statement, reflect the amounts set forth in the original and final certificate of estimated resources issued for fiscal year 2023.
4. By July 1, the annual appropriation resolution is legally enacted by the Board of Education at the fund level of expenditures, which is the legal level of budgetary control. (State statute permits a temporary appropriation to be effective until no later than October 1 of each year.) Resolution appropriations by fund must be within the estimated resources as certified by the County Budget Commission and the total of expenditures and encumbrances may not exceed the appropriation totals.
5. Any revisions that alter the total of any fund appropriation for all funds must be approved by the Board of Education.
6. Formal budgetary integration is employed as a management control device during the year for all funds consistent with the statutory provisions. All funds completed the fiscal year within the amount of their legally authorized cash basis appropriation.
7. Appropriations amounts are as originally adopted, or as amended by the Board of Education through the year by supplemental appropriations, which either reallocated or increased the original and final appropriated amounts. All supplemental appropriations were legally enacted by the Board.

Although the legal level of budgetary control was established at the fund level of expenditures, the budgetary schedules present comparisons at the fund and function level of expenditures as elected by the District Treasurer.

**JEFFERSON TOWNSHIP LOCAL SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 1 - BUDGETARY PROCESS - (Continued)

8. Unencumbered appropriations lapse at year end. Encumbered appropriations are carried forward to the succeeding fiscal year and need not be reappropriated. Expenditures plus encumbrances may not legally exceed budgeted appropriations at the fund level.

As part of formal budgetary control, purchase orders, contracts and other commitments for the expenditure of monies are recorded as the equivalent of expenditures on the non-GAAP budgetary basis in order to reserve that portion of the applicable appropriation and to determine and maintain legal compliance.

NOTE 2 - BUDGETARY BASIS OF ACCOUNTING

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

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

- (a) Revenues and other financing sources are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis);
- (b) Expenditures and other financing uses are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis);
- (c) In order to determine compliance with Ohio law, and to reserve that portion of the applicable appropriation, total outstanding encumbrances (budget basis) are recorded as the equivalent of an expenditure, as opposed to assigned or committed fund balance for that portion of outstanding encumbrances not already recognized as an account payable (GAAP basis);
- (d) Advances-in and advances-out are operating transactions (budget basis) as opposed to balance sheet transactions (GAAP basis); and,
- (e) Some funds are included in the general fund (GAAP basis), but have separate legally adopted budgets (budget basis).

**JEFFERSON TOWNSHIP LOCAL SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 2 - BUDGETARY BASIS OF ACCOUNTING - (Continued)

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

Net Change in Fund Balance

| | <u>General Fund</u> | <u>ESSER Fund</u> |
|---|---------------------|---------------------|
| Budget basis | \$ (1,686,766) | \$ - |
| Net adjustment for revenue accruals | 142,431 | - |
| Net adjustment for expenditure accruals | (131,190) | (78,712) |
| Net adjustment for other sources/uses | 653,334 | (675,123) |
| Funds budgeted elsewhere | 100 | - |
| Adjustment for encumbrances | <u>197,891</u> | <u>423,999</u> |
| GAAP basis | <u>\$ (824,200)</u> | <u>\$ (329,836)</u> |

Certain funds that are legally budgeted in separate special revenue funds are considered part of the general fund on a GAAP basis. This includes the special trust fund, the public-school support fund and the underground storage tank fund.

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**JEFFERSON TOWNSHIP LOCAL SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

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

| | LAST TEN FISCAL YEARS | | | |
|--|-----------------------|--------------|--------------|--------------|
| | 2023 | 2022 | 2021 | 2020 |
| District's proportion of the net pension liability | 0.03653760% | 0.02771520% | 0.03026820% | 0.02665430% |
| District's proportionate share of the net pension liability | \$ 1,976,238 | \$ 1,022,611 | \$ 2,002,003 | \$ 1,594,774 |
| District's covered payroll | \$ 1,102,643 | \$ 1,232,207 | \$ 1,120,821 | \$ 902,230 |
| District's proportionate share of the net pension liability as a percentage of its covered payroll | 179.23% | 82.99% | 178.62% | 176.76% |
| Plan fiduciary net position as a percentage of the total pension liability | 75.82% | 82.86% | 68.55% | 70.85% |

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

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

| 2019 | 2018 | 2017 | 2016 | 2015 | 2014 |
|--------------|--------------|--------------|--------------|--------------|--------------|
| 0.02733740% | 0.02666140% | 0.02638090% | 0.02558310% | 0.02934700% | 0.02934700% |
| \$ 1,565,664 | \$ 1,592,960 | \$ 1,930,838 | \$ 1,459,796 | \$ 1,485,235 | \$ 1,745,172 |
| \$ 907,704 | \$ 859,014 | \$ 812,479 | \$ 770,182 | \$ 852,756 | \$ 796,040 |
| 172.49% | 185.44% | 237.65% | 189.54% | 174.17% | 219.23% |
| 71.36% | 69.50% | 62.98% | 69.16% | 71.70% | 65.52% |

**JEFFERSON TOWNSHIP LOCAL SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

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

| | LAST TEN FISCAL YEARS | | | |
|--|-----------------------|--------------|--------------|--------------|
| | <u>2023</u> | <u>2022</u> | <u>2021</u> | <u>2020</u> |
| District's proportion of the net pension liability | 0.01271191% | 0.01292174% | 0.01699987% | 0.01423921% |
| District's proportionate share of the net pension liability | \$ 2,825,874 | \$ 1,652,161 | \$ 4,113,364 | \$ 3,148,916 |
| District's covered payroll | \$ 1,606,293 | \$ 1,546,457 | \$ 2,209,879 | \$ 1,515,936 |
| District's proportionate share of the net pension liability as a percentage of its covered payroll | 175.93% | 106.84% | 186.14% | 207.72% |
| Plan fiduciary net position as a percentage of the total pension liability | 78.88% | 87.78% | 75.48% | 77.40% |

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

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

| <u>2019</u> | <u>2018</u> | <u>2017</u> | <u>2016</u> | <u>2015</u> | <u>2014</u> |
|--------------|--------------|--------------|--------------|--------------|--------------|
| 0.01621649% | 0.01603602% | 0.01507171% | 0.01629975% | 0.01836561% | 0.01836561% |
| \$ 3,565,642 | \$ 3,809,391 | \$ 5,044,956 | \$ 4,504,774 | \$ 4,467,152 | \$ 5,321,242 |
| \$ 1,903,743 | \$ 1,816,821 | \$ 1,556,064 | \$ 1,698,443 | \$ 1,876,454 | \$ 1,854,446 |
| 187.30% | 209.67% | 324.21% | 265.23% | 238.06% | 286.95% |
| 77.31% | 75.30% | 66.80% | 72.10% | 74.70% | 69.30% |

**JEFFERSON TOWNSHIP LOCAL SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

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

| | LAST TEN FISCAL YEARS | | | |
|--|-----------------------|------------------|------------------|------------------|
| | <u>2023</u> | <u>2022</u> | <u>2021</u> | <u>2020</u> |
| Contractually required contribution | \$ 232,904 | \$ 154,370 | \$ 172,509 | \$ 156,915 |
| Contributions in relation to the contractually required contribution | <u>(232,904)</u> | <u>(154,370)</u> | <u>(172,509)</u> | <u>(156,915)</u> |
| Contribution deficiency (excess) | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |
| District's covered payroll | \$ 1,663,600 | \$ 1,102,643 | \$ 1,232,207 | \$ 1,120,821 |
| Contributions as a percentage of covered payroll | 14.00% | 14.00% | 14.00% | 14.00% |

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

| <u>2019</u> | <u>2018</u> | <u>2017</u> | <u>2016</u> | <u>2015</u> | <u>2014</u> |
|------------------|------------------|------------------|------------------|------------------|------------------|
| \$ 121,801 | \$ 122,540 | \$ 120,262 | \$ 113,747 | \$ 101,510 | \$ 118,192 |
| <u>(121,801)</u> | <u>(122,540)</u> | <u>(120,262)</u> | <u>(113,747)</u> | <u>(101,510)</u> | <u>(118,192)</u> |
| <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |
| \$ 902,230 | \$ 907,704 | \$ 859,014 | \$ 812,479 | \$ 770,182 | \$ 852,756 |
| 13.50% | 13.50% | 14.00% | 14.00% | 13.18% | 13.86% |

**JEFFERSON TOWNSHIP LOCAL SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

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

| | LAST TEN FISCAL YEARS | | | |
|--|-----------------------|------------------|------------------|------------------|
| | <u>2023</u> | <u>2022</u> | <u>2021</u> | <u>2020</u> |
| Contractually required contribution | \$ 224,607 | \$ 224,881 | \$ 216,504 | \$ 309,383 |
| Contributions in relation to the contractually required contribution | <u>(224,607)</u> | <u>(224,881)</u> | <u>(216,504)</u> | <u>(309,383)</u> |
| Contribution deficiency (excess) | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |
| District's covered payroll | \$ 1,604,336 | \$ 1,606,293 | \$ 1,546,457 | \$ 2,209,879 |
| Contributions as a percentage of covered payroll | 14.00% | 14.00% | 14.00% | 14.00% |

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

| <u>2019</u> | <u>2018</u> | <u>2017</u> | <u>2016</u> | <u>2015</u> | <u>2014</u> |
|------------------|------------------|------------------|------------------|------------------|------------------|
| \$ 212,231 | \$ 266,524 | \$ 254,355 | \$ 217,849 | \$ 237,782 | \$ 243,939 |
| <u>(212,231)</u> | <u>(266,524)</u> | <u>(254,355)</u> | <u>(217,849)</u> | <u>(237,782)</u> | <u>(243,939)</u> |
| <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |
| \$ 1,515,936 | \$ 1,903,743 | \$ 1,816,821 | \$ 1,556,064 | \$ 1,698,443 | \$ 1,876,454 |
| 14.00% | 14.00% | 14.00% | 14.00% | 14.00% | 13.00% |

**JEFFERSON TOWNSHIP LOCAL SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

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

LAST SEVEN FISCAL YEARS

| | <u>2023</u> | <u>2022</u> | <u>2021</u> | <u>2020</u> |
|---|--------------|--------------|--------------|-------------|
| District's proportion of the net OPEB liability | 0.03663370% | 0.02816710% | 0.03104660% | 0.02703290% |
| District's proportionate share of the net OPEB liability | \$ 514,341 | \$ 533,085 | \$ 674,744 | \$ 679,821 |
| District's covered payroll | \$ 1,102,643 | \$ 1,232,207 | \$ 1,120,821 | \$ 902,230 |
| District's proportionate share of the net OPEB liability as a percentage of its covered payroll | 46.65% | 43.26% | 60.20% | 75.35% |
| Plan fiduciary net position as a percentage of the total OPEB liability | 30.34% | 24.08% | 18.17% | 15.57% |

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

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

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

| <u>2019</u> | <u>2018</u> | <u>2017</u> |
|-------------|-------------|-------------|
| 0.02764160% | 0.02705080% | 0.02666480% |
| \$ 766,853 | \$ 725,972 | \$ 760,046 |
| \$ 907,704 | \$ 859,014 | \$ 812,479 |
| 84.48% | 84.51% | 93.55% |
| 13.57% | 12.46% | 11.49% |

**JEFFERSON TOWNSHIP LOCAL SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

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

LAST SEVEN FISCAL YEARS

| | <u>2023</u> | <u>2022</u> | <u>2021</u> | <u>2020</u> |
|---|--------------|--------------|--------------|--------------|
| District's proportion of the net OPEB liability/asset | 0.01271191% | 0.01292174% | 0.01699987% | 0.01423921% |
| District's proportionate share of the net OPEB liability/(asset) | \$ (329,154) | \$ (272,444) | \$ (298,773) | \$ (235,835) |
| District's covered payroll | \$ 1,606,293 | \$ 1,546,457 | \$ 2,209,879 | \$ 1,515,936 |
| District's proportionate share of the net OPEB liability/asset as a percentage of its covered payroll | 20.49% | 17.62% | 13.52% | 15.56% |
| Plan fiduciary net position as a percentage of the total OPEB liability/asset | 230.73% | 174.73% | 182.10% | 174.70% |

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

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

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

| <u>2019</u> | <u>2018</u> | <u>2017</u> |
|--------------|--------------|--------------|
| 0.01621649% | 0.01603602% | 0.01507171% |
| \$ (260,582) | \$ 625,666 | \$ 806,039 |
| \$ 1,903,743 | \$ 1,816,821 | \$ 1,556,064 |
| 13.69% | 34.44% | 51.80% |
| 176.00% | 47.10% | 37.30% |

**JEFFERSON TOWNSHIP LOCAL SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

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

| | LAST TEN FISCAL YEARS | | | |
|--|-----------------------|-----------------|----------------|----------------|
| | <u>2023</u> | <u>2022</u> | <u>2021</u> | <u>2020</u> |
| Contractually required contribution | \$ 18,716 | \$ 10,224 | \$ 8,252 | \$ 5,123 |
| Contributions in relation to the contractually required contribution | <u>(18,716)</u> | <u>(10,224)</u> | <u>(8,252)</u> | <u>(5,123)</u> |
| Contribution deficiency (excess) | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |
| District's covered payroll | \$ 1,663,600 | \$ 1,102,643 | \$ 1,232,207 | \$ 1,120,821 |
| Contributions as a percentage of covered payroll | 1.13% | 0.93% | 0.67% | 0.46% |

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

| <u>2019</u> | <u>2018</u> | <u>2017</u> | <u>2016</u> | <u>2015</u> | <u>2014</u> |
|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| \$ 18,186 | \$ 19,063 | \$ 14,723 | \$ 13,195 | \$ 19,395 | \$ 14,699 |
| <u>(18,186)</u> | <u>(19,063)</u> | <u>(14,723)</u> | <u>(13,195)</u> | <u>(19,395)</u> | <u>(14,699)</u> |
| <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |
| \$ 902,230 | \$ 907,704 | \$ 859,014 | \$ 812,479 | \$ 770,182 | \$ 852,756 |
| 2.02% | 2.10% | 1.71% | 1.62% | 2.52% | 1.72% |

