

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



**ANNUAL
COMPREHENSIVE FINANCIAL REPORT**

**FOR THE
FISCAL YEAR ENDED JUNE 30, 2021**

OHIO AUDITOR OF STATE
KEITH FABER



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Columbus, Ohio 43215
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Board of Education
Jefferson Township Local School District
2625 South Union Road
Dayton, Ohio 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, 2020 through June 30, 2021. 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

February 10, 2022

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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, 2021

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, 2021**

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Jefferson Township Local Schools

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TREASURER/CFO
Craig A. Jones

BOARD OF EDUCATION

Ms. Septemberlyn Daniel
Rev. Cuttino Dargan
Dr. Vilma Helms
Mr. C. V. Mitchell, III
Mr. Emmett C. Orr

December 17, 2021

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, 2021. 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. have issued an unmodified opinion on the District's financial statements for the fiscal year ended June 30, 2021. 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's 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 2020-2021 school year, the District had 277 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	Enrollment Grades (2020-2021)	Square Feet	Year Building Completed
Blairwood Elementary	PK-6 155	38,500	1962
Jefferson Jr./Sr. High School	7-12 122	71,400	1966
Total	277	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>
C. V. Mitchell, III	President	12/31/2023	01/01/2010
Emmett Orr	Vice President	12/31/2021	01/01/2010
Septemberlyn Daniel	Member	12/31/2021	01/01/2020
Rev. Cuttino Dargan	Member	12/31/2021	01/01/2010
Dr. Vilma Helms	Member	12/31/2023	01/01/2004

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, 2022. Classified staff are represented by Ohio Association of Public-School Employees (OAPSE) 674. This contract expired June 30, 2021.

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 executive 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 a public entity risk pool 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, Matt Huffman, who serves as Treasurer/CFO at 6800 Hoke Road, Clayton, 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 2021, the District paid META Solutions \$64,602 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.

ECONOMIC CONDITION AND OUTLOOK

Dayton 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.

MAJOR INITIATIVES

2020-2021 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 2020, 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 2020, 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 2020-2021

Coronavirus (COVID-19)

COVID-19, a respiratory disease that can result in serious illness or death, is caused by the SARS-CoV-2 virus, which is a new strain of coronavirus that had not been previously identified in humans and can easily spread from person to person. The virus is spread between individuals who are in close contact with each other (within about six feet) through respiratory droplets produced when an infected person coughs or sneezes.

- During the 2019-2020 academic year schools were closed 43 days, or 24%, of the 178-student day year.
- During the 2020-2021 academic year schools were in a virtual learning environment the entire year.

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

Ohio School Report Cards give the community a clear picture of the progress of the district and schools in raising achievement and preparing students for the future. The information measures district and school performance in the areas most critical to success in learning. Ohio School Report Cards data shows educators, school administrators and families where their schools are succeeding as well as areas where they need to improve. Remember, though, that report cards are not the only measure of the success or accomplishments of a school or district.

Schools and districts report information for the Ohio School Report Card on specific measures within six broader components. Schools and districts earn letter grades on each of the six components, most of the individual measures and an overall summative rating. Finally, the component grades will be combined into an overall letter grade for the school and district.

The six components are:

1. **Achievement (20%):** This component measures the number of students who passed the state tests and how well they performed on them. The chronic absenteeism indicator and end-of-course improvement indicators are new in 2018.
2. **Progress (20%):** This component measures the growth that all students are making based on their past performances.
3. **Gap Closing (15%):** This component measures how well a school or district is meeting the performance expectations for all students, especially our most vulnerable populations of students, in English language arts, math and graduation, and how they are doing in teaching English learners to become proficient in English.
4. **Graduation Rate (15%):** This component measures the percentage of students who are successfully finishing high school with a diploma in four or five years.
5. **Improving At-Risk K-3 Readers (15%):** This component measures how successful the school is at getting struggling readers on track to proficiency in third grade and beyond. Third Grade Reading Guarantee Promotion rate information is also found here.
6. **Prepared for Success (15%):** This component measures how well-prepared students are for all future opportunities, whether training in a technical field or preparing for work or college.

District Support

Ohio developed a continuum of supports based on federal and state laws and regulations. The continuum is aligned to the Ohio School Report Card measures and used by the regional support system to prioritize supports.

The continuum includes the following:

1. Districts under an Academic Distress Commission;
2. Intensive support districts;
3. Moderate support districts;
4. Independent districts;

Continuum of Support			
Academic Distress Commission	Intensive Support Status	Moderate Support Status	Independent Support Status
Districts under the supervision of an Academic Distress Commission	Overall of F on the district's Ohio School Report Card; or At least two Priority schools; or A four-year ESSA graduation rate at or below 67 percent; or An F on the Gap Closing component for two consecutive years	Overall D on the Ohio School Report Card; or D or F on the Gap Closing component for the two most recent years; or At least one Priority, Focus, Warning or Watch School	All others

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.

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 below.

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 2021. A minor deficit of expenditures over revenues is projected for the last three years of the forecasted fiscal years. Given the uncertainty of future state budgets, local, state and national economic factors, fiscal year 2023 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 control system, 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 2020-2021 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 basic financial statements and in the individual fund statements.

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

An audit team from Julian & Grube, Inc. has performed this year's audit. The results of the audit are presented in the Independent Auditor's Report.

Awards

GFOA Certificate of Achievement

For the 3rd 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, 2020. 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 3rd 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, 2020. 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 Andrea Martinez. 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 and 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.

The image shows two 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, 2021**

ELECTED OFFICIALS

C. V. Mitchell, III, President, Board of Education
Emmett Orr, Vice President, Board of Education
Septemberlyn Daniel, Board of Education Member
Rev. Cuttino Dargan, Board of Education Member
Dr. Vilma Helms, Board of Education Member

ADMINISTRATIVE OFFICIALS

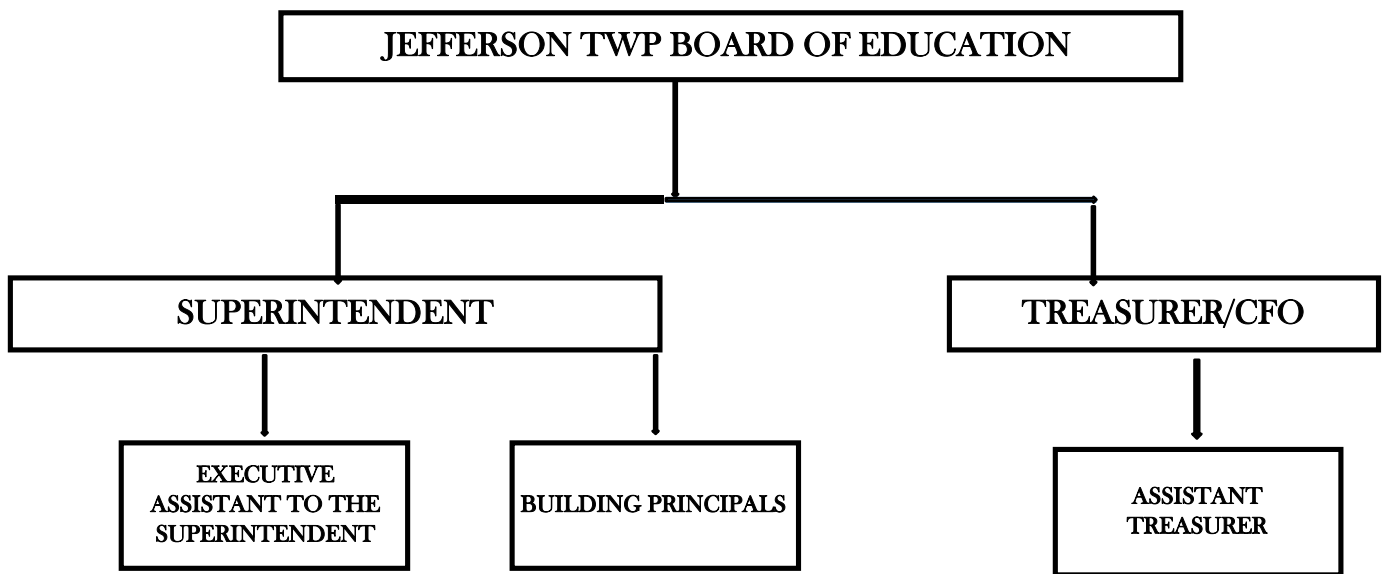
Dr. Richard Gates, Superintendent
Dr. Monica Woods, Principal, Blairwood Elementary
Dr. Monica Woods, Interim Principal, Jefferson Jr./Sr. High

OFFICE OF THE TREASURER/CFO

Craig A. Jones, Treasurer/CFO

**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 Comprehensive Annual
Financial Report
For the Fiscal Year Ended

June 30, 2020

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 Comprehensive Annual Financial Report
for the Fiscal Year Ended June 30, 2020.**

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



A handwritten signature in black ink, reading 'W. Edward Chabal'.

**W. Edward Chabal
President**

A handwritten signature in black ink, reading 'David J. Lewis'.

**David J. Lewis
Executive Director**

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 Board of Education:

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the 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, 2021, 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.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the major fund, and the aggregate remaining fund information of the Jefferson Township Local School District, Montgomery County, Ohio, as of June 30, 2021, 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.

Emphasis of Matter

As described in Note 18 to the financial statements, the financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the Jefferson Township Local School District. Our opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information

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

Supplementary and Other Information

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

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 17, 2021, 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 17, 2021

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(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, 2021. 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 2021 are as follows:

- In total, net position of governmental activities increased \$18,714 which represents a 0.50% increase from June 30, 2020's net position.
- General revenues accounted for \$6,864,801 in revenue or 83.36% of all revenues. Program specific revenues in the form of charges for services and sales, grants and contributions accounted for \$1,369,925 or 16.64% of total revenues of \$8,234,726.
- The District had \$8,216,012 in expenses related to governmental activities; \$1,369,925 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 \$6,864,801 were adequate to provide for these programs.
- The District's only major governmental fund is the general fund. The general fund had \$7,071,908 in revenues and \$6,720,468 in expenditures and other financing uses. During fiscal year 2021, the general fund's balance increased \$351,440 from a balance of \$6,324,286 to \$6,675,726.