**JEFFERSON TOWNSHIP LOCAL SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

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

| | LAST TEN FISCAL YEARS | | | |
|--|-----------------------|--------------|--------------|--------------|
| | <u>2023</u> | <u>2022</u> | <u>2021</u> | <u>2020</u> |
| Contractually required contribution | \$ - | \$ - | \$ - | \$ - |
| Contributions in relation to the contractually required contribution | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Contribution deficiency (excess) | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |
| District's covered payroll | \$ 1,604,336 | \$ 1,606,293 | \$ 1,546,457 | \$ 2,209,879 |
| Contributions as a percentage of covered payroll | 0.00% | 0.00% | 0.00% | 0.00% |

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

| <u>2019</u> | <u>2018</u> | <u>2017</u> | <u>2016</u> | <u>2015</u> | <u>2014</u> |
|--------------|--------------|--------------|--------------|--------------|--------------|
| \$ - | \$ - | \$ - | \$ - | \$ - | \$ 18,166 |
| - | - | - | - | - | (18,166) |
| <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |
| \$ 1,515,936 | \$ 1,903,743 | \$ 1,816,821 | \$ 1,556,064 | \$ 1,698,443 | \$ 1,876,454 |
| 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 1.00% |

**JEFFERSON TOWNSHIP LOCAL SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

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 year 2014.
- There were no changes in benefit terms from the amounts reported for fiscal year 2015.
- There were no changes in benefit terms from the amounts reported for fiscal year 2016.
- There were no changes in benefit terms from the amounts reported for fiscal year 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%.
- For fiscal year 2019, with the authority granted the Board under Senate Bill 8, the Board has enacted a three year COLA delay for future benefit recipients commencing benefits on or after April 1, 2018.
- There were no changes in benefit terms from the amounts previously reported for fiscal year 2020.
- There were no changes in benefit terms from the amounts previously reported for fiscal year 2021.
- For fiscal year 2022, SERS changed from a Cost of Living Adjustment (COLA) of 2.5% to 2.0%.
- There were no changes in benefit terms from the amounts reported for fiscal year 2023.

Changes in assumptions :

- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2014.
- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2015.
- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 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 year 2018.
- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2019.
- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2020.
- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2021.
- For fiscal year 2022, the following changes of assumptions affected the total pension liability since the prior measurement date: (a) wage inflation decreased from 3.00% to 2.40%, (b) future salary increases changed from 3.50%-18.20% to 3.25%-13.58%, (c) investment rate of return decreased from 7.50% to 7.00%, (d) discount rate decreased from 7.50% to 7.00% and (e) mortality tables changed from the RP-2014 Blue Collar mortality table to the PUB-2010 General Employee Amount Weighted Below Median Healthy Retiree mortality table.
- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2023.

(Continued)

**JEFFERSON TOWNSHIP LOCAL SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

PENSION (CONTINUED)

STATE TEACHERS RETIREMENT SYSTEM (STRS) OF OHIO

Changes in benefit terms :

- There were no changes in benefit terms from the amounts reported for fiscal year 2014.
- There were no changes in benefit terms from the amounts reported for fiscal year 2015.
- There were no changes in benefit terms from the amounts reported for fiscal year 2016.
- There were no changes in benefit terms from the amounts reported for fiscal year 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 year 2019.
- There were no changes in benefit terms from amounts previously reported for fiscal year 2020.
- There were no changes in benefit terms from amounts previously reported for fiscal year 2021.
- There were no changes in benefit terms from amounts previously reported for fiscal year 2022.
- There were no changes in benefit terms from amounts previously reported for fiscal year 2023.

Changes in assumptions :

- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2014.
- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2015.
- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2016.
- 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 pension liability since the prior measurement date: (a) the long-term expected rate of return was reduced from 7.75% to 7.45%, (b) the inflation assumption was lowered from 2.75% to 2.50%, (c) the payroll growth assumption was lowered to 3.00%, (d) total salary increases rate was lowered by decreasing the merit component of the individual salary increases, in addition to a decrease of 0.25% due to lower inflation, (e) the healthy and disabled mortality assumptions were updated to the RP-2014 mortality tables with generational improvement scale MP-2016 and (f) rates of retirement, termination and disability were modified to better reflect anticipated future experience.
- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2019.
- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2020.
- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2021.
- For fiscal year 2022, 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 7.45% to 7.00% and (b) the discount rate of return was reduced from 7.45% to 7.00%.
- For fiscal year 2023, the following changes of assumption affected the total pension liability since the prior measurement date: (a) the projected salary increases went from 12.50% at age 20 to 2.50% at age 65 to varies by service from 2.50% to 8.50%.

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 reported for fiscal year 2017.
- There were no changes in benefit terms from the amounts reported for fiscal year 2018.
- There were no changes in benefit terms from the amounts reported for fiscal year 2019.
- There were no changes in benefit terms from the amounts reported for fiscal year 2020.
- There were no changes in benefit terms from the amounts reported for fiscal year 2021.
- There were no changes in benefit terms from the amounts reported for fiscal year 2022.
- There were no changes in benefit terms from the amounts reported for fiscal year 2023.

(Continued)

**JEFFERSON TOWNSHIP LOCAL SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

OTHER POSTEMPLOYMENT BENEFITS (OPEB) (CONTINUED)

SCHOOL EMPLOYEES RETIREMENT SYSTEM (SERS) OF OHIO (CONTINUED)

Changes in assumptions :

- For fiscal year 2017, 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.
- 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%.
- For fiscal year 2021, the following changes of assumptions affected the total OPEB liability since the prior measurement date: (a) the discount rate decreased from 3.22% to 2.63% and (b) the municipal bond index rate decreased from 3.13% to 2.45%, and (c) the single equivalent interest rate, net of plan investment expense, including price inflation decreased from 3.22% to 2.63%.
- For fiscal year 2022, the following changes of assumptions affected the total OPEB liability since the prior measurement date: (a) wage inflation decreased from 3.00% to 2.40%, (b) future salary increases changed from 3.50%-18.20% to 3.25%-13.58%, (c) investment rate of return decreased from 7.50% to 7.00%, (d) discount rate decreased from 7.50% to 7.00% and (e) mortality tables changed from the RP-2014 Blue Collar mortality table to the PUB-2010 General Employee Amount Weighted Below Median Healthy Retiree mortality table.
- For fiscal year 2023, the following changes of assumptions affected the total OPEB liability since the prior measurement date: (a) municipal bond index rate went from 1.92% to 3.69%, (b) single equivalent interest rate when from 2.27% to 4.08% and (c) medical trend assumptions went from 5.125% to 4.40% Medicare and 6.75% to 4.40% Pre-Medicare to 7.00% to 4.40%.

(Continued)

**JEFFERSON TOWNSHIP LOCAL SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

OTHER POSTEMPLOYMENT BENEFITS (OPEB) (CONTINUED)

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 increased 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.
- For fiscal year 2021, the non-Medicare subsidy percentage was increased effective January 1, 2021 from 1.984% to 2.055% per year of service. The non-Medicare frozen subsidy base premium was increased effective January 1, 2021. The Medicare subsidy percentages were adjusted effective January 1, 2021 to 2.1% for the AMA Medicare plan. The Medicare Part B monthly reimbursement elimination date was postponed indefinitely.
- For fiscal year 2022, the non-Medicare subsidy percentage was increased effective January 1, 2022 from 2.055% to 2.100%. The non-Medicare frozen subsidy base premium was increased effective January 1, 2022. The Medicare Part D subsidy was updated to reflect it is expected to be negative in CY2022. The Part B monthly reimbursement elimination date was postponed indefinitely.
- There were no changes in benefit terms from the amounts previously reported for fiscal year 2023.

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) 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.

(Continued)

**JEFFERSON TOWNSHIP LOCAL SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

OTHER POSTEMPLOYMENT BENEFITS (OPEB) (CONTINUED)

STATE TEACHERS RETIREMENT SYSTEM (STRS) OF OHIO (CONTINUED)

Changes in assumptions (continued) :

- For fiscal year 2021, health care cost trend rates were changed to the following: medical pre-Medicare from 5.87% initial - 4.00% ultimate down to 5.00% initial - 4.00% ultimate; medical Medicare from 4.93% initial - 4.00% ultimate down to -6.69% initial - 4.00% ultimate; prescription drug pre-Medicare from 7.73% initial - 4.00% ultimate down to 6.50% initial - 4.00% ultimate; prescription drug Medicare from 9.62% initial - 4.00% ultimate up to 11.87% initial - 4.00% ultimate.
- For fiscal year 2022, the following changes of assumption affected the total OPEB liability since the prior measurement date: (a) the long-term expected rate of return was reduced from 7.45% to 7.00%, (b) the discount rate of return was reduced from 7.45% to 7.00% and (c) health care cost trend rates were changed to the following: medical Medicare from -6.69% initial - 4.00% ultimate down to -16.18% initial - 4.00% ultimate; prescription drug Medicare from 11.87% initial - 4.00% ultimate up to 29.98% initial - 4.00% ultimate.
- For fiscal year 2023, the following changes of assumption affected the total OPEB liability since the prior measurement date: (a) projected salary increase went from 12.50% at age 20 to 2.50% at age 65 to varies by services from 2.50% to 8.50% and (b) health care cost trend rates were changed to the following: Pre-Medicare from 5.00% initial - 4.00% ultimate to 7.50% initial - 3.94% ultimate; medical Medicare from -16.18% initial - 4.00% ultimate to -68.78% initial - 3.94% ultimate; prescription drug Pre-Medicare from 6.50% initial - 4.00% ultimate to 9.00% initial - 3.94% ultimate; Medicare from 29.98% initial - 4.00% ultimate to -5.47% initial - 3.94% ultimate.

COMBINING STATEMENTS
AND INDIVIDUAL FUND SCHEDULES

SUPPLEMENTARY INFORMATION

**JEFFERSON TOWNSHIP LOCAL SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

MAJOR FUNDS

General Fund

The general fund is used to account for and report all financial resources not accounted for and reported in another fund. The general fund balance is available for any purpose provided it is expended or transferred according to the general laws of Ohio. A budgetary schedule for the general fund is presented as part of the required supplementary information. The level of detail presented in that schedule is greater than the legal level of budgetary control; therefore, a separate additional schedule is not presented.

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

Special Trust Fund

The special trust fund may be classified as a special revenue, permanent, or a private purpose trust fund. A special revenue fund should be used if the original contributions can be expended for school district programs. A permanent fund should be used if the only the earnings on the original proceeds can be expended and not the principal. If the original contribution, whether required to be kept intact or not, and the earnings do not support the school district's programs, then the fund will be classified as a private purpose trust fund.

Underground Storage Tanks Fund

A fund used to account for activity related to underground storage tanks held by the District.

Public School Support Fund

A fund provided to account for special local revenue sources such as vending machine receipts. Revenues are used to fund special events and purchase achievement awards.

Elementary and Secondary School Emergency Relief (ESSER) Fund

To provide emergency relief grants to school districts related to the COVID-19 pandemic. Restrictions include, but are not limited to, providing for coordination of preparedness and response efforts, training and professional development of staff, planning and coordination during long-term closure, and purchasing technology for students.

**JEFFERSON TOWNSHIP LOCAL SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

| | Budgeted Amounts | | Variance with Final Budget- Over (Under) |
|---------------------------------------|-----------------------------|------------------|---|
| | Final | | Actual |
| Special Trust Fund | | | |
| Total Expenditures and Other Uses | \$ - | \$ - | \$ - |
| Net Change in Fund Balance | - | - | - |
| Fund Balance at Beginning of Year | 3,053 | 3,053 | - |
| Fund Balance at End of Year | <u>\$ 3,053</u> | <u>\$ 3,053</u> | <u>\$ -</u> |
| Underground Storage Tanks Fund | | | |
| Total Expenditures and Other Uses | \$ 11,000 | \$ - | \$ 11,000 |
| Net Change in Fund Balance | (11,000) | - | 11,000 |
| Fund Balance at Beginning of Year | 11,000 | 11,000 | - |
| Fund Balance at End of Year | <u>\$ -</u> | <u>\$ 11,000</u> | <u>\$ 11,000</u> |
| Public School Support Fund | | | |
| Total Revenues and Other Sources | \$ - | \$ 100 | \$ 100 |
| Net Change in Fund Balances | - | 100 | 100 |
| Fund Balance at Beginning of Year | \$ 2,618 | \$ 2,618 | \$ - |
| Fund Balance at End of Year | <u>\$ 2,618</u> | <u>\$ 2,718</u> | <u>\$ 100</u> |