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 is by far the most significant fund, and the only governmental fund reported as a major fund.

Reporting the District as a Whole

Statement of Net Position and the Statement of Activities

While this document contains the large number of funds used by the District to provide programs and activities, the view of the District as a whole looks at all financial transactions and asks the question, "How did we do financially during 2021?" 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.

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.

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

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(UNAUDITED)

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 only major governmental fund is the general fund.

Governmental Funds

Most of the District's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in future periods. These funds are reported using 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 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, 2021
(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, 2021 and June 30, 2020.

	Net Position	
	Governmental Activities 2021	Governmental Activities 2020
<u>Assets</u>		
Current and other assets	\$ 11,445,742	\$ 10,734,711
Net OPEB asset	298,773	235,835
Capital assets, net	<u>1,575,822</u>	<u>1,725,185</u>
Total assets	<u>13,320,337</u>	<u>12,695,731</u>
<u>Deferred Outflows of Resources</u>		
Pension	1,620,949	1,049,802
OPEB	<u>293,656</u>	<u>135,259</u>
Total deferred outflows of resources	<u>1,914,605</u>	<u>1,185,061</u>
<u>Liabilities</u>		
Current liabilities	501,532	479,644
Long-term liabilities:		
Due within one year	82,834	64,157
Due in more than one year:		
Net pension liability	6,115,367	4,743,690
Net OPEB liability	674,744	679,821
Other amounts	<u>495,425</u>	<u>510,185</u>
Total liabilities	<u>7,869,902</u>	<u>6,477,497</u>
<u>Deferred Inflows of Resources</u>		
Property taxes levied for next year	2,606,667	2,559,980
Payment in lieu of taxes levied for next year	6,784	6,387
Pension	278,235	607,599
OPEB	<u>728,231</u>	<u>502,920</u>
Total deferred inflows of resources	<u>3,619,917</u>	<u>3,676,886</u>
<u>Net Position</u>		
Net investment in capital assets	1,171,822	1,295,185
Restricted	642,219	541,682
Unrestricted	<u>1,931,082</u>	<u>1,889,542</u>
Total net position	<u>\$ 3,745,123</u>	<u>\$ 3,726,409</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, 2021
(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, 2021, the District's assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$3,745,123.

Current and other assets increased because of an increase in taxes receivable and grants receivable.

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 12 for more detail.

Total assets include a net OPEB asset reported by STRS. See Note 13 for more detail.

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

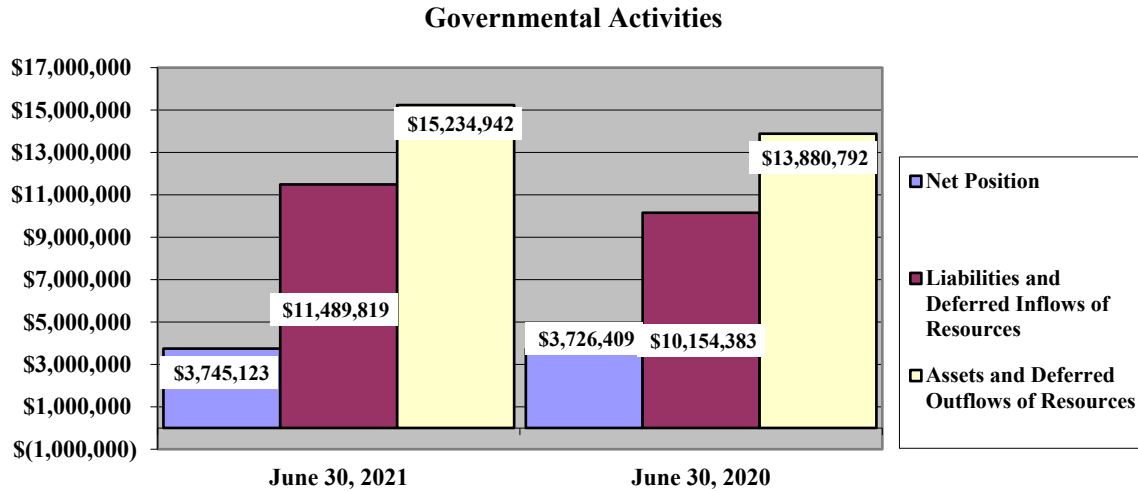
**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(UNAUDITED)**

At year end, capital assets represented 11.83% 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, 2021, were \$1,171,822. 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, \$642,219, represents resources that are subject to external restriction on how they may be used. The remaining balance of unrestricted net position is \$1,931,082.

The table below presents the District's governmental activities liabilities and deferred inflows, net position and assets as of June 30, 2021 and June 30, 2020.



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

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(UNAUDITED)

The table below shows the change in net position for fiscal years 2021 and 2020.

	Change in Net Position	
	Governmental Activities 2021	Governmental Activities 2020
<u>Revenues</u>		
Program revenues:		
Charges for services and sales	\$ 200,206	\$ 262,985
Operating grants and contributions	1,169,719	1,004,484
General revenues:		
Property taxes	2,992,478	2,773,738
Payments in lieu of taxes	6,784	6,387
Grants and entitlements	3,836,211	3,623,464
Investment earnings	10,827	121,885
Other	<u>18,501</u>	<u>2,115</u>
Total revenues	<u>8,234,726</u>	<u>7,795,058</u>
<u>Expenses</u>		
Program expenses:		
Instruction:		
Regular	1,481,590	1,812,788
Special	1,811,116	1,670,314
Adult/continuing	432	-
Other	1,430,719	1,153,907
Support services:		
Pupil	382,223	465,442
Instructional staff	277,834	271,042
Board of education	45,335	41,107
Administration	734,246	884,872
Fiscal	313,924	335,754
Operations and maintenance	705,886	1,162,011
Pupil transportation	428,891	562,711
Central	219,112	181,672
Operation of non-instructional services:		
Food service operations	109,101	199,960
Other non-instructional services	113,260	15,896
Extracurricular activities	138,115	233,649
Interest and fiscal charges	<u>24,228</u>	<u>25,680</u>
Total expenses	<u>8,216,012</u>	<u>9,016,805</u>
Change in net position	18,714	(1,221,747)
Net position at beginning of year	<u>3,726,409</u>	<u>4,948,156</u>
Net position at end of year	<u>\$ 3,745,123</u>	<u>\$ 3,726,409</u>

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(UNAUDITED)**

Governmental Activities

Net position of the District's governmental activities increased \$18,714. Total governmental expenses of \$8,216,012 were offset by program revenues of \$1,369,925 and general revenues of \$6,864,801. Program revenues supported 16.67% of the total governmental expenses.

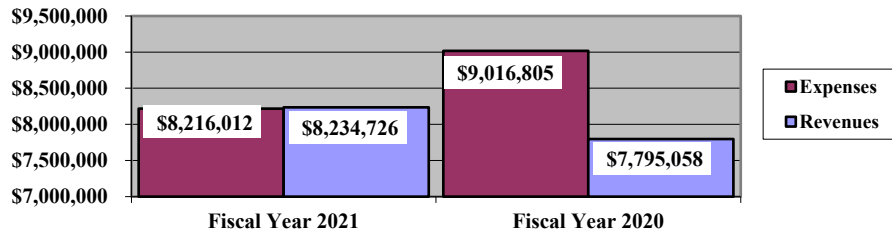
Overall, expenses of the governmental activities decreased \$800,793 or 8.88%, primarily related to decreases in regular and operations and maintenance of \$331,198 and \$456,125, respectively.

The primary sources of revenue for governmental activities are derived from property taxes and unrestricted grants and entitlements. These revenue sources represent 83.01% of total governmental revenue.

The largest expense of the District is for instructional programs. Instruction expenses totaled \$4,723,857 or 57.50% of total governmental expenses for fiscal year 2021.

The graph below presents the District's governmental activities revenue and expenses for fiscal years 2021 and 2020.

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, 2021
(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.

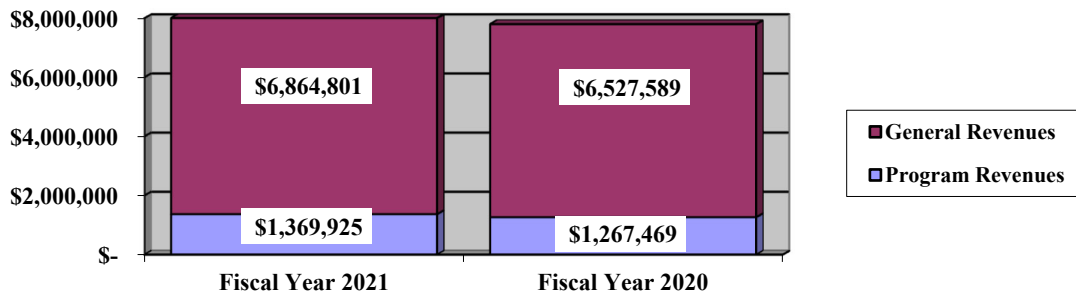
Governmental Activities

	Total Cost of Services <u>2021</u>	Net Cost of Services <u>2021</u>	Total Cost of Services <u>2020</u>	Net Cost of Services <u>2020</u>
Program expenses				
Instruction:				
Regular	\$ 1,481,590	\$ 1,270,561	\$ 1,812,788	\$ 1,651,320
Special	1,811,116	1,051,710	1,670,314	949,989
Adult/continuing	432	432	-	-
Other	1,430,719	1,426,697	1,153,907	1,149,885
Support services:				
Pupil	382,223	382,223	465,442	365,442
Instructional staff	277,834	235,423	271,042	196,629
Board of education	45,335	45,335	41,107	41,107
Administration	734,246	715,027	884,872	884,872
Fiscal	313,924	313,924	335,754	335,754
Operations and maintenance	705,886	705,673	1,162,011	1,144,058
Pupil transportation	428,891	226,810	562,711	562,711
Central	219,112	218,976	181,672	181,672
Operation of non-instructional services:				
Food service operations	109,101	102,323	199,960	40,656
Other non-instructional services	113,260	(11,318)	15,896	(2,370)
Extracurricular activities	138,115	138,063	233,649	221,931
Interest and fiscal charges	24,228	24,228	25,680	25,680
Total expenses	\$ 8,216,012	\$ 6,846,087	\$ 9,016,805	\$ 7,749,336

The dependence upon tax and other general revenues for governmental activities is apparent, as 79.37% of instruction activities are supported through taxes and other general revenues for fiscal year 2021. For all governmental activities, general revenue support is 83.33% for fiscal year 2021.

The graph below presents the District's governmental activities revenue for fiscal years 2021 and 2020.

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, 2021
(UNAUDITED)

The District's Funds

The District's governmental funds reported a combined fund balance of \$7,087,577, which is greater than last year's balance of \$6,705,872. The schedule below indicates the fund balance and the total change in fund balance as of June 30, 2021 and 2020.

	Fund Balance June 30, 2021	Fund Balance June 30, 2020	Change	Percentage Change
General	\$ 6,675,726	\$ 6,324,286	\$ 351,440	5.56 %
Other Governmental	411,851	381,586	30,265	7.93 %
Total	<u>\$ 7,087,577</u>	<u>\$ 6,705,872</u>	<u>\$ 381,705</u>	5.69 %

General Fund

The District's general fund balance increased \$351,440 during the current fiscal year.

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

	2021 Amount	2020 Amount	Change	Percentage Change
<u>Revenues</u>				
Property taxes	\$ 2,766,766	\$ 2,759,795	\$ 6,971	0.25 %
Tuition and fees	200,154	224,884	(24,730)	(11.00) %
Investment earnings	10,827	121,885	(111,058)	(91.12) %
Intergovernmental	4,068,876	3,875,393	193,483	4.99 %
Other revenues	25,285	8,502	16,783	197.40 %
Total	<u>\$ 7,071,908</u>	<u>\$ 6,990,459</u>	<u>\$ 81,449</u>	1.17 %
<u>Expenditures</u>				
Instruction	\$ 4,077,726	\$ 4,162,580	\$ (84,854)	(2.04) %
Support services	2,536,903	3,612,739	(1,075,836)	(29.78) %
Extracurricular activities	95,839	203,077	(107,238)	(52.81) %
Total	<u>\$ 6,710,468</u>	<u>\$ 7,978,396</u>	<u>\$ (1,267,928)</u>	(15.89) %

Tuition and fees revenue decreased \$24,730 or 11% primarily due to a decrease in foundation revenue in fiscal year 2021. Investment earnings decreased 91.12% from 2020 due to decreases in interest rates and the fair value of investments during fiscal year 2021. All other revenues remained consistent with the prior year. Support expenditures decreased 29.78% due to decreased administration, fiscal, operations and maintenance, and pupil transportation expenditures in fiscal year 2021. Extracurricular expenditures decreased by 52.81% due to a decrease in extracurricular activity related to COVID-19 in fiscal year 2021. All other revenues and expenditures remained comparable to the prior year.

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 2021, the general fund, original and final budgeted revenues and other financing sources were \$6,725,113 and \$7,115,876, respectively. Actual revenues and other financing sources for fiscal year 2021 were \$7,107,984. This represents a \$7,892 decrease from final budgeted revenues and other financing sources.

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

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(UNAUDITED)

General fund original and final appropriations (appropriated expenditures plus other financing uses) totaled \$7,622,102 and \$7,033,604, respectively. The actual budget basis expenditures and other financing uses for fiscal year 2021 totaled \$6,974,616, which was \$58,988 lower than the final budget appropriations.

Capital Assets and Debt Administration

Capital Assets

At the end of fiscal year 2021, the District had \$1,575,822 (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, 2021 balances compared to June 30, 2020.

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

	Governmental Activities	
	2021	2020
Land	\$ 151,690	\$ 151,690
Land improvements	31,871	38,965
Building and improvements	1,254,679	1,330,204
Furniture and equipment	137,582	204,326
 Total	 \$ 1,575,822	 \$ 1,725,185

The overall decrease in capital assets of \$149,363 is due to the District having depreciation expense and no capital asset additions in fiscal year 2021.

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

Debt Administration

At June 30, 2021, the District had \$404,000 in lease purchase agreements. Of this total, \$27,000 is due within one year and \$377,000 is due in more than one year. The following table summarizes the debt outstanding.

Outstanding Debt, at Year End

	Governmental Activities	Governmental Activities
	2021	2020
Lease purchase agreement	\$ 404,000	\$ 430,000
 Total	 \$ 404,000	 \$ 430,000

At June 30, 2021, the District's voted legal debt margin was \$9,294,944, and an unvoted debt margin of \$103,277.

See Note 10 to the basic financial statements for additional information on the District's debt administration.

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(UNAUDITED)**

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.

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

STATEMENT OF NET POSITION
JUNE 30, 2021

	Governmental Activities
Assets:	
Equity in pooled cash and cash equivalents	\$ 7,354,962
Receivables:	
Property taxes	3,733,880
Payment in lieu of taxes	6,784
Accounts	49
Intergovernmental	332,854
Prepayments	3,251
Materials and supplies inventory	12,679
Inventory held for resale	1,283
Net OPEB asset	298,773
Capital assets:	
Nondepreciable capital assets	151,690
Depreciable capital assets, net	1,424,132
Capital assets, net	1,575,822
Total assets	13,320,337
Deferred outflows of resources:	
Pension	1,620,949
OPEB	293,656
Total deferred outflows of resources	1,914,605
Liabilities:	
Accounts payable	79,356
Accrued wages and benefits payable	196,305
Intergovernmental payable	119,356
Pension and postemployment benefits payable	106,515
Long-term liabilities:	
Due within one year	82,834
Due in more than one year:	
Net pension liability	6,115,367
Net OPEB liability	674,744
Other amounts due in more than one year	495,425
Total liabilities	7,869,902
Deferred inflows of resources:	
Property taxes levied for the next fiscal year	2,606,667
Payment in lieu of taxes levied for the next fiscal year	6,784
Pension	278,235
OPEB	728,231
Total deferred inflows of resources	3,619,917
Net position:	
Net investment in capital assets	1,171,822
Restricted for:	
Capital projects	364,999
State funded programs	121,530
Federally funded programs	123,656
Food service operations	27,123
Student activities	4,911
Unrestricted	1,931,082
Total net position	\$ 3,745,123

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, 2021

	Expenses	Program Revenues		Net (Expense)
		Charges for Services and Sales	Operating Grants and Contributions	Revenue and Changes in Net Position
				Governmental Activities
Governmental activities:				
Instruction:				
Regular	\$ 1,481,590	\$ 122,911	\$ 88,118	\$ (1,270,561)
Special	1,811,116	77,243	682,163	(1,051,710)
Adult/continuing	432	-	-	(432)
Other	1,430,719	-	4,022	(1,426,697)
Support services:				
Pupil	382,223	-	-	(382,223)
Instructional staff	277,834	-	42,411	(235,423)
Board of education	45,335	-	-	(45,335)
Administration	734,246	-	19,219	(715,027)
Fiscal	313,924	-	-	(313,924)
Operations and maintenance	705,886	-	213	(705,673)
Pupil transportation	428,891	-	202,081	(226,810)
Central	219,112	-	136	(218,976)
Operation of non-instructional services:				
Food service operations	109,101	-	6,778	(102,323)
Other non-instructional services	113,260	-	124,578	11,318
Extracurricular activities	138,115	52	-	(138,063)
Interest and fiscal charges	24,228	-	-	(24,228)
Totals	\$ 8,216,012	\$ 200,206	\$ 1,169,719	(6,846,087)

General revenues:

Property taxes levied for:	
General purposes	2,907,364
Capital projects	85,114
Payments in lieu of taxes	6,784
Grants and entitlements not restricted to specific programs	3,836,211
Investment earnings	10,827
Miscellaneous	18,501
Total general revenues	6,864,801

Change in net position 18,714

Net position at beginning of year 3,726,409

Net position at end of year \$ 3,745,123

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2021

	General	Nonmajor Governmental Funds	Total Governmental Funds
Assets:			
Equity in pooled cash and cash equivalents	\$ 6,833,265	\$ 521,697	\$ 7,354,962
Receivables:			
Property taxes	3,628,227	105,653	3,733,880
Payment in lieu of taxes	6,784	-	6,784
Accounts	-	49	49
Interfund loans	31,946	-	31,946
Intergovernmental	121,880	210,974	332,854
Prepayments	3,251	-	3,251
Materials and supplies inventory	12,200	479	12,679
Inventory held for resale	-	1,283	1,283
Total assets	\$ 10,637,553	\$ 840,135	\$ 11,477,688
Liabilities:			
Accounts payable	\$ 31,899	\$ 47,457	\$ 79,356
Accrued wages and benefits payable	177,042	19,263	196,305
Intergovernmental payable	111,452	7,904	119,356
Pension and postemployment benefits payable	97,021	9,494	106,515
Interfund loans payable	-	31,946	31,946
Total liabilities	417,414	116,064	533,478
Deferred inflows of resources:			
Property taxes levied for the next fiscal year	2,532,549	74,118	2,606,667
Payment in lieu of taxes levied for the next fiscal year	6,784	-	6,784
Delinquent property tax revenue not available	1,001,569	28,823	1,030,392
Intergovernmental revenue not available	3,511	209,279	212,790
Total deferred inflows of resources	3,544,413	312,220	3,856,633
Fund balances:			
Nonspendable:			
Materials and supplies inventory	12,200	479	12,679
Prepays	3,251	-	3,251
Restricted:			
Capital improvements	-	336,176	336,176
Food service operations	-	31,432	31,432
State funded programs	-	121,530	121,530
Extracurricular	-	4,911	4,911
Committed:			
Underground storage tank	11,000	-	11,000
Assigned:			
Student instruction	8,349	-	8,349
Student and staff support	62,949	-	62,949
Subsequent year's appropriations	175,200	-	175,200
Unassigned (deficit)	6,402,777	(82,677)	6,320,100
Total fund balances	6,675,726	411,851	7,087,577
Total liabilities, deferred inflows and fund balances	\$ 10,637,553	\$ 840,135	\$ 11,477,688