**JEFFERSON TOWNSHIP LOCAL SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2023

| | Nonmajor Special Revenue Funds | Nonmajor Capital Projects Fund - Permanent Improvement | Total Nonmajor Governmental Funds |
|---|---|---|--|
| Assets: | | | |
| Equity in pooled cash and cash equivalents | \$ 68,533 | \$ 425,059 | \$ 493,592 |
| Receivables: | | | |
| Property taxes | - | 102,490 | 102,490 |
| Intergovernmental | 71,645 | - | 71,645 |
| Prepayments | 130 | - | 130 |
| Total assets | <u>\$ 140,308</u> | <u>\$ 527,549</u> | <u>\$ 667,857</u> |
| Liabilities: | | | |
| Accounts payable | \$ 12,167 | \$ - | \$ 12,167 |
| Accrued wages and benefits payable | 7,841 | - | 7,841 |
| Intergovernmental payable | 103 | - | 103 |
| Pension and postemployment benefits payable | 12,402 | - | 12,402 |
| Interfund loans payable | 21,683 | - | 21,683 |
| Due to other funds | 62,000 | - | 62,000 |
| Total liabilities | <u>116,196</u> | <u>-</u> | <u>116,196</u> |
| Deferred inflows of resources: | | | |
| Property taxes levied for the next fiscal year | - | 67,109 | 67,109 |
| Delinquent property tax revenue not available | - | 23,141 | 23,141 |
| Intergovernmental revenue not available | 9,645 | - | 9,645 |
| Total deferred inflows of resources | <u>9,645</u> | <u>90,250</u> | <u>99,895</u> |
| Fund balances: | | | |
| Nonspendable: | | | |
| Prepayments | 130 | - | 130 |
| Restricted: | | | |
| Capital improvements | - | 437,299 | 437,299 |
| Food service operations | 15,793 | - | 15,793 |
| Extracurricular activities | 8,189 | - | 8,189 |
| Unassigned (deficits) | <u>(9,645)</u> | <u>-</u> | <u>(9,645)</u> |
| Total fund balances | <u>14,467</u> | <u>437,299</u> | <u>451,766</u> |
| Total liabilities, deferred inflows and fund balances | <u>\$ 140,308</u> | <u>\$ 527,549</u> | <u>\$ 667,857</u> |

**JEFFERSON TOWNSHIP LOCAL SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

| | Nonmajor Special Revenue Funds | Nonmajor Capital Projects Fund - Permanent Improvement | Total Nonmajor Governmental Funds |
|--|---|---|--|
| Revenues: | | | |
| Property taxes | \$ - | \$ 88,237 | \$ 88,237 |
| Intergovernmental | 898,346 | 13,022 | 911,368 |
| Investment earnings | 1,454 | - | 1,454 |
| Charges for services | 20,472 | - | 20,472 |
| Extracurricular | 1,190 | - | 1,190 |
| Total revenues | <u>921,462</u> | <u>101,259</u> | <u>1,022,721</u> |
| Expenditures: | | | |
| Current: | | | |
| Instruction: | | | |
| Regular | 40,800 | - | 40,800 |
| Special | 288,941 | - | 288,941 |
| Support services: | | | |
| Pupil | 109,738 | - | 109,738 |
| Instructional staff | 107,516 | - | 107,516 |
| Administration | 5,000 | 399 | 5,399 |
| Fiscal | - | 2,223 | 2,223 |
| Operations and maintenance | 295 | - | 295 |
| Operation of non-instructional services: | | | |
| Food service operations | 284,267 | - | 284,267 |
| Other non-instructional services | 89,069 | - | 89,069 |
| Extracurricular activities | 14,812 | - | 14,812 |
| Debt service: | | | |
| Principal retirement | - | 29,000 | 29,000 |
| Interest and fiscal charges | - | 21,061 | 21,061 |
| Total expenditures | <u>940,438</u> | <u>52,683</u> | <u>993,121</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>(18,976)</u> | <u>48,576</u> | <u>29,600</u> |
| Other financing sources: | | | |
| Transfers in | 10,300 | - | 10,300 |
| Total other financing sources | <u>10,300</u> | <u>-</u> | <u>10,300</u> |
| Net change in fund balances | (8,676) | 48,576 | 39,900 |
| Fund balances at beginning of year | 23,143 | 388,723 | 411,866 |
| Fund balances at end of year | <u>\$ 14,467</u> | <u>\$ 437,299</u> | <u>\$ 451,766</u> |

**JEFFERSON TOWNSHIP LOCAL SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

COMBINING STATEMENTS - NONMAJOR FUNDS

Nonmajor Special Revenue Funds

Special revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specific purposes other than debt service or capital projects. The term proceeds of specific revenue sources establishes that one or more specific restricted or committed revenues should be the foundation for a special revenue fund. The title of each special revenue fund is descriptive of the activities accounted for therein. The nonmajor special revenue funds are:

Food Services Fund

A fund to account for all transactions that are restricted to the provision of food service operations for the District.

Student Managed Activities Fund

A fund provided to account for those student activity programs which have student participation in the activity and have students involved in the management of the program. This fund includes activities which consist of a student body, student president, student treasurer, and faculty advisor.

District Managed Student Activities Fund

A fund provided to account for those student activity programs which charge admission. Most expenditures are restricted to include referee and security compensations, equipment and supplies needed to run a successful athletic program.

Public School Preschool Fund

A fund to account for grants that are restricted to paying the cost of preschool for three and four year olds.

Data Communications Fund

A fund provided to account for money restricted to be used for Ohio Educational Computer Network Connections.

IDEA Part B Fund

Grants to assist in providing an appropriate public education to all children.

School Improvement Stimulus A Fund

A fund used to account for grant money that is restricted to help schools improve teaching and learning of children failing, or most at risk of failing to meet challenging State academic achievement standards.

Title I - Disadvantaged Children Fund

A fund that is restricted to provide financial assistance to State and Local educational agencies to meet the special needs of educationally deprived children.

IDEA Preschool Grant for the Handicapped Fund

A fund that is restricted to provide for the education of handicapped children ages three through five, and account for the monies received and expended for the purpose of this grant.

Supporting Effective Instruction Fund

A fund used to account for monies to hire additional classroom teachers in grades 1 through 3, so that the number of students per teacher will be reduced.

Miscellaneous Federal Grants Fund

A fund used to account for various monies received through state agencies from the federal government or directly from the federal government which are not classified elsewhere. A special cost center must be used for each grant.

Student Support and Academic Enrichment Programs Fund

To improve students' academic achievement by increasing the capacity of states, local education agencies (LEAs), schools, and local communities to (1) provide all students with access to a well-rounded education, (2) improve school conditions for student learning, and (3) improve the use of technology in order to improve the academic achievement and digital literacy of all students.

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**JEFFERSON TOWNSHIP LOCAL SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2023

| | Food Services | Student Managed Activities | District Managed Student Activities | Public School Preschool |
|---|--------------------------|---|--|------------------------------------|
| Assets: | | | | |
| Equity in pooled cash and cash equivalents | \$ 38,652 | \$ 51 | \$ 9,702 | \$ - |
| Receivables: | | | | |
| Intergovernmental | - | - | - | 62,000 |
| Prepayments | 130 | - | - | - |
| Total assets | <u>\$ 38,782</u> | <u>\$ 51</u> | <u>\$ 9,702</u> | <u>\$ 62,000</u> |
| Liabilities: | | | | |
| Accounts payable | \$ 2,513 | \$ - | \$ 1,564 | \$ - |
| Accrued wages and benefits payable | 7,841 | - | - | - |
| Intergovernmental payable | 103 | - | - | - |
| Pension and postemployment benefits payable | 12,402 | - | - | - |
| Interfund loans payable | - | - | - | - |
| Due to other funds | - | - | - | 62,000 |
| Total liabilities | <u>22,859</u> | <u>-</u> | <u>1,564</u> | <u>62,000</u> |
| Deferred inflows of resources: | | | | |
| Intergovernmental revenue not available | - | - | - | - |
| Total deferred inflows of resources | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Fund balances: | | | | |
| Nonspendable: | | | | |
| Prepays | 130 | - | - | - |
| Restricted: | | | | |
| Food service operations | 15,793 | - | - | - |
| Extracurricular activities | - | 51 | 8,138 | - |
| Unassigned (deficit) | - | - | - | - |
| Total fund balances (deficits) | <u>15,923</u> | <u>51</u> | <u>8,138</u> | <u>-</u> |
| Total liabilities, deferred inflows and fund balances | <u>\$ 38,782</u> | <u>\$ 51</u> | <u>\$ 9,702</u> | <u>\$ 62,000</u> |

| Title I - Disadvantaged Children | Total Nonmajor Special Revenue Funds |
|---|---|
| \$ 20,128 | \$ 68,533 |
| 9,645 | 71,645 |
| <u>-</u> | <u>130</u> |
| <u>\$ 29,773</u> | <u>\$ 140,308</u> |
| | |
| \$ 8,090 | \$ 12,167 |
| - | 7,841 |
| - | 103 |
| - | 12,402 |
| 21,683 | 21,683 |
| <u>-</u> | <u>62,000</u> |
| <u>29,773</u> | <u>116,196</u> |
| | |
| <u>9,645</u> | <u>9,645</u> |
| <u>9,645</u> | <u>9,645</u> |
| | |
| - | 130 |
| - | 15,793 |
| - | 8,189 |
| <u>(9,645)</u> | <u>(9,645)</u> |
| <u>(9,645)</u> | <u>14,467</u> |
| | |
| <u>\$ 29,773</u> | <u>\$ 140,308</u> |

**JEFFERSON TOWNSHIP LOCAL SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

| | <u>Food Services</u> | <u>Student Managed Activities</u> | <u>District Managed Student Activities</u> | <u>Public School Preschool</u> |
|--|--------------------------|---|--|------------------------------------|
| Revenues: | | | | |
| Intergovernmental | \$ 193,067 | \$ - | \$ - | \$ 102,800 |
| Investment earnings | 1,454 | - | - | - |
| Charges for services | 20,472 | - | - | - |
| Extracurricular | - | - | 1,190 | - |
| Total revenues | <u>214,993</u> | <u>-</u> | <u>1,190</u> | <u>102,800</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Instruction: | | | | |
| Regular | - | - | - | 40,800 |
| Special | - | - | - | 62,000 |
| Support services: | | | | |
| Pupil | - | - | - | - |
| Instructional staff | - | - | - | - |
| Administration | - | - | - | - |
| Operations and maintenance | 295 | - | - | - |
| Operation of non-instructional services: | | | | |
| Food service operations | 284,267 | - | - | - |
| Other non-instructional services | - | - | - | - |
| Extracurricular activities | - | 300 | 14,512 | - |
| Total expenditures | <u>284,562</u> | <u>300</u> | <u>14,512</u> | <u>102,800</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>(69,569)</u> | <u>(300)</u> | <u>(13,322)</u> | <u>-</u> |
| Other financing sources: | | | | |
| Transfers in | <u>-</u> | <u>300</u> | <u>10,000</u> | <u>-</u> |
| Net change in fund balances | (69,569) | - | (3,322) | - |
| Fund balances (deficits) at beginning of year | <u>85,492</u> | <u>51</u> | <u>11,460</u> | <u>-</u> |
| Fund balances (deficits) at end of year | <u>\$ 15,923</u> | <u>\$ 51</u> | <u>\$ 8,138</u> | <u>\$ -</u> |

| Data Communications | IDEA Part B | Title I - Disadvantaged Children | Miscellaneous Federal Grants | Student Support and Academic Enrichment | Total Nonmajor Special Revenue Funds |
|----------------------------|--------------------|---|-------------------------------------|--|---|
| \$ 3,600 | \$ 88,218 | \$ 406,318 | \$ 81,774 | \$ 22,569 | \$ 898,346 |
| - | - | - | - | - | 1,454 |
| - | - | - | - | - | 20,472 |
| - | - | - | - | - | 1,190 |
| <u>3,600</u> | <u>88,218</u> | <u>406,318</u> | <u>81,774</u> | <u>22,569</u> | <u>921,462</u> |
| - | - | - | - | - | 40,800 |
| - | 83,218 | 143,723 | - | - | 288,941 |
| - | - | 80,145 | 7,024 | 22,569 | 109,738 |
| 3,600 | - | 103,916 | - | - | 107,516 |
| - | 5,000 | - | - | - | 5,000 |
| - | - | - | - | - | 295 |
| - | - | - | - | - | - |
| - | - | - | - | - | 284,267 |
| - | - | 89,069 | - | - | 89,069 |
| - | - | - | - | - | 14,812 |
| <u>3,600</u> | <u>88,218</u> | <u>416,853</u> | <u>7,024</u> | <u>22,569</u> | <u>940,438</u> |
| - | - | (10,535) | 74,750 | - | (18,976) |
| - | - | - | - | - | 10,300 |
| - | - | (10,535) | 74,750 | - | (8,676) |
| - | - | 890 | (74,750) | - | 23,143 |
| <u>\$ -</u> | <u>\$ -</u> | <u>\$ (9,645)</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 14,467</u> |

**JEFFERSON TOWNSHIP LOCAL SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

| | <u>Budgeted Amounts</u> | | <u>Variance with Final Budget- Over (Under)</u> |
|---|-----------------------------|------------------|---|
| | <u>Final</u> | <u>Actual</u> | |
| Food Services Fund | | | |
| Total Revenues and Other Sources | \$ 200,000 | \$ 213,306 | \$ 13,306 |
| Total Expenditures and Other Uses | <u>275,000</u> | <u>268,535</u> | <u>6,465</u> |
| Net Change in Fund Balance | (75,000) | (55,229) | 19,771 |
| Fund Balance at Beginning of Year | <u>93,881</u> | <u>93,881</u> | <u>-</u> |
| Fund Balance at End of Year | <u>\$ 18,881</u> | <u>\$ 38,652</u> | <u>\$ 19,771</u> |
| Student Managed Activities Fund | | | |
| Total Revenues and Other Sources | \$ 500 | \$ 300 | \$ (200) |
| Total Expenditures and Other Uses | <u>\$ 300</u> | <u>\$ 300</u> | <u>\$ -</u> |
| Net Change in Fund Balance | 200 | - | (200) |
| Fund Balance at Beginning of Year | <u>51</u> | <u>51</u> | <u>-</u> |
| Fund Balance (Deficit) at End of Year | <u>\$ 251</u> | <u>\$ 51</u> | <u>\$ (200)</u> |
| District Managed Student Activities Fund | | | |
| Total Revenues and Other Sources | \$ 15,000 | \$ 11,190 | \$ (3,810) |
| Total Expenditures and Other Uses | <u>15,000</u> | <u>12,948</u> | <u>2,052</u> |
| Net Change in Fund Balance | - | (1,758) | (1,758) |
| Fund Balance at Beginning of Year | <u>11,460</u> | <u>11,460</u> | <u>-</u> |
| Fund Balance at End of Year | <u>\$ 11,460</u> | <u>\$ 9,702</u> | <u>\$ (1,758)</u> |

**JEFFERSON TOWNSHIP LOCAL SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

| | <u>Budgeted Amounts</u> | | <u>Variance with Final Budget- Over (Under)</u> |
|---------------------------------------|-----------------------------|--------------------|---|
| | <u>Final</u> | | <u>Actual</u> |
| Public School Preschool Fund | | | |
| Total Revenues and Other Sources | \$ 102,800 | \$ 40,800 | \$ (62,000) |
| Total Expenditures and Other Uses | <u>102,800</u> | <u>102,800</u> | <u>-</u> |
| Net Change in Fund Balance | - | (62,000) | (62,000) |
| Fund Balance at Beginning of Year | <u>-</u> | <u>-</u> | <u>-</u> |
| Fund Balance (Deficit) at End of Year | <u>\$ -</u> | <u>\$ (62,000)</u> | <u>\$ (62,000)</u> |
| Data Communications Fund | | | |
| Total Revenues and Other Sources | \$ 3,600 | \$ 3,600 | \$ - |
| Total Expenditures and Other Uses | <u>3,600</u> | <u>3,600</u> | <u>-</u> |
| Net Change in Fund Balance | - | - | - |
| Fund Balance at Beginning of Year | <u>-</u> | <u>-</u> | <u>-</u> |
| Fund Balance at End of Year | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |
| IDEA Part B Fund | | | |
| Total Revenues and Other Sources | \$ 95,412 | \$ 88,218 | \$ (7,194) |
| Total Expenditures and Other Uses | <u>88,218</u> | <u>88,218</u> | <u>-</u> |
| Net Change in Fund Balance | 7,194 | - | (7,194) |
| Fund Balance at Beginning of Year | <u>-</u> | <u>-</u> | <u>-</u> |
| Fund Balance at End of Year | <u>\$ 7,194</u> | <u>\$ -</u> | <u>\$ (7,194)</u> |

**JEFFERSON TOWNSHIP LOCAL SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

| | <u>Budgeted Amounts</u> | | <u>Variance with Final Budget- Over (Under)</u> |
|--|-----------------------------|---------------|---|
| | <u>Final</u> | <u>Actual</u> | |
| School Improvement Stimulus A Fund | | | |
| Total Revenues and Other Sources | \$ 71,878 | \$ - | \$ (71,878) |
| Total Expenditures and Other Uses | - | - | - |
| Net Change in Fund Balance | 71,878 | - | (71,878) |
| Fund Balance at Beginning of Year | - | - | - |
| Fund Balance at End of Year | <u>\$ 71,878</u> | <u>\$ -</u> | <u>\$ (71,878)</u> |
| Title I - Disadvantaged Children Fund | | | |
| Total Revenues and Other Sources | \$ 724,550 | \$ 428,001 | \$ (296,549) |
| Total Expenditures and Other Uses | 430,925 | 430,925 | - |
| Net Change in Fund Balance | 293,625 | (2,924) | (296,549) |
| Fund Balance at Beginning of Year | 2,924 | 2,924 | - |
| Fund Balance at End of Year | <u>\$ 296,549</u> | <u>\$ -</u> | <u>\$ (296,549)</u> |
| IDEA Preschool Grant for the Handicapped Fund | | | |
| Total Revenues and Other Sources | \$ 1,520 | \$ - | \$ (1,520) |
| Total Expenditures and Other Uses | - | - | - |
| Net Change in Fund Balance | 1,520 | - | (1,520) |
| Fund Balance at Beginning of Year | - | - | - |
| Fund Balance at End of Year | <u>\$ 1,520</u> | <u>\$ -</u> | <u>\$ (1,520)</u> |

**JEFFERSON TOWNSHIP LOCAL SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

| | <u>Budgeted Amounts</u> | | <u>Variance with Final Budget- Over (Under)</u> |
|--|-----------------------------|-----------------|---|
| | <u>Final</u> | <u>Actual</u> | |
| Supporting Effective Instruction Fund | | | |
| Total Revenues and Other Sources | \$ 37,465 | \$ - | \$ (37,465) |
| Total Expenditures and Other Uses | <u>-</u> | <u>-</u> | <u>-</u> |
| Net Change in Fund Balance | 37,465 | - | (37,465) |
| Fund Balance at Beginning of Year | <u>-</u> | <u>-</u> | <u>-</u> |
| Fund Balance at End of Year | <u>\$ 37,465</u> | <u>\$ -</u> | <u>\$ (37,465)</u> |
| Miscellaneous Federal Grants Fund | | | |
| Total Revenues and Other Sources | \$ 81,774 | \$ 81,774 | \$ - |
| Total Expenditures and Other Uses | <u>7,024</u> | <u>7,024</u> | <u>-</u> |
| Net Change in Fund Balance | 74,750 | 74,750 | - |
| Fund Balance at Beginning of Year | <u>(74,750)</u> | <u>(74,750)</u> | <u>-</u> |
| Fund Balance at End of Year | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |
| Student Support and Academic Enrichment Programs Fund | | | |
| Total Revenues and Other Sources | \$ 23,865 | \$ 22,569 | \$ (1,296) |
| Total Expenditures and Other Uses | <u>22,569</u> | <u>22,569</u> | <u>-</u> |
| Net Change in Fund Balance | 1,296 | - | (1,296) |
| Fund Balance at Beginning of Year | <u>-</u> | <u>-</u> | <u>-</u> |
| Fund Balance at End of Year | <u>\$ 1,296</u> | <u>\$ -</u> | <u>\$ (1,296)</u> |

**JEFFERSON TOWNSHIP LOCAL SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

COMBINING STATEMENTS - NONMAJOR FUNDS

Nonmajor Capital Projects Fund

Capital project funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets. Capital project funds exclude those types of capital-related outflows financed by proprietary funds or for assets that will be held in trust for individuals, private organizations, or other governments. A description of the District's nonmajor capital projects fund is as follows:

Permanent Improvement Fund

A fund provided to account for a property tax levy that is restricted to all transactions related to the acquiring, constructing, or improving of such permanent improvements as are authorized by Chapter 5705 of the Ohio Revised Code.

**JEFFERSON TOWNSHIP LOCAL SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

| | <u>Budgeted Amounts</u> | | <u>Variance with Final Budget- Over (Under)</u> |
|-----------------------------------|-----------------------------|-------------------|---|
| | <u>Final</u> | | <u>Actual</u> |
| Permanent Improvement Fund | | | |
| Total Revenues and Other Sources | \$ 100,000 | \$ 98,329 | \$ (1,671) |
| Total Expenditures and Other Uses | <u>125,460</u> | <u>52,683</u> | <u>72,777</u> |
| Net Change in Fund Balance | (25,460) | 45,646 | 71,106 |
| Fund Balance at Beginning of Year | <u>379,413</u> | <u>379,413</u> | <u>-</u> |
| Fund Balance at End of Year | <u>\$ 353,953</u> | <u>\$ 425,059</u> | <u>\$ 71,106</u> |

STATISTICAL SECTION

**JEFFERSON TOWNSHIP LOCAL SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

STATISTICAL SECTION

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

Table of Contents

Pages

Financial Trends

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

102-113

Revenue Capacity

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

114-120

Debt Capacity

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

121-124

Demographic and Economic Information

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

125-126

Operating Information

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

127-129

Sources: Unless otherwise noted, the information in these schedules is derived from the annual comprehensive financial report for the relevant year. Fiscal year 2015 was the District's first year implementation of GASB 68/71. Fiscal year 2018 was the District's first year implementation of GASB 75. Fiscal year 2020 was the District's first year implementation of GASB 84.

**JEFFERSON TOWNSHIP LOCAL SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

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

| | <u>2014 (1)</u> | <u>2015</u> | <u>2016</u> | <u>2017 (2)</u> |
|--|---------------------|--------------------|---------------------|--------------------|
| Governmental activities | | | | |
| Net investment in capital assets | \$ 794,069 | \$ 1,005,207 | \$ 1,591,788 | \$ 1,693,347 |
| Restricted for: | | | | |
| Capital projects | 112,827 | 160,433 | 203,860 | 242,372 |
| Other purposes | 167,292 | 111,050 | 214,703 | 197,253 |
| Unrestricted (deficit) | <u>4,935,199</u> | <u>(1,146,006)</u> | <u>(364,335)</u> | <u>(1,134,587)</u> |
| Total Governmental Activities Net Position | <u>\$ 6,009,387</u> | <u>\$ 130,684</u> | <u>\$ 1,646,016</u> | <u>\$ 998,385</u> |

Source: District financial records.

- (1) Amounts have been restated to account for the implementation of GASB Statement No. 68/71.
- (2) Amounts have been restated to account for the implementation of GASB Statement No. 75 and a restatement of capital assets.
- (3) Amounts have been restated to account for the implementation of GASB Statement No. 84.

| 2018 | 2019 (3) | 2020 | 2021 | 2022 | 2023 |
|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| \$ 1,546,630 | \$ 1,427,144 | \$ 1,295,185 | \$ 1,171,822 | \$ 1,064,318 | \$ 1,386,684 |
| 284,950 | 277,097 | 318,393 | 364,999 | 418,262 | 460,440 |
| 238,846 | 296,593 | 223,289 | 277,220 | 97,276 | 99,798 |
| 1,927,067 | 2,947,322 | 1,889,542 | 1,931,082 | 2,679,755 | 1,629,703 |
| <u>\$ 3,997,493</u> | <u>\$ 4,948,156</u> | <u>\$ 3,726,409</u> | <u>\$ 3,745,123</u> | <u>\$ 4,259,611</u> | <u>\$ 3,576,625</u> |

**JEFFERSON TOWNSHIP LOCAL SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

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

| | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> |
|--|------------------|------------------|------------------|------------------|
| Expenses | | | | |
| Governmental activities: | | | | |
| Instruction | | | | |
| Regular | \$ 1,992,580 | \$ 1,757,858 | \$ 1,556,731 | \$ 1,405,058 |
| Special | 1,310,403 | 1,334,024 | 1,196,511 | 1,617,008 |
| Vocational | - | 3,709 | - | - |
| Adult/continuing | - | - | - | - |
| Other | 1,394,708 | 1,337,548 | 1,167,294 | 1,000,494 |
| Support services: | | | | |
| Pupil | 248,567 | 230,274 | 352,188 | 489,973 |
| Instructional staff | 141,016 | 149,623 | 114,043 | 156,885 |
| Board of education | 53,695 | 53,093 | 54,872 | 67,107 |
| Administration | 706,921 | 644,039 | 692,537 | 761,580 |
| Fiscal | 283,868 | 266,785 | 260,377 | 213,764 |
| Business | 562 | 562 | 483 | - |
| Operations and maintenance | 583,007 | 892,220 | 316,957 | 608,408 |
| Pupil transportation | 454,746 | 394,057 | 551,357 | 676,532 |
| Central | 1,389 | 3,973 | 3,973 | 3,973 |
| Operation of non-instructional services | 228,811 | 246,672 | 268,403 | 319,101 |
| Extracurricular activities | 93,403 | 110,474 | 114,002 | 106,956 |
| Interest and fiscal charges | 35,815 | 34,062 | 32,211 | 30,322 |
| Total governmental activities expenses | <u>7,529,491</u> | <u>7,458,973</u> | <u>6,681,939</u> | <u>7,457,161</u> |
| Program Revenues | | | | |
| Governmental activities: | | | | |
| Charges for services: | | | | |
| Instruction: | | | | |
| Regular | 449,995 | 150,582 | 279,328 | 180,576 |
| Special | 51,253 | 182,403 | 115,245 | 74,150 |
| Support services: | | | | |
| Pupil | 1,003 | 430 | 1,367 | - |
| Administration | 799 | 1,025 | 1,188 | - |
| Operations and maintenance | - | 165 | 85 | 53 |
| Operation of non-instructional services | 43,188 | 42,947 | 47,588 | 59,812 |
| Extracurricular activities | 15,853 | 11,488 | 14,966 | 13,340 |
| Total governmental activities charges for services | <u>562,091</u> | <u>389,040</u> | <u>459,767</u> | <u>327,931</u> |

| | 2018 | 2019 (1) | 2020 | 2021 | 2022 | 2023 |
|----|------------------|------------------|------------------|------------------|------------------|------------------|
| \$ | 624,677 | \$ 1,184,376 | \$ 1,812,788 | \$ 1,481,590 | \$ 1,293,427 | \$ 1,604,868 |
| | 1,199,701 | 1,416,590 | 1,670,314 | 1,811,116 | 1,052,058 | 1,393,155 |
| | - | - | - | - | - | - |
| | - | - | - | 432 | - | - |
| | 1,100,113 | 1,023,681 | 1,153,907 | 1,430,719 | 8,093 | 79,355 |
| | 413,094 | 563,089 | 465,442 | 382,223 | 488,547 | 481,247 |
| | 59,648 | 94,466 | 271,042 | 277,834 | 309,727 | 503,493 |
| | 48,117 | 47,992 | 41,107 | 45,335 | 44,076 | 36,010 |
| | 316,615 | 689,756 | 884,872 | 734,246 | 623,327 | 761,612 |
| | 205,765 | 268,479 | 335,754 | 313,924 | 332,565 | 399,748 |
| | - | - | - | - | - | - |
| | 474,512 | 727,470 | 1,162,011 | 705,886 | 965,804 | 1,398,176 |
| | 542,279 | 610,080 | 562,711 | 428,891 | 587,366 | 766,399 |
| | 7,000 | 136,709 | 181,672 | 219,112 | 197,007 | 142,444 |
| | 209,713 | 215,154 | 215,856 | 222,361 | 200,554 | 356,013 |
| | 57,244 | 126,817 | 233,649 | 138,115 | 143,202 | 215,894 |
| | 28,992 | 27,046 | 25,680 | 24,228 | 22,688 | 21,061 |
| | <u>5,287,470</u> | <u>7,131,705</u> | <u>9,016,805</u> | <u>8,216,012</u> | <u>6,268,441</u> | <u>8,159,475</u> |
| | 356,131 | 195,872 | 127,868 | 122,911 | 69,124 | 72,759 |
| | - | 174,278 | 97,016 | 77,243 | 86,205 | 192,389 |
| | - | - | - | - | - | 29,567 |
| | - | - | - | - | - | - |
| | 94 | 139 | 20 | - | - | 21 |
| | 53,081 | 30,923 | 26,363 | - | 19,670 | 20,451 |
| | 16,337 | 10,288 | 11,718 | 52 | - | 1,190 |
| | <u>425,643</u> | <u>411,500</u> | <u>262,985</u> | <u>200,206</u> | <u>174,999</u> | <u>316,377</u> |