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, 2021

Total governmental fund balances		\$	7,087,577
<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.			1,575,822
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred inflows in the funds.			
Property taxes receivable	\$	1,030,392	
Intergovernmental receivable		212,790	
Total		<u>1,243,182</u>	1,243,182
The net pension/OPEB assets & liabilities are not due and payable in the current period; therefore, the assets, liabilities and related deferred inflows/outflows are not reported in governmental funds.			
Deferred outflows - pension		1,620,949	
Deferred inflows - pension		(278,235)	
Net pension liability		(6,115,367)	
Deferred outflows - OPEB		293,656	
Deferred inflows - OPEB		(728,231)	
Net OPEB asset		298,773	
Net OPEB liability		(674,744)	
Total		<u>(5,583,199)</u>	(5,583,199)
Long-term liabilities, including lease purchase agreements, are not due and payable in the current period and therefore are not reported in the funds.			
Lease purchase agreement		(404,000)	
Compensated absences		(174,259)	
Total		<u>(578,259)</u>	(578,259)
Net position of governmental activities		<u>\$</u>	<u>3,745,123</u>

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, 2021

	<u>General</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues:			
Property taxes	\$ 2,766,766	\$ 81,438	\$ 2,848,204
Intergovernmental	4,068,876	820,835	4,889,711
Investment earnings	10,827	139	10,966
Tuition and fees	200,154	-	200,154
Extracurricular	-	52	52
Payment in lieu of taxes	6,784	-	6,784
Miscellaneous	18,501	-	18,501
Total revenues	<u>7,071,908</u>	<u>902,464</u>	<u>7,974,372</u>
Expenditures:			
Current:			
Instruction:			
Regular	1,170,773	64,485	1,235,258
Special	1,475,802	269,109	1,744,911
Adult/continuing	432	-	432
Other	1,430,719	-	1,430,719
Support services:			
Pupil	365,804	-	365,804
Instructional staff	199,260	46,608	245,868
Board of education	18,309	-	18,309
Administration	629,135	19,674	648,809
Fiscal	270,749	1,228	271,977
Operations and maintenance	626,913	2,922	629,835
Pupil transportation	226,843	202,048	428,891
Central	199,890	101	199,991
Operation of non-instructional services:			
Food service operations	-	93,197	93,197
Other non-instructional services	-	113,260	113,260
Extracurricular activities	95,839	19,339	115,178
Debt service:			
Principal retirement	-	26,000	26,000
Interest and fiscal charges	-	24,228	24,228
Total expenditures	<u>6,710,468</u>	<u>882,199</u>	<u>7,592,667</u>
Excess of revenues over expenditures	<u>361,440</u>	<u>20,265</u>	<u>381,705</u>
Other financing sources (uses):			
Transfers in	-	10,000	10,000
Transfers (out)	(10,000)	-	(10,000)
Total other financing sources (uses)	<u>(10,000)</u>	<u>10,000</u>	<u>-</u>
Net change in fund balances	351,440	30,265	381,705
Fund balances at beginning of year	6,324,286	381,586	6,705,872
Fund balances at end of year	<u>\$ 6,675,726</u>	<u>\$ 411,851</u>	<u>\$ 7,087,577</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, 2021

Net change in fund balances - total governmental funds	\$	381,705
<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.		
Current year depreciation		(149,363)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Property taxes	\$ 144,274	
Intergovernmental	116,080	
Total		260,354
Repayment of lease purchase principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities on the statement of net position.		
		26,000
Contractually required contributions are reported as expenditures in governmental funds; however, the statement of net position reports these amounts as deferred outflows.		
Pension	389,013	
OPEB	8,252	
Total		397,265
Except for amounts reported as deferred inflows/outflows, changes in the net pension/OPEB liability/asset are reported as pension/OPEB expense in the statement of activities.		
Pension	(860,179)	
OPEB	(7,151)	
Total		(867,330)
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.		
		(29,917)
Change in net position of governmental activities	\$	18,714

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, 2021**

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 35 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, 23 certified employees and 7 administrators to provide services to 277 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, preschool, 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).

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

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

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, Matt Huffman, who serves as Treasurer at 6800 Hoke Road, Clayton, 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 2021, the District paid META Solutions \$64,602 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.

B. Fund Accounting

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

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

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 is the District's only major governmental fund:

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

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

FIDUCIARY FUNDS

Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private purpose trust funds and custodial funds. Trust funds are distinguished from custodial funds by the existence of a trust agreement or equivalent arrangements that have certain characteristics. Custodial funds are used to report fiduciary activities that are not required to be reported in a trust fund. The District has no fiduciary funds.

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, 2021

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 position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. For the District, see Notes 12 and 13 for deferred outflows of resources related the District's net pension liability and net OPEB liability/asset, respectively.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

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

In addition to liabilities, both the government-wide statement of net position and the governmental fund financial statements report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. For the District, deferred inflows of resources include property taxes, payments in lieu of taxes 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, 2021, but which were levied to finance fiscal year 2022 operations. These amounts have been recorded as a deferred inflow of resources on both the government-wide statement of net position and the governmental fund financial statements. Unavailable revenue is reported only on the governmental funds balance sheet and represents receivables which will not be collected within the available period. For the District unavailable revenue includes, but is not limited to, delinquent property taxes and intergovernmental grants. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available.

For the District, see Notes 12 and 13 for deferred inflows of resources related to the District's net pension liability and net OPEB liability/asset, respectively. This deferred inflow of resources is only reported on the government-wide statement of net position.

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

The 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 2021, 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 its investment in STAR Ohio at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides an NAV per share that approximates fair value.

For fiscal year 2021, there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, notice must be given 24 hours in advance of all deposits and withdrawals exceeding \$100 million. STAR Ohio reserves the right to limit the transaction to \$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 2021 amounted to \$10,827, which includes \$598 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.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

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

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

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 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”. 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, 2021

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, 2021, 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, 2021 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 and 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 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, 2021

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, 2021**

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 2021.

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, 2021

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE

A. Change in Accounting Principles

For fiscal year 2021, the District has applied GASB Statement No. 95, "*Postponement of the Effective Dates of Certain Authoritative Guidance*." GASB Statement No. 95 provides temporary relief to governments and other stakeholders in light of the COVID-19 pandemic. This objective is accomplished by postponing the effective dates of certain provisions in Statements and Implementation Guides that first became effective or are scheduled to become effective for periods beginning after June 15, 2018, and later.

Certain provisions contained in the following pronouncements were scheduled to be implemented for the fiscal year ended June 30, 2021. Due to the implementation of GASB Statement No. 95, the effective dates of certain provisions contained in these pronouncements are postponed until the fiscal year ended June 30, 2022:

- Statement No. 87, *Leases*
- Implementation Guide No. 2019-3, *Leases*
- Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*
- Statement No. 92, *Omnibus 2020*
- Statement No. 93, *Replacement of Interbank Offered Rates*

For fiscal year 2021, the District has implemented GASB Statement No. 98, "*The Annual Comprehensive Financial Report*." GASB Statement No. 98 establishes the term *annual comprehensive financial report* and its acronym *ACFR*. That new term and acronym replace instances of *comprehensive annual financial report* and its acronym in general accepted accounting principles for state and local governments. The implementation of GASB Statement No. 98 did not have an effect on the financial statements of the District.

B. Deficit Fund Balances

Fund balances at June 30, 2021 included the following individual fund deficits:

<u>Nonmajor funds</u>	<u>Deficit</u>
Public school preschool	\$ 2,400
Elementary and secondary school emergency relief	55,054
IDEA part B	5,226
Title I	19,880
Supporting effective instruction	117

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.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

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;
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.

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.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

A. Deposits with Financial Institutions

At June 30, 2021, the carrying amount of all District deposits was \$2,861,341 and the bank balance of all District deposits was \$2,874,924. \$2,863,025 of the District's bank balance was covered by the FDIC and \$11,899 was covered by the OPCS.

B. Investments

As of June 30, 2021, the District had the following investment and maturity:

<u>Measurement/ Investment type</u> <i>Amortized Cost:</i>	<u>Measurement Value</u>	<u>Investment Maturity</u> 6 months or less
STAR Ohio	\$ 4,493,621	\$ 4,493,621

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.

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, 2021:

<u>Measurement/Investment type</u> <i>Amortized Cost:</i>	<u>Measurement Value</u>	<u>% of Total</u>
STAR Ohio	\$ 4,493,621	100.00

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

The following is a reconciliation of cash and investments as reported in the note above to cash and investments as reported on the statement of net position as of June 30, 2021:

<u>Cash and investments per note</u>	
Carrying amount of deposits	\$ 2,861,341
Investments	4,493,621
Total	<u>\$ 7,354,962</u>
 <u>Cash and cash equivalents per statement of net position</u>	
Governmental activities	\$ 7,354,962
Total	<u>\$ 7,354,962</u>

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

NOTE 5 - INTERFUND TRANSACTIONS

- A. Interfund balances at June 30, 2021 as reported on the fund statements, consist of the following individual interfund loans receivable and payable:

<u>Receivable fund</u>	<u>Payable funds</u>	<u>Amount</u>
General fund	Nonmajor governmental funds	<u>\$ 31,946</u>

The primary purpose of the interfund balance 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 year. Interfund balances between governmental funds are eliminated on the government-wide financial statements.

- B. Interfund transfers for the year ended June 30, 2021, 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>\$ 10,000</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.

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

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

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 2021 represent the collection of calendar year 2020 taxes. Real property taxes received in calendar year 2021 were levied after April 1, 2020, on the assessed values as of January 1, 2020, 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 2021 represent the collection of calendar year 2020 taxes. Public utility real and personal property taxes received in calendar year 2021 became a lien on December 31, 2019, were levied after April 1, 2020, 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, 2020 and for which there is an enforceable legal claim. Although total property tax collections for the next fiscal year are measurable, only the amount of real property taxes available as an advance at June 30 was levied to finance current fiscal year operations and is reported as revenue at fiscal year-end. The portion of the receivable not levied to finance current fiscal year operations is offset by a credit to deferred inflows of resources.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

NOTE 6 - PROPERTY TAXES - (Continued)

On the accrual basis of accounting, collectible delinquent property taxes have been recorded as a receivable and revenue, while on a modified accrual basis of accounting the revenue has been reported as a deferred inflow 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, 2021, are available to finance fiscal year 2021 operations. The amount available as an advance at June 30, 2021 was \$94,109 in the general fund and \$2,712 in the permanent improvement fund (a nonmajor governmental fund). This amount is recorded as revenue. The amount available as an advance at June 30, 2020 was \$81,325 in the general fund and \$2,376 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.

The assessed values upon which the fiscal year 2021 taxes were collected are:

	2020 Second Half Collections		2021 First Half Collections	
	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
Agricultural/residential and other real estate	\$ 91,342,880	94.60	\$ 97,967,130	94.86
Public utility personal	<u>5,212,590</u>	<u>5.40</u>	<u>5,310,020</u>	<u>5.14</u>
Total	<u>\$ 96,555,470</u>	<u>100.00</u>	<u>\$ 103,277,150</u>	<u>100.00</u>
Tax rate per \$1,000 of assessed valuation	\$61.40		\$61.40	

NOTE 7 - RECEIVABLES

Receivables at June 30, 2021 consisted of taxes, payments in lieu of taxes, accounts, 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	\$ 3,733,880
Payment in lieu of taxes	6,784
Accounts	49
Intergovernmental	<u>332,854</u>
Total receivables	<u>\$ 4,073,567</u>

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

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

NOTE 8 - CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2021 was as follows:

	Balance			Balance
	<u>06/30/20</u>	<u>Additions</u>	<u>Deductions</u>	<u>06/30/21</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	961,980	-	-	961,980
Vehicles	386,356	-	-	386,356
Total capital assets, being depreciated	<u>5,822,027</u>	<u>-</u>	<u>-</u>	<u>5,822,027</u>
<i>Less: accumulated depreciation:</i>				
Land improvements	(715,197)	(7,094)	-	(722,291)
Buildings and improvements	(2,389,325)	(75,525)	-	(2,464,850)
Furniture and equipment	(757,654)	(66,744)	-	(824,398)
Vehicles	(386,356)	-	-	(386,356)
Total accumulated depreciation	<u>(4,248,532)</u>	<u>(149,363)</u>	<u>-</u>	<u>(4,397,895)</u>
Governmental activities capital assets, net	<u>\$ 1,725,185</u>	<u>\$ (149,363)</u>	<u>\$ -</u>	<u>\$ 1,575,822</u>

Depreciation expense was charged to the governmental functions as follows:

<u>Instruction:</u>	
Regular	\$ 62,760
Special	8,449
<u>Support services:</u>	
Board of education	26,051
Operation and maintenance	46,243
Extracurricular	1,433
Food service operations	<u>4,427</u>
Total depreciation expense	<u>\$ 149,363</u>

NOTE 9 - LEASE-PURCHASE AGREEMENT - LESSEE DISCLOSURE

In 2002, the District entered into a lease-purchase agreement with the Rickenbacker Port Authority (through the OASBO Expanded Asset Pooled Financing Program) for the construction of an administration building. This lease 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 lease have been capitalized in the amount of \$708,000, which is equal to the present value of the future minimum lease payments as of the date of their inception. Accumulated depreciation as of June 30, 2021 was \$446,349 leaving a current book value of \$261,651. During fiscal year 2021, the District paid \$26,000 in principal and \$24,228 in interest and fiscal charges on the lease-purchase agreement. Principal and interest payments are recorded as debt service expenditures in the nonmajor permanent improvement capital projects fund.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
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NOTE 9 - LEASE-PURCHASE AGREEMENT - LESSEE DISCLOSURE – (Continued)

The following is a summary of the District’s future minimum annual payments to retire the lease-purchase obligation:

Fiscal Year Ending June 30,	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 27,000	\$ 22,688	\$ 49,688
2023	29,000	21,061	50,061
2024	30,000	19,347	49,347
2025	32,000	17,546	49,546
2026	34,000	15,629	49,629
2027 - 2031	204,000	45,028	249,028
2032	<u>48,000</u>	<u>1,394</u>	<u>49,394</u>
Total	<u>\$ 404,000</u>	<u>\$ 142,693</u>	<u>\$ 546,693</u>

NOTE 10 - LONG-TERM OBLIGATIONS

A. During fiscal year 2021, the following changes occurred in the governmental activities long-term obligations.

	<u>Balance</u> <u>06/30/20</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>06/30/21</u>	<u>Amounts</u> <u>Due in</u> <u>One Year</u>
Governmental activities:					
Lease purchase agreement					
- direct borrowing	\$ 430,000	\$ -	\$ (26,000)	\$ 404,000	\$ 27,000
Net pension liability	4,743,690	1,371,677	-	6,115,367	-
Net OPEB liability	679,821	-	(5,077)	674,744	-
Compensated absences	<u>144,342</u>	<u>68,074</u>	<u>(38,157)</u>	<u>174,259</u>	<u>55,834</u>
Total long-term obligations, governmental activities	<u>\$ 5,997,853</u>	<u>\$ 1,439,751</u>	<u>\$ (69,234)</u>	<u>\$ 7,368,370</u>	<u>\$ 82,834</u>

The lease purchase agreement will be paid from the permanent improvement capital projects fund (nonmajor governmental fund). See Note 9 for detail on lease purchase agreement.

See Note 12 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 13 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
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FOR THE FISCAL YEAR ENDED JUNE 30, 2021

NOTE 10 - 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, 2021, are a voted debt margin of \$9,294,944 and an unvoted debt margin of \$103,277.

NOTE 11 - 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 2020.

B. Employee Medical and Dental Insurance

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

NOTE 12 - DEFINED BENEFIT PENSION PLANS

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

Net Pension Liability/Net OPEB Liability/Asset

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 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.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

NOTE 12 - DEFINED BENEFIT PENSION PLANS - (Continued)

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 13 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	Age 65 with 5 years of services credit; or Any age with 30 years of service credit	Age 67 with 10 years of service credit; or Age 57 with 30 years of service credit
Actuarially reduced benefits	Age 60 with 5 years of service credit; or Age 55 with 25 years of service credit	Age 62 with 10 years of service credit; or Age 60 with 25 years of service credit

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

Annual retirement benefits are calculated based on final average salary multiplied by a percentage that varies based on years of service; 2.2% for the first thirty years of service and 2.5% for years of service credit over 30. Final average salary is the average of the highest three years of salary.

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

Effective January 1, 2018, SERS cost-of-living adjustment (COLA) changed from a fixed 3% annual increase to one based on the Consumer Price Index (CPI-W) with a cap of 2.5% and a floor of 0%. SERS also has the authority to award or suspend the COLA, or to adjust the COLA above or below CPI-W. SERS suspended the COLA increases for 2018, 2019 and 2020 for current retirees, and confirmed their intent to implement a four-year waiting period for the start of a COLA for future retirees. For 2021, the COLA was 0.5%.

Funding Policy - Plan members are required to contribute 10% of their annual covered salary and the District is required to contribute 14% of annual covered payroll. The contribution requirements of plan members and employers are established and may be amended by the SERS' Retirement Board up to statutory maximum amounts of 10% for plan members and 14% for employers. The Retirement Board, acting with the advice of the actuary, allocates the employer contribution rate among four of the System's funds (Pension Trust Fund, Death Benefit Fund, Medicare B Fund, and Health Care Fund). For the fiscal year ended June 30, 2021, the allocation to pension, death benefits, and Medicare B was 14.0%.

The District's contractually required contribution to SERS was \$172,509 for fiscal year 2021. Of this amount, \$51,293 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 will be 2.2% of final average salary for the five highest years of earnings multiplied by all years of service. Effective July 1, 2017, the cost-of-living adjustment was reduced to zero. Members are eligible to retire at age 60 with five years of qualifying service credit, or age 55 with 28 years of service, or 33 years of service regardless of age. Eligibility changes will be phased in until August 1, 2026, when retirement eligibility for unreduced benefits will be five years of service credit and age 65, or 35 years of service credit and at least age 60.

The DC Plan allows members to place all of their member contributions and 9.53% of the 14% employer contributions into an investment account. Investment allocation decisions are determined by the member. The remaining 4.47% of the 14% employer rate is allocated to the defined benefit unfunded liability. A member is eligible to receive a retirement benefit at age 50 and termination of employment. The member may elect to receive a lifetime monthly annuity or a lump sum withdrawal.

The Combined Plan offers features of both the DB Plan and the DC Plan. In the Combined Plan, 12% of the 14% member rate goes to the DC Plan and the remaining 2% is applied to the DB Plan. Member contributions to the DC Plan are allocated among investment choices by the member, and contributions to the DB Plan from the employer and the member are used to fund the defined benefit payment at a reduced level from the regular DB Plan. The defined benefit portion of the Combined Plan payment is payable to a member on or after age 60 with five years of service. The defined contribution portion of the account may be taken as a lump sum payment or converted to a lifetime monthly annuity after termination of employment at age 50 and after termination of employment.

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NOTE 12 - DEFINED BENEFIT PENSION PLANS - (Continued)

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

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

Funding Policy - Employer and member contribution rates are established by the State Teachers Retirement Board and limited by Chapter 3307 of the Ohio Revised Code. For fiscal year 2021, plan members were required to contribute 14% of their annual covered salary. The District was required to contribute 14%; the entire 14% was the portion used to fund pension obligations. The fiscal year 2021 contribution rates were equal to the statutory maximum rates.

The District's contractually required contribution to STRS was \$216,504 for fiscal year 2021. Of this amount, \$42,836 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, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on the District's share of contributions to the pension plan relative to the projected contributions of all participating entities.