(Continued)

**JEFFERSON TOWNSHIP LOCAL SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

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

| | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> |
|--|------------------|------------------|------------------|------------------|
| Operating grants and contributions: | | | | |
| Instruction: | | | | |
| Regular | \$ 178,221 | \$ 178,132 | \$ 157,018 | \$ 152,246 |
| Special | 737,898 | 666,789 | 640,284 | 784,528 |
| Vocational | 5,155 | - | - | - |
| Other | - | 6,519 | - | 1,702 |
| Support services: | | | | |
| Pupil | 1,979 | 15 | 3,970 | 2,086 |
| Instructional staff | 60,985 | 56,860 | 3,600 | 3,600 |
| Administration | - | - | - | - |
| Operations and maintenance | - | 839 | 433 | 260 |
| Pupil transportation | 303 | 787 | - | - |
| Central | - | - | - | - |
| Operation of non-instructional services | 225,348 | 228,330 | 257,152 | 311,151 |
| Extracurricular activities | 700 | 3,400 | 750 | 750 |
| Total operating grants and contributions | <u>1,210,589</u> | <u>1,141,671</u> | <u>1,063,207</u> | <u>1,256,323</u> |

| | 2018 | 2019 (1) | 2020 | 2021 | 2022 | 2023 |
|----|------------------|-----------------|------------------|------------------|------------------|------------------|
| \$ | 125,691 | \$ 72,446 | \$ 33,600 | \$ 88,118 | \$ 30,034 | \$ 119,850 |
| | 774,873 | 645,301 | 623,309 | 682,163 | 399,765 | 412,353 |
| | - | - | - | - | - | - |
| | 5,472 | 3,490 | 4,022 | 4,022 | - | - |
| | 2,297 | 18,477 | 100,000 | - | 109,980 | 217,398 |
| | 3,924 | 23,702 | 74,413 | 42,411 | 167,709 | 105,420 |
| | - | 1,057 | - | 19,219 | 182,859 | 7,043 |
| | 413 | 657 | 17,933 | 213 | - | 479,109 |
| | - | - | - | 202,081 | 19,959 | 40,645 |
| | - | - | - | 136 | 415 | - |
| | 242,286 | 177,490 | 151,207 | 131,356 | 246,250 | 281,592 |
| | - | 1,093 | - | - | - | - |
| | <u>1,154,956</u> | <u>943,713</u> | <u>1,004,484</u> | <u>1,169,719</u> | <u>1,156,971</u> | <u>1,663,410</u> |

(Continued)

**JEFFERSON TOWNSHIP LOCAL SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

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

| | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> |
|--|-------------------|-------------------|---------------------|-------------------|
| General Revenues | | | | |
| Property taxes levied for: | | | | |
| General purposes | \$ 2,564,940 | \$ 2,660,898 | \$ 2,602,116 | \$ 2,577,301 |
| Capital projects | 75,011 | 78,408 | 76,891 | 76,302 |
| Payment in lieu of taxes | 6,514 | 6,155 | 6,250 | 6,217 |
| Grants and entitlements not restricted to specific programs | 4,050,831 | 3,990,161 | 3,971,969 | 3,880,576 |
| Investment earnings | 2,895 | 9,564 | 14,946 | 37,470 |
| Miscellaneous | 7,460 | 8,656 | 2,125 | 5,791 |
| Total governmental activities | <u>6,707,651</u> | <u>6,753,842</u> | <u>6,674,297</u> | <u>6,583,657</u> |
| Change in Net Position | | | | |
| Governmental activities | <u>\$ 950,840</u> | <u>\$ 825,580</u> | <u>\$ 1,515,332</u> | <u>\$ 710,750</u> |

Source: District financial records.

(1) Amounts have been restated to account for the implementation of GASB Statement No. 84.

| 2018 | 2019 (1) | 2020 | 2021 | 2022 | 2023 |
|---------------------|-------------------|-----------------------|------------------|-------------------|---------------------|
| \$ 2,733,551 | \$ 2,708,548 | \$ 2,693,902 | \$ 2,907,364 | \$ 3,149,085 | \$ 2,782,258 |
| 81,079 | 80,359 | 79,836 | 85,114 | 92,178 | 81,839 |
| 6,217 | 6,422 | 6,387 | 6,784 | 6,805 | 6,746 |
| 3,763,489 | 3,736,884 | 3,623,464 | 3,836,211 | 2,187,275 | 2,413,428 |
| 101,754 | 183,210 | 121,885 | 10,827 | 14,721 | 210,591 |
| 19,889 | 6,925 | 2,115 | 18,501 | 895 | 1,840 |
| <u>6,705,979</u> | <u>6,722,348</u> | <u>6,527,589</u> | <u>6,864,801</u> | <u>5,450,959</u> | <u>5,496,702</u> |
| <u>\$ 2,999,108</u> | <u>\$ 945,856</u> | <u>\$ (1,221,747)</u> | <u>\$ 18,714</u> | <u>\$ 514,488</u> | <u>\$ (682,986)</u> |

**JEFFERSON TOWNSHIP LOCAL SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

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

| | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> |
|------------------------------------|---------------------|---------------------|---------------------|---------------------|
| General Fund: | | | | |
| Nonspendable | \$ 36,677 | \$ 23,981 | \$ 26,580 | \$ 30,139 |
| Committed | 430,349 | 657,155 | 112,899 | 11,000 |
| Assigned | 70,221 | 49,738 | 632,631 | 222,222 |
| Unassigned | <u>3,822,165</u> | <u>4,041,355</u> | <u>4,639,619</u> | <u>5,831,303</u> |
| Total general fund | <u>\$ 4,359,412</u> | <u>\$ 4,772,229</u> | <u>\$ 5,411,729</u> | <u>\$ 6,094,664</u> |
| All Other Governmental Funds: | | | | |
| Nonspendable | \$ 6,513 | \$ - | \$ - | \$ 1,916 |
| Restricted | 105,331 | 175,159 | 251,759 | 346,153 |
| Unassigned (deficit) | <u>(142,765)</u> | <u>(118,672)</u> | <u>(117,640)</u> | <u>(63,617)</u> |
| Total all other governmental funds | <u>\$ (30,921)</u> | <u>\$ 56,487</u> | <u>\$ 134,119</u> | <u>\$ 284,452</u> |
| Total governmental funds | <u>\$ 4,328,491</u> | <u>\$ 4,828,716</u> | <u>\$ 5,545,848</u> | <u>\$ 6,379,116</u> |

Source: District financial records.

(1) Amounts have been restated to account for the implementation of GASB Statement No. 84.

| 2018 | 2019 (1) | 2020 | 2021 | 2022 | 2023 |
|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| \$ 25,441 | \$ 32,454 | \$ 25,474 | \$ 15,451 | \$ 29,230 | \$ 27,322 |
| 11,000 | 11,000 | 11,000 | 11,000 | 11,000 | 11,000 |
| 900,620 | 1,944,533 | 877,215 | 246,498 | 287,834 | 148,245 |
| <u>5,858,290</u> | <u>5,326,136</u> | <u>5,410,597</u> | <u>6,402,777</u> | <u>6,542,090</u> | <u>5,859,387</u> |
| <u>\$ 6,795,351</u> | <u>\$ 7,314,123</u> | <u>\$ 6,324,286</u> | <u>\$ 6,675,726</u> | <u>\$ 6,870,154</u> | <u>\$ 6,045,954</u> |
| \$ 1,527 | \$ 5,386 | \$ 64 | \$ 479 | \$ 1,084 | \$ 130 |
| 469,996 | 434,853 | 429,272 | 494,049 | 485,532 | 461,281 |
| (15,446) | (84,664) | (47,750) | (82,677) | (77,462) | (342,193) |
| <u>\$ 456,077</u> | <u>\$ 355,575</u> | <u>\$ 381,586</u> | <u>\$ 411,851</u> | <u>\$ 409,154</u> | <u>\$ 119,218</u> |
| <u>\$ 7,251,428</u> | <u>\$ 7,669,698</u> | <u>\$ 6,705,872</u> | <u>\$ 7,087,577</u> | <u>\$ 7,279,308</u> | <u>\$ 6,165,172</u> |

**JEFFERSON TOWNSHIP LOCAL SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

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

| | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> |
|---|-------------------|-------------------|-------------------|-------------------|
| Revenues | | | | |
| Property taxes | \$ 2,667,815 | \$ 2,715,144 | \$ 2,659,855 | \$ 2,668,816 |
| Payment in lieu of taxes | 6,514 | 6,155 | 6,250 | 6,217 |
| Tuition and fees | 501,248 | 332,985 | 394,573 | 254,726 |
| Investment earnings | 2,897 | 9,579 | 15,066 | 38,005 |
| Charges for services | 43,188 | 43,112 | 47,673 | 59,865 |
| Extracurricular activities | 17,655 | 12,943 | 17,521 | 13,340 |
| Contributions and donations | 6,956 | 8,184 | 1,228 | 532 |
| Miscellaneous | 1,204 | 3,872 | 1,647 | 6,246 |
| Intergovernmental | 5,106,405 | 5,192,106 | 4,958,465 | 5,245,560 |
| Total revenues | <u>8,353,882</u> | <u>8,324,080</u> | <u>8,102,278</u> | <u>8,293,307</u> |
| Expenditures | | | | |
| Current: | | | | |
| Instructional: | | | | |
| Regular | 1,957,635 | 1,746,569 | 1,610,696 | 1,414,661 |
| Special | 1,309,762 | 1,381,448 | 1,217,340 | 1,634,489 |
| Adult/continuing | - | - | - | - |
| Other | 1,394,708 | 1,337,548 | 1,167,294 | 1,000,494 |
| Support services: | | | | |
| Pupil | 248,567 | 233,021 | 358,621 | 488,281 |
| Instructional staff | 142,566 | 152,897 | 115,044 | 160,819 |
| Board of education | 28,441 | 28,099 | 29,213 | 42,071 |
| Administration | 706,211 | 659,191 | 707,823 | 785,796 |
| Fiscal | 276,640 | 276,476 | 261,293 | 223,950 |
| Business | 562 | 562 | 483 | - |
| Operations and maintenance | 618,527 | 586,345 | 427,642 | 557,363 |
| Pupil transportation | 419,776 | 387,003 | 534,105 | 654,466 |
| Central | 3,500 | 3,500 | 3,500 | 3,500 |
| Operation of non-instructional services | 234,446 | 250,799 | 269,440 | 317,975 |
| Extracurricular activities | 93,865 | 113,101 | 118,285 | 110,484 |
| Facilities acquisition and construction | 98,257 | 599,832 | 496,623 | 5,336 |
| Debt service: | | | | |
| Principal retirement | 31,963 | 33,728 | 35,533 | 30,032 |
| Interest and fiscal charges | 35,815 | 34,062 | 32,211 | 30,322 |
| Total expenditures | <u>7,601,241</u> | <u>7,824,181</u> | <u>7,385,146</u> | <u>7,460,039</u> |
| Excess (deficiency) of revenues expenditures over (under) expenditures | 752,641 | 499,899 | 717,132 | 833,268 |
| Other Financing Sources (Uses) | | | | |
| Transfers in | 17,000 | 10,000 | 10,000 | 12,889 |
| Transfers (out) | (17,000) | (10,000) | (10,000) | (12,889) |
| Total other financing sources (uses) | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Net change in fund balances | <u>\$ 752,641</u> | <u>\$ 499,899</u> | <u>\$ 717,132</u> | <u>\$ 833,268</u> |
| Capital expenditures | \$ 131,656 | \$ 285,814 | \$ 671,856 | \$ 5,336 |
| Debt service as a percentage of noncapital expenditures | 0.91% | 0.90% | 1.01% | 0.81% |

Source: District financial records.