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

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Proportion of the net pension liability prior measurement date	0.02665430%	0.01423921%	
Proportion of the net pension liability current measurement date	<u>0.03026820%</u>	<u>0.01699987%</u>	
Change in proportionate share	<u>0.00361390%</u>	<u>0.00276066%</u>	
Proportionate share of the net pension liability	\$ 2,002,003	\$ 4,113,364	\$ 6,115,367
Pension expense	\$ 312,341	\$ 547,838	\$ 860,179

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

At June 30, 2021, 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	\$ 3,888	\$ 9,232	\$ 13,120
Net difference between projected and actual earnings on pension plan investments	127,085	200,032	327,117
Changes of assumptions	-	220,809	220,809
Difference between employer contributions and proportionate share of contributions/ change in proportionate share	136,068	534,822	670,890
Contributions subsequent to the measurement date	<u>172,509</u>	<u>216,504</u>	<u>389,013</u>
Total deferred outflows of resources	<u>\$ 439,550</u>	<u>\$ 1,181,399</u>	<u>\$ 1,620,949</u>
Deferred inflows of resources			
Differences between expected and actual experience	\$ -	\$ 26,302	\$ 26,302
Difference between employer contributions and proportionate share of contributions/ change in proportionate share	<u>7,721</u>	<u>244,212</u>	<u>251,933</u>
Total deferred inflows of resources	<u>\$ 7,721</u>	<u>\$ 270,514</u>	<u>\$ 278,235</u>

\$389,013 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, 2022.

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:			
2022	\$ 77,722	\$ 234,277	\$ 311,999
2023	88,840	106,018	194,858
2024	52,968	147,482	200,450
2025	<u>39,790</u>	<u>206,604</u>	<u>246,394</u>
Total	<u>\$ 259,320</u>	<u>\$ 694,381</u>	<u>\$ 953,701</u>

Actuarial Assumptions - SERS

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

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

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, 2020, are presented below:

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

For 2020, the mortality rates were based on the RP-2014 Blue Collar Mortality Table with fully generational projection and a five-year age set-back for both males and females. Mortality among service retired members, and beneficiaries were based upon the RP-2014 Blue Collar Mortality Table with fully generational projection with Scale BB, 120% of male rates, and 110% of female rates. Mortality among disabled members was based upon the RP-2000 Disabled Mortality Table, 90% for male rates and 100% for female rates, set back five years is used for the period after disability retirement.

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

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

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 %	1.85 %
US Equity	22.50	5.75
International Equity	22.50	6.50
Fixed Income	19.00	2.85
Private Equity	12.00	7.60
Real Assets	17.00	6.60
Multi-Asset Strategies	5.00	6.65
Total	<u>100.00 %</u>	

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

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

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

	1% Decrease	Current Discount Rate	1% Increase
District's proportionate share of the net pension liability	\$ 2,742,499	\$ 2,002,003	\$ 1,380,712

Actuarial Assumptions - STRS

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results used in the June 30, 2020, actuarial valuation are presented below:

	June 30, 2020
Inflation	2.50%
Projected salary increases	12.50% at age 20 to 2.50% at age 65
Investment rate of return	7.45%, net of investment expenses, including inflation
Payroll increases	3.00%
Cost-of-living adjustments (COLA)	0.00%

For the June 30, 2020, actuarial valuation, post-retirement mortality rates for healthy retirees are based on the RP-2014 Annuitant Mortality Table with 50% of rates through age 69, 70% of rates between ages 70 and 79, 90% of rates between ages 80 and 84, and 100% of rates thereafter, projected forward generationally using mortality improvement scale MP-2016. Post-retirement disabled mortality rates are based on the RP-2014 Disabled Mortality Table with 90% of rates for males and 100% of rates for females, projected forward generationally using mortality improvement scale MP-2016. Pre-retirement mortality rates are based on RP-2014 Employee Mortality Table, projected forward generationally using mortality improvement scale MP-2016.

Actuarial assumptions used in the June 30, 2020 valuation are based on the results of an actuarial experience study for the period July 1, 2011 through June 30, 2016.

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

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

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

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

Discount Rate - The discount rate used to measure the total pension liability was 7.45% as of June 30, 2020. The projection of cash flows used to determine the discount rate assumes member and employer contributions will be made at the statutory contribution rates in accordance with rate increases described above. For this purpose, only employer contributions that are intended to fund benefits of current plan members and their beneficiaries are included. Projected employer contributions that are intended to fund the service costs of future plan members and their beneficiaries, as well as projected contributions from future plan members, are not included. Based on those assumptions, STRS' fiduciary net position was projected to be available to make all projected future benefit payments to current plan members as of June 30, 2020. Therefore, the long-term expected rate of return on pension plan investments of 7.45% was applied to all periods of projected benefit payment to determine the total pension liability as of June 30, 2020.

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

	1% Decrease	Current Discount Rate	1% Increase
District's proportionate share of the net pension liability	\$ 5,856,714	\$ 4,113,364	\$ 2,636,020

**JEFFERSON TOWNSHIP LOCAL SCHOOL DISTRICT
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NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

NOTE 13 - DEFINED BENEFIT OPEB PLANS

Net OPEB Liability/Asset

See Note 12 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.

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, 2021, 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 2021, this amount was \$23,000. 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 2021, the District's surcharge obligation was \$8,252.

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 \$8,252 for fiscal year 2021. Of this amount, \$8,252 is reported as pension and postemployment benefits payable.

Plan Description - State Teachers Retirement System (STRS)

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

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

NOTE 13 - DEFINED BENEFIT OPEB PLANS - (Continued)

Funding Policy - Ohio Revised Code Chapter 3307 authorizes STRS to offer the Plan and gives the Retirement Board discretionary authority over how much, if any, of the health care costs will be absorbed by STRS. Active employee members do not contribute to the Health Care Plan. Nearly all health care plan enrollees, for the most recent year, pay a portion of the health care costs in the form of a monthly premium. Under Ohio law, funding for post-employment health care may be deducted from employer contributions, currently 14% of covered payroll. For the fiscal year ended June 30, 2021, 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, 2020, and the total OPEB liability/asset used to calculate the net OPEB liability/asset was determined by an actuarial valuation as of that date. The District's proportion of the net OPEB liability/asset was based on the District's share of contributions to the respective retirement systems relative to the contributions of all participating entities.

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

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Proportion of the net OPEB liability/asset prior measurement date	0.02703290%	0.01423921%	
Proportion of the net OPEB liability/asset current measurement date	<u>0.03104660%</u>	<u>0.01699987%</u>	
Change in proportionate share	<u>0.00401370%</u>	<u>0.00276066%</u>	
Proportionate share of the net OPEB liability	\$ 674,744	\$ -	\$ 674,744
Proportionate share of the net OPEB asset	\$ -	\$ (298,773)	\$ (298,773)
OPEB expense	\$ 17,695	\$ (10,544)	\$ 7,151

At June 30, 2021, 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	\$ 8,862	\$ 19,146	\$ 28,008
Net difference between projected and actual earnings on OPEB plan investments	7,605	10,469	18,074
Changes of assumptions	115,020	4,933	119,953
Difference between employer contributions and proportionate share of contributions/ change in proportionate share	89,124	30,245	119,369
Contributions subsequent to the measurement date	<u>8,252</u>	<u>-</u>	<u>8,252</u>
Total deferred outflows of resources	<u>\$ 228,863</u>	<u>\$ 64,793</u>	<u>\$ 293,656</u>

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

NOTE 13 - DEFINED BENEFIT OPEB PLANS - (Continued)

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Deferred inflows of resources			
Differences between expected and actual experience	\$ 343,155	\$ 59,509	\$ 402,664
Changes of assumptions	16,995	283,785	300,780
Difference between employer contributions and proportionate share of contributions/ change in proportionate share	<u>15,293</u>	<u>9,494</u>	<u>24,787</u>
Total deferred inflows of resources	<u>\$ 375,443</u>	<u>\$ 352,788</u>	<u>\$ 728,231</u>

\$8,252 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, 2022.

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

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Fiscal Year Ending June 30:			
2022	\$ (32,725)	\$ (69,932)	\$ (102,657)
2023	(32,175)	(62,847)	(95,022)
2024	(32,262)	(60,360)	(92,622)
2025	(32,341)	(66,183)	(98,524)
2026	(20,775)	(14,887)	(35,662)
Thereafter	<u>(4,554)</u>	<u>(13,786)</u>	<u>(18,340)</u>
Total	<u>\$ (154,832)</u>	<u>\$ (287,995)</u>	<u>\$ (442,827)</u>

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
MONTGOMERY COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

NOTE 13 - 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, 2020 are presented below:

Wage inflation	3.00%
Future salary increases, including inflation	3.50% to 18.20%
Investment rate of return	7.50% net of investment expense, including inflation
Municipal bond index rate:	
Measurement date	2.45%
Prior measurement date	3.13%
Single equivalent interest rate, net of plan investment expense, including price inflation:	
Measurement date	2.63%
Prior measurement date	3.22%
Medical trend assumption:	
Measurement date	
Medicare	5.25 to 4.75%
Pre-Medicare	7.00 to 4.75%
Prior measurement date	
Medicare	5.25 to 4.75%
Pre-Medicare	7.00 to 4.75%

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

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

The long-term expected rate of return on plan assets is reviewed as part of the actuarial five-year experience study. The most recent study covers fiscal years 2010 through 2015, and was adopted by the Board on April 21, 2016. Several factors are considered in evaluating the long-term rate of return assumption including long-term historical data, estimates inherent in current market data, and a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return were developed by the investment consultant for each major asset class. These ranges were combined to produce the long-term expected rate of return, 7.50%, by weighting the expected future real rates of return by the target asset allocation percentage and then adding expected inflation. The capital market assumptions developed by the investment consultant are intended for use over a 10-year horizon and may not be useful in setting the long-term rate of return for funding pension plans which covers a longer timeframe. The assumption is intended to be a long-term assumption and is not expected to change absent a significant change in the asset allocation, a change in the inflation assumption, or a fundamental change in the market that alters expected returns in future years.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

NOTE 13 - DEFINED BENEFIT OPEB PLANS - (Continued)

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash	2.00 %	1.85 %
US Equity	22.50	5.75
International Equity	22.50	6.50
Fixed Income	19.00	2.85
Private Equity	12.00	7.60
Real Assets	17.00	6.60
Multi-Asset Strategies	5.00	6.65
Total	<u>100.00 %</u>	

Discount Rate - The discount rate used to measure the total OPEB liability at June 30, 2020 was 2.63%. The discount rate used to measure total OPEB liability prior to June 30, 2019 was 3.22%. The projection of cash flows used to determine the discount rate assumed that contributions will be made from members and the System at the state statute contribution rate of 2.00% of projected covered employee payroll each year, which includes a 1.50% payroll surcharge and 0.50% of contributions from the basic benefits plan. Based on these assumptions, the OPEB plan's fiduciary net position was projected to become insufficient to make future benefit payments during the fiscal year ending June 30, 2025. Therefore, the long-term expected rate of return on OPEB plan assets was used to present value the projected benefit payments through the fiscal year ending June 30, 2024 and the Fidelity General Obligation 20-year Municipal Bond Index rate of 2.45%, as of June 30, 2020 (i.e. municipal bond rate), was used to present value the projected benefit payments for the remaining years in the projection. A municipal bond rate of 3.13% was used as of June 30, 2019. The total present value of projected benefit payments from all years was then used to determine the single rate of return that was used as the discount rate. The projection of future benefit payments for all current plan members was until the benefit payments ran out.