(1) Amounts have been restated to account for the implementation of GASB Statement No. 84.

| | 2018 | 2019 (1) | 2020 | 2021 | 2022 | 2023 |
|----|------------------|------------------|------------------|------------------|------------------|--------------------|
| \$ | 2,784,011 | \$ 2,746,855 | \$ 2,841,547 | \$ 2,848,204 | \$ 3,216,974 | \$ 3,092,627 |
| | 6,217 | 6,422 | 6,387 | 6,784 | 6,805 | 6,746 |
| | 356,131 | 370,150 | 224,884 | 200,154 | 155,329 | 265,148 |
| | 103,825 | 186,861 | 124,042 | 10,966 | 14,855 | 212,045 |
| | 53,175 | 31,062 | 26,383 | - | 19,670 | 20,472 |
| | 16,337 | 10,288 | 11,718 | 52 | - | 30,757 |
| | 11 | 643 | 62 | - | - | 553 |
| | 19,878 | 7,375 | 2,053 | 18,501 | 895 | 1,287 |
| | 4,955,110 | 4,593,568 | 4,666,882 | 4,889,711 | 3,429,593 | 3,825,284 |
| | <u>8,294,695</u> | <u>7,953,224</u> | <u>7,903,958</u> | <u>7,974,372</u> | <u>6,844,121</u> | <u>7,454,919</u> |
| | 1,360,822 | 1,278,599 | 1,748,860 | 1,235,258 | 1,456,206 | 1,610,973 |
| | 1,702,732 | 1,531,430 | 1,663,314 | 1,744,911 | 1,119,530 | 1,410,081 |
| | - | - | - | 432 | - | - |
| | 1,100,113 | 1,023,681 | 1,153,907 | 1,430,719 | 8,093 | 79,355 |
| | 574,745 | 595,642 | 463,235 | 365,804 | 520,364 | 483,323 |
| | 127,622 | 118,168 | 276,833 | 245,868 | 346,201 | 507,275 |
| | 26,332 | 22,925 | 15,073 | 18,309 | 21,062 | 15,527 |
| | 790,270 | 806,199 | 869,832 | 648,809 | 647,059 | 778,511 |
| | 226,891 | 283,493 | 328,636 | 271,977 | 369,152 | 381,786 |
| | - | - | - | - | - | - |
| | 512,327 | 708,282 | 1,110,578 | 629,835 | 810,454 | 1,419,754 |
| | 561,180 | 610,244 | 562,711 | 428,891 | 587,366 | 766,399 |
| | 7,000 | 136,832 | 181,888 | 199,991 | 216,269 | 138,067 |
| | 251,080 | 222,246 | 210,348 | 206,457 | 208,278 | 373,336 |
| | 130,277 | 151,974 | 232,889 | 115,178 | 155,312 | 217,393 |
| | - | - | - | - | 137,356 | 337,214 |
| | 22,000 | 23,000 | 24,000 | 26,000 | 27,000 | 29,000 |
| | 28,992 | 27,046 | 25,680 | 24,228 | 22,688 | 21,061 |
| | <u>7,422,383</u> | <u>7,539,761</u> | <u>8,867,784</u> | <u>7,592,667</u> | <u>6,652,390</u> | <u>8,569,055</u> |
| | 872,312 | 413,463 | (963,826) | 381,705 | 191,731 | (1,114,136) |
| | 50,000 | - | 1,900 | 10,000 | 15,000 | 10,300 |
| | (50,000) | - | (1,900) | (10,000) | (15,000) | (10,300) |
| | - | - | - | - | - | - |
| \$ | <u>872,312</u> | <u>413,463</u> | <u>(963,826)</u> | <u>381,705</u> | <u>191,731</u> | <u>(1,114,136)</u> |
| \$ | - | \$ - | \$ - | \$ - | \$ 5,500 | \$ 425,585 |
| | 0.69% | 0.66% | 0.56% | 0.66% | 0.75% | 0.61% |

**JEFFERSON TOWNSHIP LOCAL SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

**ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN COLLECTION (CALENDAR) YEARS**

| Collection Year | Real Property | | | Tangible Personal Property | |
|--------------------|------------------------------|------------------------------|------------------------------|----------------------------|------------------------------|
| | Assessed Value | | Estimated Actual Value | Public Utility | |
| | Residential/ Agricultural | Commercial/ Industrial/PU | | Assessed Value | Estimated Actual Value |
| 2014 | \$ 83,256,270 | \$ 6,723,710 | \$ 257,085,657 | \$ 4,883,920 | \$ 19,535,680 |
| 2015 | 84,785,350 | 6,787,540 | 261,636,829 | 5,197,370 | 20,789,480 |
| 2016 | 84,142,790 | 6,833,470 | 259,932,171 | 5,381,690 | 21,526,760 |
| 2017 | 84,098,910 | 6,981,400 | 260,229,457 | 5,577,180 | 22,308,720 |
| 2018 | 81,674,690 | 9,811,410 | 261,388,857 | 5,890,440 | 23,561,760 |
| 2019 | 81,586,640 | 10,612,880 | 263,427,200 | 4,898,640 | 19,594,560 |
| 2020 | 81,732,660 | 9,610,220 | 260,979,657 | 5,212,590 | 20,850,360 |
| 2021 | 87,480,730 | 10,486,400 | 279,906,086 | 5,310,020 | 21,240,080 |
| 2022 | 87,142,770 | 10,472,330 | 278,900,286 | 5,689,900 | 22,759,600 |
| 2023 | 87,247,170 | 11,055,780 | 280,865,571 | 6,068,660 | 24,274,640 |

Real property is reappraised every six years with a State mandated update of the current market value in the third year following each reappraisal. The assessed value of real property (including public utility real property) is 35 percent of estimated true value.

The tangible personal property values associated with each year are the values that, when multiplied by the applicable rates, generated the property tax revenue billed in that year. For real property, the amounts generated by multiplying the assessed values by the applicable rates would be reduced by the 10%, 2 1/2% and homestead exemptions before being billed. Beginning in the 2006 collection year, the \$10,000 exemption for commercial/industrial property has been eliminated.

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

| Assessed Value | Total | | Ratio | Total Direct Rate |
|----------------|------------------------|--|--------|-------------------|
| | Estimated Actual Value | | | |
| \$ 94,863,900 | \$ 276,621,337 | | 34.29% | \$ 61.40 |
| 96,770,260 | 282,426,309 | | 34.26% | 61.40 |
| 96,357,950 | 281,458,931 | | 34.24% | 61.40 |
| 96,657,490 | 282,538,177 | | 34.21% | 61.40 |
| 97,376,540 | 284,950,617 | | 34.17% | 61.40 |
| 97,098,160 | 283,021,760 | | 34.31% | 61.40 |
| 96,555,470 | 281,830,017 | | 34.26% | 61.40 |
| 103,277,150 | 301,146,166 | | 34.29% | 61.40 |
| 103,305,000 | 301,659,886 | | 34.25% | 61.40 |
| 104,371,610 | 305,140,211 | | 34.20% | 61.40 |

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**JEFFERSON TOWNSHIP LOCAL SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

PRINCIPAL PROPERTY TAX PAYERS
PRIOR CALENDAR YEAR AND FIVE YEARS AGO

| Name of Taxpayer | | 2023 | |
|---------------------------------|----|-----------------------|---|
| | | Assessed Value | Percent of Real Property Assessed Value |
| Dayton Power And Light Co. | 1 | \$3,857,310 | 3.51% |
| STAG Dayton 2 LLC | 2 | 2,026,850 | 1.96% |
| Vectren Energy Delivery Of Ohio | 3 | 1,365,920 | 1.24% |
| 2901 S Gettysburg Ave LTD | 4 | 1,281,950 | 1.22% |
| ANR Pipeline Company | 5 | 865,310 | 0.80% |
| Buckeye Community Seventeen LP | 6 | 818,680 | 0.79% |
| Brown Todd | 7 | 557,740 | 0.50% |
| 1200 Partnership | 8 | 513,860 | 0.45% |
| Bearcreek Farms Inc | 9 | 461,160 | 0.44% |
| Westwood Housing Assn Inc | 10 | 458,650 | 0.40% |
| Totals | | <u>\$ 12,207,430</u> | <u>11.31%</u> |
| Total Assessed Valuation | | <u>\$ 126,993,290</u> | |

| Name of Taxpayer | | 2018 (1) | |
|-----------------------------------|----|----------------------|---|
| | | Assessed Value | Percent of Real Property Assessed Value |
| Dayton Power And Light Co. | 1 | \$ 3,132,200 | 3.22% |
| Anr Pipeline Company | 2 | 1,974,610 | 2.03% |
| Buckeye Community Seventeen LP | 3 | 817,420 | 0.84% |
| Bearcreek Farms Inc. | 4 | 766,430 | 0.79% |
| Vectren Energy Delivery Of Ohio | 5 | 731,010 | 0.75% |
| Rauch, Steve R. | 6 | 476,040 | 0.49% |
| B F Hill Investments LLC | 7 | 209,540 | 0.22% |
| Foundation Capital Resources Inc. | 8 | 192,340 | 0.20% |
| Octagon Holdings LLC | 9 | 85,770 | 0.09% |
| Gilbert Chad M Trust | 10 | 80,320 | 0.08% |
| Totals | | <u>\$ 8,465,680</u> | <u>8.69%</u> |
| Total Assessed Valuation | | <u>\$ 97,376,540</u> | |

Source: Montgomery County Auditor

(1) Information for previous years was unavailable from the County Auditor. The School District will continue to build this schedule until it can obtain current calendar year and nine years ago.

**JEFFERSON TOWNSHIP LOCAL SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS
(PER \$1,000 OF ASSESSED VALUATION)
LAST TEN COLLECTION (CALENDAR) YEARS (1)
2013-2022

| Tax Year/ Collection Year | Overlapping Governments | | | | | | Total |
|------------------------------------|-------------------------|-------------------|--|-----------------------|----------------------------|----------|-------|
| | Montgomery County | City of Dayton | Miami Valley Career Technical Center | Jefferson Township | Dayton Metro Library | | |
| 2013/2014 | \$ 20.94 | \$ 10.00 | \$ 2.58 | \$ 18.59 | \$ 3.31 | \$ 55.42 | |
| 2014/2015 | 21.94 | 10.00 | 2.58 | 18.59 | 3.31 | 56.42 | |
| 2015/2016 | 22.94 | 10.00 | 2.58 | 18.59 | 3.31 | 57.42 | |
| 2016/2017 | 22.94 | 10.00 | 2.58 | 26.19 | 3.31 | 65.02 | |
| 2017/2018 | 22.94 | 10.00 | 4.01 | 26.19 | 3.31 | 66.45 | |
| 2018/2019 | 23.14 | 10.00 | 4.01 | 26.19 | 3.31 | 66.65 | |
| 2019/2020 | 18.94 | 10.00 | 4.01 | 26.19 | 3.31 | 62.45 | |
| 2020/2021 | 18.94 | 10.00 | 3.96 | 31.29 | 3.15 | 67.34 | |
| 2021/2022 | 18.94 | 10.00 | 3.96 | 31.69 | 3.09 | 67.68 | |
| 2022/2023 | 23.14 | 10.00 | 3.93 | 31.29 | 3.04 | 71.40 | |

Source: Montgomery County Auditor.

(1) Montgomery County property tax rate records are maintained on a calendar / collection year basis.

Jefferson Township Local School District

| General - Inside | General - Voted | Permanent Improvements | Total |
|---------------------|--------------------|---------------------------|----------|
| \$ 6.60 | \$ 52.80 | \$ 2.00 | \$ 61.40 |
| 6.60 | 52.80 | 2.00 | 61.40 |
| 6.60 | 52.80 | 2.00 | 61.40 |
| 6.60 | 52.80 | 2.00 | 61.40 |
| 6.60 | 52.80 | 2.00 | 61.40 |
| 6.60 | 52.80 | 2.00 | 61.40 |
| 6.60 | 52.80 | 2.00 | 61.40 |
| 6.60 | 52.80 | 2.00 | 61.40 |
| 6.60 | 52.80 | 2.00 | 61.40 |
| 6.60 | 52.80 | 2.00 | 61.40 |

**JEFFERSON TOWNSHIP LOCAL SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

PROPERTY TAX LEVIES AND COLLECTIONS - REAL, PERSONAL, AND PUBLIC UTILITY PROPERTY
LAST NINE COLLECTION (CALENDAR) YEARS
2014-2022

| Tax Year/ Collection Year | Current Levy (1) | Current Collection (2) | Percent of Current Levy Collected | Delinquent Collection (4) | Total Collection (2) | Percent of Total Tax Collections to Current Levy (4) | Outstanding Delinquent Taxes (3) | Total Outstanding Delinquent as a Percent of Current Levy |
|------------------------------|------------------|------------------------|-----------------------------------|---------------------------|----------------------|--|----------------------------------|---|
| 2014/2015 | \$ 3,170,134 | \$ 2,893,473 | 91.27% | \$ 327,138 | \$ 3,220,611 | 101.59% | \$ 877,317 | 27.67% |
| 2015/2016 | 3,184,976 | 2,921,140 | 91.72% | 248,612 | 3,169,752 | 99.52% | 896,470 | 28.15% |
| 2016/2017 | 3,202,907 | 2,937,021 | 91.70% | 204,252 | 3,141,273 | 98.08% | 881,257 | 27.51% |
| 2017/2018 | 3,320,131 | 3,043,382 | 91.66% | 216,181 | 3,259,563 | 98.18% | 911,875 | 27.47% |
| 2018/2019 | 3,304,857 | 3,033,860 | 91.80% | 283,339 | 3,317,199 | 100.37% | 953,927 | 28.86% |
| 2019/2020 | 3,285,940 | 3,067,892 | 93.36% | 251,368 | 3,319,260 | 101.01% | 886,118 | 26.97% |
| 2020/2021 (5) | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| 2021/2022 | 3,366,343 | 3,097,628 | 92.02% | 246,032 | 3,343,660 | 99.33% | 1,054,681 | 31.33% |
| 2022/2023 | 3,416,615 | 3,192,336 | 93.44% | 349,276 | 3,541,612 | 103.66% | 826,152 | 24.18% |

Source: Montgomery County Auditor.

Note: Information prior to 2014 was unavailable.

(1) Taxes levied and collected are presented on a cash basis.

(2) State reimbursements of rollback and homestead exemptions are included.

(3) Penalties and interest are included, since by Ohio law they become part of the tax obligation as assessment occurs.

(4) Delinquent Tax Collections are only available by collection year; therefore the percentage of total tax collections to the current levy may exceed 100 percent in some years. The District will continue to work to get this information in the future.

(5) Information for tax year 2020 were unavailable from the County Auditor. The information will be updated in subsequent year's report as information becomes available.