Sensitivity of the District's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate and Changes in the Health Care Cost Trend Rates - The net OPEB liability is sensitive to changes in the discount rate and the health care cost trend rate. The following table presents the net OPEB liability of SERS, what SERS' net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (1.63%) and higher (3.63%) than the current discount rate (2.63%). Also shown is what SERS' net OPEB liability would be based on health care cost trend rates that are 1 percentage point lower (6.00% decreasing to 3.75%) and higher (8.00% decreasing to 5.75%) than the current rate (7.00% decreasing to 4.75%).

	1% Decrease	Current Discount Rate	1% Increase
District's proportionate share of the net OPEB liability	\$ 825,870	\$ 674,744	\$ 554,599
	1% Decrease	Current Trend Rate	1% Increase
District's proportionate share of the net OPEB liability	\$ 531,310	\$ 674,744	\$ 866,553

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

NOTE 13 - DEFINED BENEFIT OPEB PLANS - (Continued)

Actuarial Assumptions - STRS

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results used in the June 30, 2020, actuarial valuation, compared with June 30, 2019, are presented below:

	June 30, 2020		June 30, 2019	
	Initial	Ultimate	Initial	Ultimate
Inflation	2.50%		2.50%	
Projected salary increases	12.50% at age 20 to 2.50% at age 65		12.50% at age 20 to 2.50% at age 65	
Investment rate of return	7.45%, net of investment expenses, including inflation		7.45%, net of investment expenses, including inflation	
Payroll increases	3.00%		3.00%	
Cost-of-living adjustments (COLA)	0.00%		0.00%	
Discount rate of return	7.45%		7.45%	
Blended discount rate of return	N/A		N/A	
Health care cost trends				
Medical				
Pre-Medicare	5.00%	4.00%	5.87%	4.00%
Medicare	-6.69%	4.00%	4.93%	4.00%
Prescription Drug				
Pre-Medicare	6.50%	4.00%	7.73%	4.00%
Medicare	11.87%	4.00%	9.62%	4.00%

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

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

Actuarial assumptions used in the June 30, 2020 valuation are based on the results of an actuarial experience study for the period July 1, 2011 through June 30, 2016.

Assumption Changes Since the Prior Measurement Date - There were no changes in assumptions since the prior measurement date of June 30, 2019.

Benefit Term Changes Since the Prior Measurement Date - There was no change to the claims costs process. Claim curves were updated to reflect the projected fiscal year end 2021 premium based on June 30, 2020 enrollment distribution. 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.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

NOTE 13 - DEFINED BENEFIT OPEB PLANS - (Continued)

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

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

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

Discount Rate - The discount rate used to measure the total OPEB asset was 7.45% as of June 30, 2020. The projection of cash flows used to determine the discount rate assumes STRS Ohio continues to allocate no employer contributions to the health care fund. Based on these assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments to current plan members. Therefore, the long-term expected rate of return on health care plan investments of 7.45% was used to measure the total OPEB asset as of June 30, 2020.

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, 2020, calculated using the current period discount rate assumption of 7.45%, as well as what the net OPEB asset would be if it were calculated using a discount rate that is one percentage point lower (6.45%) or one percentage point higher (8.45%) than the current assumption. Also shown is the net OPEB asset as if it were calculated using health care cost trend rates that are one percentage point lower or one percentage point higher than the current health care cost trend rates.

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
	District's proportionate share of the net OPEB asset	\$ 259,951	\$ 298,773
	<u>1% Decrease</u>	<u>Current Trend Rate</u>	<u>1% Increase</u>
District's proportionate share of the net OPEB asset	\$ 329,666	\$ 298,773	\$ 261,139

NOTE 14 - 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.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

NOTE 14 - CONTINGENCIES - (Continued)

B. Litigation

The District is a party to legal proceedings that could have a material effect on the financial condition of the District. This litigation is involving a land dispute that would impact property taxes received by the District. As of the date of this report, results of the proceedings have not been decided; therefore, the financial impact, if any, is not determinable at this time.

NOTE 15 - 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, 2020	\$ -
Current year set-aside requirement	48,112
Current year offsets	<u>(48,112)</u>
Total	<u>\$ -</u>
Balance carried forward to fiscal year 2022	<u>\$ -</u>
Set-aside balance June 30, 2021	<u><u>\$ -</u></u>

NOTE 16 - 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>Year-End Encumbrances</u>
<u>Fund</u>	
General	<u>\$ 68,680</u>
Total	<u><u>\$ 68,680</u></u>

NOTE 17 - TAX ABATEMENTS

Jefferson Township entered into a Community Reinvestment Area (CRA). Under this agreement, the District's property taxes were reduced by approximately \$4,800 in fiscal year 2021.

The City of West Carrollton entered into a Community Reinvestment Area (CRA). Under this agreement, the District's property taxes were reduced by approximately \$14,000 in fiscal year 2021.

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

NOTE 18 - 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. The financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the District. The District's investment portfolio and the pension and other employee benefits plan in which the District participate fluctuates with market conditions, and due to market volatility, the amount of gains or losses that will be realized in subsequent periods, if any, cannot be determined. In addition, the impact on the District's future operating costs, revenues, and additional recovery from emergency funding, either federal or state, cannot be estimated.

NOTE 19 - SUBSEQUENT EVENT

For fiscal year 2022, District foundation funding received from the State of Ohio will be funded using a direct funding model. Under this new model, community school, STEM school, scholarship, and open enrollment funding will be directly funded by the State of Ohio to the respective educating schools. For fiscal year 2021 and prior, the amounts related to students who were residents of the District were funded to the District who, in turn, made the payment to the educating school. For fiscal year 2021, the District reported \$1,925,645 in revenues and expenditures/expenses related to these programs. Also, during fiscal year 2021, the District reported \$79,765 in tuition and fees from the resident school districts which will be direct funded to the District as the educating entity in fiscal year 2022. This new funding system calculates a unique base cost and a unique "per-pupil local capacity amount" for each District. The District's state core foundation funding is then calculated. Any change in funding will be subject to a phase in percentage of 16.67 percent for fiscal year 2022 and 33.33 percent for fiscal year 2023.

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)
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Property taxes	\$ 2,697,620	\$ 2,712,454	\$ 2,753,983	\$ 41,529
Intergovernmental	3,608,383	3,959,881	3,983,949	24,068
Investment earnings	120,430	124,586	10,827	(113,759)
Tuition and fees	236,042	244,189	200,154	(44,035)
Payment in lieu of taxes	-	-	6,784	6,784
Miscellaneous	7,440	7,696	18,501	10,805
Total revenues	<u>6,669,915</u>	<u>7,048,806</u>	<u>6,974,198</u>	<u>(74,608)</u>
Expenditures:				
Current:				
Instruction:				
Regular	1,488,974	1,310,634	1,337,110	(26,476)
Special	1,211,731	1,092,003	1,445,947	(353,944)
Adult/continuing	-	2,250	432	1,818
Other	1,125,642	1,100,000	1,430,719	(330,719)
Support services:				
Pupil	500,450	403,334	359,640	43,694
Instructional staff	162,681	172,373	198,773	(26,400)
Board of education	32,285	36,974	17,770	19,204
Administration	932,253	752,993	661,728	91,265
Fiscal	324,722	301,283	272,570	28,713
Operations and maintenance	791,147	813,197	704,111	109,086
Pupil transportation	606,414	545,215	206,830	338,385
Central	196,322	306,505	199,340	107,165
Extracurricular activities	188,082	111,843	97,700	14,143
Total expenditures	<u>7,560,703</u>	<u>6,948,604</u>	<u>6,932,670</u>	<u>15,934</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(890,788)</u>	<u>100,202</u>	<u>41,528</u>	<u>(58,674)</u>
Other financing sources (uses):				
Refund of prior year's expenditures	48,172	59,801	126,493	66,692
Transfers (out)	(10,233)	(10,000)	(10,000)	-
Advances in	7,026	7,269	7,293	24
Advances (out)	(51,166)	(75,000)	(31,946)	43,054
Total other financing sources (uses)	<u>(6,201)</u>	<u>(17,930)</u>	<u>91,840</u>	<u>109,770</u>
Net change in fund balance	(896,989)	82,272	133,368	51,096
Fund balance at beginning of year	6,401,341	6,401,341	6,401,341	-
Prior year encumbrances appropriated	173,632	173,632	173,632	-
Fund balance at end of year	<u>\$ 5,677,984</u>	<u>\$ 6,657,245</u>	<u>\$ 6,708,341</u>	<u>\$ 51,096</u>

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

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

**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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 2021 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 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 2021.
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 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, 2021**