**JEFFERSON TOWNSHIP LOCAL SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

**RATIO OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS**

| Fiscal Year | Governmental Activities | | Total Primary Government | Per Capita (1) | Ratio of Total Debt Outstanding to Personal Income (1) |
|-------------|---------------------------------|----|--------------------------|----------------|--|
| | Finance Purchase/Leases Payable | | | | |
| 2014 | \$ 598,293 | \$ | 598,293 | \$ 91 | 0.60% |
| 2015 | 564,565 | | 564,565 | 87 | 0.57% |
| 2016 | 529,032 | | 529,032 | 78 | 0.51% |
| 2017 | 499,000 | | 499,000 | 73 | 0.55% |
| 2018 | 477,000 | | 477,000 | 70 | 0.46% |
| 2019 | 454,000 | | 454,000 | 67 | 0.43% |
| 2020 | 430,000 | | 430,000 | 73 | N/A |
| 2021 | 404,000 | | 404,000 | 69 | 0.30% |
| 2022 | 377,000 | | 377,000 | 64 | 0.25% |
| 2023 | 348,000 | | 348,000 | 59 | 0.23% |

Source: District Records

(1) Population and Personal Income is reported on the Demographic Statistical table found later in the Statistical Section.

N/A - Information not available.

**JEFFERSON TOWNSHIP LOCAL SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

COMPUTATION OF LEGAL DEBT MARGIN
LAST TEN FISCAL YEARS

| | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> |
|---|----------------------|----------------------|----------------------|----------------------|
| Tax Valuation | <u>\$ 94,863,900</u> | <u>\$ 96,770,260</u> | <u>\$ 96,357,950</u> | <u>\$ 96,657,490</u> |
| Debt Limit - 9% of Taxable Valuation | <u>8,537,751</u> | <u>8,709,323</u> | <u>8,672,216</u> | <u>8,699,174</u> |
| Legal debt margin | <u>\$ 8,537,751</u> | <u>\$ 8,709,323</u> | <u>\$ 8,672,216</u> | <u>\$ 8,699,174</u> |
| Legal debt margin as a percentage of the debt limit | 100.00% | 100.00% | 100.00% | 100.00% |
| Unvoted debt limit - 0.10% of taxable valuation (1) | <u>94,864</u> | <u>96,770</u> | <u>96,358</u> | <u>96,657</u> |
| Unvoted legal debt margin | <u>\$ 94,864</u> | <u>\$ 96,770</u> | <u>\$ 96,358</u> | <u>\$ 96,657</u> |
| Unvoted legal debt margin as a percentage of the debt limit | 100.00% | 100.00% | 100.00% | 100.00% |

Source: Montgomery County Auditor and District Financial Records

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

| 2018 | 2019 | 2020 | 2021 | 2022 | 2023 |
|----------------------|----------------------|----------------------|-----------------------|-----------------------|-----------------------|
| <u>\$ 97,376,540</u> | <u>\$ 97,098,160</u> | <u>\$ 96,555,470</u> | <u>\$ 103,277,150</u> | <u>\$ 103,305,000</u> | <u>\$ 104,371,610</u> |
| <u>8,763,889</u> | <u>8,738,834</u> | <u>8,689,992</u> | <u>9,294,944</u> | <u>9,297,450</u> | <u>9,393,445</u> |
| <u>\$ 8,763,889</u> | <u>\$ 8,738,834</u> | <u>\$ 8,689,992</u> | <u>\$ 9,294,944</u> | <u>\$ 9,297,450</u> | <u>\$ 9,393,445</u> |
| 100.00% | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% |
| <u>97,377</u> | <u>97,098</u> | <u>96,555</u> | <u>103,277</u> | <u>103,305</u> | <u>104,372</u> |
| <u>\$ 97,377</u> | <u>\$ 97,098</u> | <u>\$ 96,555</u> | <u>\$ 103,277</u> | <u>\$ 103,305</u> | <u>\$ 104,372</u> |
| 100.00% | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% |

**JEFFERSON TOWNSHIP LOCAL SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

COMPUTATION OF DIRECT AND OVERLAPPING DEBT
JUNE 30, 2023

| Governmental Unit | Gross General Obligation | Percent Applicable to District (1) | Amount Applicable to District |
|--|-----------------------------|--|-------------------------------------|
| Direct: | | | |
| Jefferson Township Local School District | \$ 377,000 | 100.00% | \$ 377,000 |
| Overlapping: | | | |
| City of Moraine | 11,417,669 | 10.85% | 1,239,130 |
| City of Dayton | 35,479,026 | 0.53% | 188,248 |
| City of West Carrollton (2) | - | 1.81% | - |
| Miami Valley Career Center | 109,972,839 | 1.30% | 1,433,275 |
| Total overlapping | <u>\$ 156,869,534</u> | | <u>\$ 2,860,653</u> |
| Total direct and overlapping debt | <u>\$ 157,246,534</u> | | <u>\$ 3,237,653</u> |

Source: Montgomery County Auditor

- (1) - Percentages were determined by dividing the assessed valuation of the overlapping government located within the boundaries of the District by the total assessed valuation of the government.
- (2) - The overlapping debt information for the City of West Carrollton is unavailable from the County auditor.

**JEFFERSON TOWNSHIP LOCAL SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

DEMOGRAPHIC STATISTICS
LAST TEN YEARS
2014-2023

| Year | Population (1) | Per Capita Income (1) | Personal Income (1) | School Enrollment (2) | Unemployment Rate Montgomery County (3) |
|------|----------------|--------------------------|------------------------|--------------------------|--|
| 2014 | 6,588 | \$ 15,124 | \$ 99,638,825 | 377 | 6.0% |
| 2015 | 6,499 | 15,355 | 99,794,246 | 586 | 5.0% |
| 2016 | 6,792 | 15,228 | 103,430,296 | 359 | 4.8% |
| 2017 | 6,792 | 13,392 | 90,955,267 | 353 | 4.9% |
| 2018 | 6,792 | 15,151 | 102,908,473 | 343 | 4.1% |
| 2019 | 6,792 | 15,433 | 104,822,393 | 330 | 4.4% |
| 2020 | 5,855 | N/A | N/A | 313 | 5.8% |
| 2021 | 5,855 | 23,008 | 134,711,840 | 277 | 6.8% |
| 2022 | 5,855 | 25,309 | 148,184,195 | 255 | 4.5% |
| 2023 | 5,855 | 25,309 | 148,184,195 | 251 | 4.5% |

Sources:

(1) U.S. Census Bureau American Community Survey (ACS)

(2) District Financial Records.

(3) Ohio Department of Jobs and Family Services.

N/A - Information not available.

**JEFFERSON TOWNSHIP LOCAL SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

**PRINCIPAL EMPLOYERS
DECEMBER 31, 2022 AND NINE YEARS AGO**

| Employer | 2022 | | | 2013 | | |
|----------------------------|---------------------|------|--------------------------------|---------------------|------|--------------------------------|
| | Number of Employees | Rank | Percentage of Total Employment | Number of Employees | Rank | Percentage of Total Employment |
| Wright-Patterson AFB | 32,000 | 1 | 13.03% | 29,000 | 1 | 12.66% |
| Kettering Health Network | 13,720 | 2 | 5.59% | 7,000 | 3 | 3.06% |
| Premier Health | 11,344 | 3 | 4.62% | 14,765 | 2 | 6.44% |
| Montgomery County | 4,589 | 4 | 1.87% | 4,007 | 5 | 1.75% |
| Kroger Co. | 4,523 | 5 | 1.84% | 4,950 | 4 | 2.16% |
| Dayton Children's Hospital | 3,904 | 6 | 1.59% | | | |
| Meijer | 3,496 | 7 | 1.42% | | | |
| University of Dayton | 3,100 | 8 | 1.26% | 2,297 | 9 | 1.00% |
| CareSource | 3,000 | 9 | 1.22% | | | |
| Sinclair Community College | 2,368 | 10 | 0.96% | 2,613 | 7 | 1.14% |
| LexisNexis | | | | 3,600 | 6 | 1.57% |
| Dayton Public Schools | | | | 2,085 | 10 | 0.91% |
| Wright State University | | | | 2,403 | 8 | 1.05% |
| | <u>82,044</u> | | <u>33.40%</u> | <u>72,720</u> | | <u>31.74%</u> |

Source: Montgomery County ACFR as of December 31, 2022. Information specific to Jefferson Township was unavailable due to small size of the District.

**JEFFERSON TOWNSHIP LOCAL SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY TYPE
LAST TEN FISCAL YEARS

| | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 |
|---------------------------------------|--------------|----------|----------|----------|--------------|--------------|--------------|--------------|----------|----------|
| Official/Administrative | | | | | | | | | | |
| Principal | 1.00 | N/A | N/A | N/A | 2.00 | 2.00 | 2.00 | 1.00 | N/A | N/A |
| Superintendent | 1.00 | N/A | N/A | N/A | 1.00 | 1.00 | 1.00 | 1.00 | N/A | N/A |
| Treasurer | 1.00 | N/A | N/A | N/A | 1.00 | 1.00 | 1.00 | 1.00 | N/A | N/A |
| Other | 4.00 | N/A | N/A | N/A | 1.00 | 2.00 | 6.00 | 4.00 | N/A | N/A |
| Totals | 7.00 | - | - | - | 5.00 | 6.00 | 10.00 | 7.00 | - | - |
| Professional-Educational/Other | | | | | | | | | | |
| Suppl. Service Teacher (Special Ed.) | 2.00 | N/A | N/A | N/A | 2.00 | - | - | - | N/A | N/A |
| General Education | 28.80 | N/A | N/A | N/A | 25.00 | 21.00 | 26.00 | 24.00 | N/A | N/A |
| Special Education | 2.03 | N/A | N/A | N/A | 3.00 | 3.00 | 2.00 | 2.00 | N/A | N/A |
| Other Educational/Professional | 5.33 | N/A | N/A | N/A | 4.00 | - | - | - | N/A | N/A |
| Totals | 38.16 | - | - | - | 34.00 | 24.00 | 28.00 | 26.00 | - | - |
| Technical/Office/Clerical | | | | | | | | | | |
| Educational/Media Aides | 1.00 | N/A | N/A | N/A | 1.00 | - | - | - | N/A | N/A |
| Instructional Paraprofessional | 7.00 | N/A | N/A | N/A | 5.00 | 4.00 | 3.00 | 3.00 | N/A | N/A |
| Clerical/Other | 5.00 | N/A | N/A | N/A | 4.00 | 4.00 | 5.00 | 4.00 | N/A | N/A |
| Totals | 13.00 | - | - | - | 10.00 | 8.00 | 8.00 | 7.00 | - | - |
| Craft and Trades/Operative | | | | | | | | | | |
| Vehicle Operator (buses) | 4.00 | N/A | N/A | N/A | - | - | - | - | N/A | N/A |
| Other | - | N/A | N/A | N/A | - | - | - | - | N/A | N/A |
| Totals | 4.00 | - | - | - | - | - | - | - | - | - |
| Service Work/Laborer | | | | | | | | | | |
| Custodian | 2.00 | N/A | N/A | N/A | 2.00 | 2.00 | 3.00 | 3.00 | N/A | N/A |
| Food Service | 5.00 | N/A | N/A | N/A | 2.00 | 4.00 | 4.00 | 3.00 | N/A | N/A |
| Other | - | N/A | N/A | N/A | - | 2.00 | 2.00 | 2.00 | N/A | N/A |
| Totals | 7.00 | - | - | - | 4.00 | 8.00 | 9.00 | 8.00 | - | - |
| Total Employees | 69.16 | - | - | - | 53.00 | 46.00 | 55.00 | 48.00 | - | - |

Note: Information for fiscal years 2015-2017, 2022 and 2023 was unavailable.

Source: Fiscal Year October EMIS Reports.

**JEFFERSON TOWNSHIP LOCAL SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

CAPITAL ASSET STATISTICS
LAST TEN FISCAL YEARS

| Governmental Activities | | | | | |
|--|---------------------|---------------------|---------------------|---------------------|---------------------|
| | 2023 | 2022 | 2021 | 2020 | 2019 |
| Land | \$ 151,690 | \$ 151,690 | \$ 151,690 | \$ 151,690 | \$ 151,690 |
| Land Improvements | 21,691 | 26,003 | 31,871 | 38,965 | 46,139 |
| Buildings and Improvements | 1,103,629 | 1,179,154 | 1,254,679 | 1,330,204 | 1,405,729 |
| Furniture/Equipment/Fixtures | 457,674 | 84,471 | 137,582 | 204,326 | 277,586 |
| Total Governmental Activities Capital Assets, net | \$ 1,734,684 | \$ 1,441,318 | \$ 1,575,822 | \$ 1,725,185 | \$ 1,881,144 |

| Governmental Activities | | | | | |
|--|---------------------|---------------------|---------------------|---------------------|---------------------|
| | 2018 | 2017 (1) | 2016 | 2015 | 2014 |
| Land | \$ 151,690 | \$ 151,690 | \$ 192,660 | \$ 192,660 | \$ 192,660 |
| Construction in Progress | - | - | 320,004 | 147,766 | 131,656 |
| Land Improvements | 53,391 | 60,645 | 65,984 | 73,756 | 81,528 |
| Buildings and Improvements | 1,481,256 | 1,556,780 | 1,453,670 | 1,049,447 | 837,062 |
| Furniture/Equipment/Fixtures | 337,293 | 423,232 | 54,497 | 49,468 | 68,861 |
| Vehicles | - | - | 34,005 | 56,675 | 80,595 |
| Total Governmental Activities Capital Assets, net | \$ 2,023,630 | \$ 2,192,347 | \$ 2,120,820 | \$ 1,569,772 | \$ 1,392,362 |

Source: District financial records.

Note: Amounts above are presented net of accumulated depreciation.

(1) Information has been restated due to a reappraisal of District capital assets.

**JEFFERSON TOWNSHIP LOCAL SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

OPERATING STATISTICS
LAST TEN FISCAL YEARS

| Fiscal Year | Expenses | Enrollment | Cost Per Pupil | Percentage Change | Teaching Staff | Pupil/ Teacher Ratio |
|----------------|--------------|------------|-------------------|----------------------|-------------------|----------------------------|
| 2014 | \$ 6,681,939 | 377 | \$ 17,724 | -7.09% | 38 | 9.9 |
| 2015 | 7,457,161 | 586 | 12,726 | -28.20% | 38 | 15.4 |
| 2016 | 5,287,470 | 359 | 14,728 | 15.74% | 31 | 11.6 |
| 2017 | 7,131,705 | 353 | 20,203 | 37.17% | 31 | 11.4 |
| 2018 | 9,016,805 | 343 | 26,288 | 30.12% | 32 | 10.7 |
| 2019 | 8,216,012 | 330 | 24,897 | -5.29% | 28 | 11.8 |
| 2020 | 6,268,441 | 313 | 20,027 | -19.56% | 31 | 10.1 |
| 2021 | 8,216,012 | 277 | 29,661 | 48.10% | 23 | 12.0 |
| 2022 | 6,268,441 | 255 | 24,582 | -17.12% | 23 | 11.1 |
| 2023 | 8,079,314 | 255 | 31,684 | 28.89% | 23 | 11.1 |

Source: District Records.

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**JEFFERSON TOWNSHIP
LOCAL SCHOOL DISTRICT**
MONTGOMERY COUNTY, OHIO

SINGLE AUDIT

**FOR THE FISCAL YEAR ENDED
JUNE 30, 2023**

**JEFFERSON TOWNSHIP LOCAL SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

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**JEFFERSON TOWNSHIP LOCAL SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

| FEDERAL GRANTOR/ PASS THROUGH GRANTOR/ PROGRAM/CLUSTER TITLE | ASSISTANCE LISTING NUMBER | PASS-THROUGH ENTITY IDENTIFYING NUMBER / ADDITIONAL AWARD IDENTIFICATION | TOTAL FEDERAL EXPENDITURES |
|---|---------------------------------|---|-------------------------------|
| U.S. DEPARTMENT OF AGRICULTURE | | | |
| <i>Passed Through the Ohio Department of Education and Workforce</i> | | | |
| Child Nutrition Cluster | | | |
| School Breakfast Program | 10.553 | 2022 | \$ 9,908 |
| School Breakfast Program | 10.553 | 2023 | 55,807 |
| Total School Breakfast Program | | | <u>65,715</u> |
| National School Lunch Program | 10.555 | 2022 | 24,749 |
| COVID-19 - National School Lunch Program - CN COVID FOOD PRO MANF | 10.555 | COVID-19, 2023 | 10,894 |
| National School Lunch Program | 10.555 | 2023 | 121,187 |
| National School Lunch Program - Food Donation | 10.555 | 2023 | 14,417 |
| Total National School Lunch Program | | | <u>171,247</u> |
| Total Child Nutrition Cluster | | | <u>236,962</u> |
| COVID-19 - State Pandemic Electronic Benefit Transfer (P-EBT) Administrative Costs Grant | 10.649 | COVID-19, 2023 | 628 |
| Total U.S. Department of Agriculture | | | <u>237,590</u> |
| U.S. DEPARTMENT OF EDUCATION | | | |
| <i>Passed Through the Ohio Department of Education and Workforce</i> | | | |
| Title I Grants to Local Educational Agencies | 84.010A | 84.010A, 2022 | 10,440 |
| Title I Grants to Local Educational Agencies - Expanding Opportunities for Each Child Non-Competitive Grant | 84.010A | 84.010A, 2023 | 44,394 |
| Title I Grants to Local Educational Agencies | 84.010A | 84.010A, 2023 | 313,953 |
| Title I Grants to Local Educational Agencies - Delinquent | 84.010A | 84.010A, 2023 | 42,010 |
| Total Title I Grants to Local Educational Agencies | | | <u>410,797</u> |
| Special Education Cluster (IDEA) | | | |
| Special Education-Grants to States (IDEA, Part B) | 84.027A | 84.027A, 2023 | 88,218 |
| Total Special Education Cluster (IDEA) | | | <u>88,218</u> |
| <i>Consortium Amount Passed/Transferred to Montgomery County Educational Service Center</i> | | | |
| English Language Acquisition State Grants - Title III - Language Instruction for English Learners | 84.365A | 84.365A, 2023 | 1,660 |
| Rural and Low Income | 84.358B | 84.358B, 2023 | 7,024 |
| Student Support and Academic Enrichment Program | 84.424A | 84.424A, 2023 | 22,569 |
| COVID-19 - Elementary and Secondary School Emergency Relief (ESSER II) Fund | 84.425D | COVID-19, 84.425D, 2022 | 8,565 |
| COVID-19 - Elementary and Secondary School Emergency Relief (ESSER II) Fund | 84.425D | COVID-19, 84.425D, 2023 | 469,518 |
| COVID-19 - American Rescue Plan - Elementary and Secondary School Emergency Relief (ARP ESSER) Fund | 84.425U | COVID-19, 84.425U, 2023 | 4,316 |
| Total Education Stabilization Fund (ESF) | | | <u>482,399</u> |
| Total U.S. Department of Education | | | <u>1,012,667</u> |
| Total Federal Expenditures | | | <u>\$ 1,250,257</u> |

The accompanying notes are an integral part of this schedule.

**JEFFERSON TOWNSHIP LOCAL SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

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

NOTE 1 – BASIS OF PRESENTATION & SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of the Jefferson Township Local School District under programs of the federal government for the fiscal year ended June 30, 2023 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 Jefferson Township Local School District, it is not intended to and does not present the financial position, or changes in net position of the Jefferson Township Local School District. Such expenditures are recognized following cost principles contained in Uniform Guidance wherein certain types of expenditures may or may not be limited as to reimbursement.

NOTE 2 – DE MINIMIS INDIRECT COST RATE

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

NOTE 3 – CHILD NUTRITION CLUSTER

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

NOTE 4 – FOOD DONATION PROGRAM

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

NOTE 5 – PASS-THROUGH FUNDS

The Jefferson Township Local School District was awarded federal program allocations to be administered on their behalf by the Montgomery County Educational Service Center. For fiscal year 2023, the Jefferson Township Local School District's allocations were as follows:

| <u>Grant/Program Name</u> | <u>ALN</u> | <u>Reallocated to</u> | <u>Award Amount</u> |
|---|------------|-----------------------|---------------------|
| Title III Language Instruction for English Learners | 84.365A | Montgomery County ESC | \$ 1,660 |

**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***

Jefferson Township Local School District
Montgomery County
2625 South Union Road
Dayton, Ohio 45417

To the Members of the Board of Education:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Jefferson Township Local School District, Montgomery County, Ohio, as of and for the fiscal year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Jefferson Township Local School District’s basic financial statements, and have issued our report thereon dated December 22, 2023.

Report on Internal Control over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified a certain deficiency in internal control, described in the accompanying schedule of findings as item 2023-001 that we consider to be a significant deficiency.

Jefferson Township Local School District
Montgomery County

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*

Report on Compliance and Other Matters

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

Jefferson Township Local School District's Response to the Finding

Government Auditing Standards requires the auditor to perform limited procedures on the Jefferson Township Local School District's response to the finding identified in our audit and described in the accompanying corrective action plan. The Jefferson Township Local School District's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

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 Jefferson Township Local School District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Jefferson Township Local School District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Julian & Grube, Inc.
December 22, 2023

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

Jefferson Township Local School District
Montgomery County
2625 South Union Road
Dayton, Ohio 45417

To the Members of the Board of Education:

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the Jefferson Township Local School District’s compliance with the types of compliance requirements identified as subject to audit in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could have a direct and material effect on each of the Jefferson Township Local School District’s major federal programs for the fiscal year ended June 30, 2023. The Jefferson Township Local School District’s major federal programs are identified in the summary of auditor’s results section of the accompanying schedule of findings.

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

Basis for Opinion on Each Major Federal Program

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). Our responsibilities under those standards and the Uniform Guidance are further described in the “Auditor’s Responsibilities for the Audit of Compliance” section of our report.

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

Responsibilities of Management for Compliance

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

Jefferson Township Local School District
Montgomery County
Independent Auditor's Report on Compliance for Each Major Federal Program
and on Internal Control Over Compliance and on the Schedule of Expenditures of Federal Awards
Required by the Uniform Guidance

Auditor's Responsibilities for the Audit of Compliance

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

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

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

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

Report on Internal Control over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or 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 "Auditor's Responsibilities for the Audit of Compliance" section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Jefferson Township Local School District
Montgomery County
Independent Auditor's Report on Compliance for Each Major Federal Program
and on Internal Control Over Compliance and on the Schedule of Expenditures of Federal Awards
Required by the Uniform Guidance

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

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

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

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Jefferson Township Local School District, as of and for the fiscal year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Jefferson Township Local School District's basic financial statements. We issued our report thereon dated December 22, 2023, which contained unmodified opinions on those financial statements. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.



Julian & Grube, Inc.
December 22, 2023

**JEFFERSON TOWNSHIP LOCAL SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

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

| 1. SUMMARY OF AUDITOR'S RESULTS | | |
|--|---|--|
| <i>(d)(1)(i)</i> | <i>Type of Financial Statement Opinion</i> | Unmodified |
| <i>(d)(1)(ii)</i> | <i>Were there any material weaknesses in internal control reported at the financial statement level (GAGAS)?</i> | No |
| <i>(d)(1)(ii)</i> | <i>Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?</i> | Yes |
| <i>(d)(1)(iii)</i> | <i>Was there any reported material noncompliance at the financial statement level (GAGAS)?</i> | No |
| <i>(d)(1)(iv)</i> | <i>Were there any material weaknesses in internal control reported for major federal programs?</i> | No |
| <i>(d)(1)(iv)</i> | <i>Were there any significant deficiencies in internal control reported for major federal programs?</i> | No |
| <i>(d)(1)(v)</i> | <i>Type of Major Program's Compliance Opinion</i> | Unmodified |
| <i>(d)(1)(vi)</i> | <i>Are there any reportable findings under 2 CFR §200.516(a)?</i> | No |
| <i>(d)(1)(vii)</i> | <i>Major Programs (listed):</i> | Education Stabilization Fund (ALN: 84.425), Special Education Cluster |
| <i>(d)(1)(viii)</i> | <i>Dollar Threshold: Type A/B Programs</i> | Type A: \$750,000 Type B: all others |
| <i>(d)(1)(ix)</i> | <i>Low Risk Auditee under 2 CFR § 200.520?</i> | No |

**JEFFERSON TOWNSHIP LOCAL SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

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

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

| | |
|----------------|----------|
| Finding Number | 2023-001 |
|----------------|----------|

Significant Deficiency - Financial Statement Presentation

Accurate financial reporting is required in order to provide management and the Board of Education with objective and timely information to enable well-informed decisions.

The following adjustments were made to properly record activity for the fiscal year ended June 30, 2023:

- On the fund financial statements, an adjustment was necessary to decrease the Miscellaneous Federal Grants Fund (a nonmajor governmental fund) equity and pooled cash and cash equivalents and due to other funds by \$74,750. Correspondingly, an adjustment was necessary to increase the General Fund equity and pooled cash and cash equivalents and decrease due from other funds by \$74,750.
- On the fund financial statements, an adjustment was necessary to increase the Elementary and Secondary School Emergency Relief Fund disbursements for instruction: regular, accounts payable, receivables: intergovernmental, deferred inflows of resources: intergovernmental revenue not available by \$80,161.
- On the government-wide financial statements, the previously detailed adjustment had the following effect: an increase to receivables: intergovernmental, program revenues: operating grants and contributions – instruction: regular, expenses – instruction: regular, and accounts payable by \$80,161.

The District’s financial statements and related notes have been adjusted to reflect these adjustments.

A lack of proper policies and procedures for control and monitoring activities associated with the period-end financial reporting process could lead to financial statement and note disclosure adjustments, which if uncorrected, could lead to a misrepresentation of the District’s activity.

We recommend the District implement additional control procedures that enable management to more timely prevent or detect and correct potential misstatements in the basic financial statements prior to filing them in the Hinkle system.

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None



Jefferson Township Local Schools

2625 South Union Road * Dayton, Ohio 45417

Phone 937-835-5682 * Fax 937-835-5955

TREASURER/CFO

Craig A. Jones

BOARD OF EDUCATION

Rev. Cuttino Dargan

Dr. Vilma Helms

Ms. Angela McCleskey

Mr. C. V. Mitchell, III

Mr. Harley Schmidt

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

2 CFR § 200.511(b)

JUNE 30, 2023

| Finding Number | Year Initially Occurred | Finding Summary | Status | Additional Information |
|----------------|-------------------------|--|---------------|---------------------------|
| 2022-001 | 2022 | <u>Significant Deficiency- Financial Statement Presentation</u> - Accurate financial reporting is required in order to provide management and the Board of Education with objective and timely information to enable well-informed decisions. The District had audit adjustments to its HINKLE filed financial statements. | Not Corrected | Repeated as find 2023-001 |



Jefferson Township Local Schools

2625 South Union Road * Dayton, Ohio 45417

Phone 937-835-5682 * Fax 937-835-5955

TREASURER/CFO

Craig A. Jones

BOARD OF

EDUCATION

Rev. Cuttino Dargan

Dr. Vilma Helms

Ms. Angela McCleskey

Mr. C. V. Mitchell, III

Mr. Harley Schmidt

CORRECTIVE ACTION PLAN

2 CFR § 200.511(c)

JUNE 30, 2023

| Finding Number | Planned Corrective Action | Anticipation Completion Date | Responsible Contact Person |
|-----------------------|--|-------------------------------------|-----------------------------------|
| 2023-001 | The District will closely monitor all activity to ensure accurate financial reporting in the future. | 2024 | Craig Jones, Treasurer |

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OHIO AUDITOR OF STATE KEITH FABER



**JEFFERSON TOWNSHIP LOCAL SCHOOL DISTRICT
MONTGOMERY 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 3/26/2024

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

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