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 is presented on the budgetary basis to provide a meaningful comparison of actual results with the budget. The major differences between the budget basis and the GAAP basis are that:

- (a) Revenues and other financing sources are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis);
- (b) Expenditures and other financing uses are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis);
- (c) In order to determine compliance with Ohio law, and to reserve that portion of the applicable appropriation, total outstanding encumbrances (budget basis) are recorded as the equivalent of an expenditure, as opposed to assigned or committed fund balance for that portion of outstanding encumbrances not already recognized as an account payable (GAAP basis);
- (d) Advances-in and advances-out are operating transactions (budget basis) as opposed to balance sheet transactions (GAAP basis); 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, 2021

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:

	<u>General Fund</u>
Net Change in Fund Balance	
Budget basis	\$ 133,368
Net adjustment for revenue accruals	97,710
Net adjustment for expenditure accruals	114,080
Net adjustment for other sources/uses	(101,840)
Funds budgeted elsewhere	(131)
Adjustment for encumbrances	<u>108,253</u>
GAAP basis	<u>\$ 351,440</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 EIGHT FISCAL YEARS

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
District's proportion of the net pension liability	0.03026820%	0.02665430%	0.02733740%	0.02666140%
District's proportionate share of the net pension liability	\$ 2,002,003	\$ 1,594,774	\$ 1,565,664	\$ 1,592,960
District's covered payroll	\$ 1,120,821	\$ 902,230	\$ 907,704	\$ 859,014
District's proportionate share of the net pension liability as a percentage of its covered payroll	178.62%	176.76%	172.49%	185.44%
Plan fiduciary net position as a percentage of the total pension liability	68.55%	70.85%	71.36%	69.50%

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

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

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
0.02638090%	0.02558310%	0.02934700%	0.02934700%
\$ 1,930,838	\$ 1,459,796	\$ 1,485,235	\$ 1,745,172
\$ 812,479	\$ 770,182	\$ 852,756	\$ 796,040
237.65%	189.54%	174.17%	219.23%
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 EIGHT FISCAL YEARS

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
District's proportion of the net pension liability	0.01699987%	0.01423921%	0.01621649%	0.01603602%
District's proportionate share of the net pension liability	\$ 4,113,364	\$ 3,148,916	\$ 3,565,642	\$ 3,809,391
District's covered payroll	\$ 2,209,879	\$ 1,515,936	\$ 1,903,743	\$ 1,816,821
District's proportionate share of the net pension liability as a percentage of its covered payroll	186.14%	207.72%	187.30%	209.67%
Plan fiduciary net position as a percentage of the total pension liability	75.48%	77.40%	77.31%	75.30%

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

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

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
0.01507171%	0.01629975%	0.01836561%	0.01836561%
\$ 5,044,956	\$ 4,504,774	\$ 4,467,152	\$ 5,321,242
\$ 1,556,064	\$ 1,698,443	\$ 1,876,454	\$ 1,854,446
324.21%	265.23%	238.06%	286.95%
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>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Contractually required contribution	\$ 172,509	\$ 156,915	\$ 121,801	\$ 122,540
Contributions in relation to the contractually required contribution	<u>(172,509)</u>	<u>(156,915)</u>	<u>(121,801)</u>	<u>(122,540)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 1,232,207	\$ 1,120,821	\$ 902,230	\$ 907,704
Contributions as a percentage of covered payroll	14.00%	14.00%	13.50%	13.50%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
\$ 120,262	\$ 113,747	\$ 101,510	\$ 118,192	\$ 110,172	\$ 128,237
<u>(120,262)</u>	<u>(113,747)</u>	<u>(101,510)</u>	<u>(118,192)</u>	<u>(110,172)</u>	<u>(128,237)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 859,014	\$ 812,479	\$ 770,182	\$ 852,756	\$ 796,040	\$ 953,435
14.00%	14.00%	13.18%	13.86%	13.84%	13.45%

**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>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Contractually required contribution	\$ 216,504	\$ 309,383	\$ 212,231	\$ 266,524
Contributions in relation to the contractually required contribution	<u>(216,504)</u>	<u>(309,383)</u>	<u>(212,231)</u>	<u>(266,524)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 1,546,457	\$ 2,209,879	\$ 1,515,936	\$ 1,903,743
Contributions as a percentage of covered payroll	14.00%	14.00%	14.00%	14.00%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
\$ 254,355	\$ 217,849	\$ 237,782	\$ 243,939	\$ 241,078	\$ 265,243
<u>(254,355)</u>	<u>(217,849)</u>	<u>(237,782)</u>	<u>(243,939)</u>	<u>(241,078)</u>	<u>(265,243)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 1,816,821	\$ 1,556,064	\$ 1,698,443	\$ 1,876,454	\$ 1,854,446	\$ 2,040,331
14.00%	14.00%	14.00%	13.00%	13.00%	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 FIVE FISCAL YEARS

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
District's proportion of the net OPEB liability	0.03104660%	0.02703290%	0.02764160%	0.02705080%
District's proportionate share of the net OPEB liability	\$ 674,744	\$ 679,821	\$ 766,853	\$ 725,972
District's covered payroll	\$ 1,120,821	\$ 902,230	\$ 907,704	\$ 859,014
District's proportionate share of the net OPEB liability as a percentage of its covered payroll	60.20%	75.35%	84.48%	84.51%
Plan fiduciary net position as a percentage of the total OPEB liability	18.17%	15.57%	13.57%	12.46%

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

2017

0.02666480%

\$ 760,046

\$ 812,479

93.55%

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 FIVE FISCAL YEARS

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
District's proportion of the net OPEB liability/asset	0.01699987%	0.01423921%	0.01621649%	0.01603602%
District's proportionate share of the net OPEB liability/(asset)	\$ (298,773)	\$ (235,835)	\$ (260,582)	\$ 625,666
District's covered payroll	\$ 2,209,879	\$ 1,515,936	\$ 1,903,743	\$ 1,816,821
District's proportionate share of the net OPEB liability/asset as a percentage of its covered payroll	13.52%	15.56%	13.69%	34.44%
Plan fiduciary net position as a percentage of the total OPEB liability/asset	182.10%	174.70%	176.00%	47.10%

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

2017

0.01507171%

\$ 806,039

\$ 1,556,064

51.80%

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>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Contractually required contribution	\$ 8,252	\$ 5,123	\$ 18,186	\$ 19,063
Contributions in relation to the contractually required contribution	<u>(8,252)</u>	<u>(5,123)</u>	<u>(18,186)</u>	<u>(19,063)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 1,232,207	\$ 1,120,821	\$ 902,230	\$ 907,704
Contributions as a percentage of covered payroll	0.67%	0.46%	2.02%	2.10%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
\$ 14,723	\$ 13,195	\$ 19,395	\$ 14,699	\$ 14,485	\$ 17,684
<u>(14,723)</u>	<u>(13,195)</u>	<u>(19,395)</u>	<u>(14,699)</u>	<u>(14,485)</u>	<u>(17,684)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 859,014	\$ 812,479	\$ 770,182	\$ 852,756	\$ 796,040	\$ 953,435
1.71%	1.62%	2.52%	1.72%	1.82%	1.85%

**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>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</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	\$ 1,546,457	\$ 2,209,879	\$ 1,515,936	\$ 1,903,743
Contributions as a percentage of covered payroll	0.00%	0.00%	0.00%	0.00%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
\$ -	\$ -	\$ -	\$ 18,166	\$ 18,544	\$ 20,403
-	-	-	(18,166)	(18,544)	(20,403)
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 1,816,821	\$ 1,556,064	\$ 1,698,443	\$ 1,876,454	\$ 1,854,446	\$ 2,040,331
0.00%	0.00%	0.00%	1.00%	1.00%	1.00%

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

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

PENSION

SCHOOL EMPLOYEES RETIREMENT SYSTEM (SERS) OF OHIO

Changes in benefit terms: There were no changes in benefit terms from the amounts reported for fiscal years 2014-2017. For fiscal year 2018, SERS changed from a fixed 3% annual increase to a Cost of Living Adjustment (COLA) based on the changes in the Consumer Price Index (CPI-W), with a cap of 2.5% and a floor of 0%. There were no changes in benefit terms from the amounts previously reported for fiscal years 2019-2021.

Changes in assumptions: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal years 2014-2016. For fiscal year 2017, the following changes of assumptions affected the total pension liability since the prior measurement date: (a) the assumed rate of inflation was reduced from 3.25% to 3.00%, (b) payroll growth assumption was reduced from 4.00% to 3.50%, (c) assumed real wage growth was reduced from 0.75% to 0.50%, (d) rates of withdrawal, retirement and disability were updated to reflect recent experience, (e) mortality among active members was updated to RP-2014 Blue Collar Mortality Table with fully generational projection and a five year age set-back for both males and females, (f) mortality among service retired members and beneficiaries was updated to the following RP-2014 Blue Collar Mortality Table with fully generational projection with Scale BB, 120% of male rates and 110% of female rates, (g) mortality among disabled members was updated to RP-2000 Disabled Mortality Table, 90% for male rates and 100% for female rates, set back five years is used for the period after disability retirement and (h) the discount rate was reduced from 7.75% to 7.50%. There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal years 2018-2021.

STATE TEACHERS RETIREMENT SYSTEM (STRS) OF OHIO

Changes in benefit terms: There were no changes in benefit terms from the amounts reported for fiscal years 2014-2017. For fiscal year 2018, STRS decreased the Cost of Living Adjustment (COLA) to zero. There were no changes in benefit terms from amounts previously reported for fiscal years 2019-2021.

Changes in assumptions: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal years 2014-2017. For fiscal year 2018, the following changes of assumption affected the total pension liability since the prior measurement date: (a) the long-term expected rate of return was reduced from 7.75% to 7.45%, (b) the inflation assumption was lowered from 2.75% to 2.50%, (c) the payroll growth assumption was lowered to 3.00%, (d) total salary increases rate was lowered by decreasing the merit component of the individual salary increases, in addition to a decrease of 0.25% due to lower inflation, (e) the healthy and disabled mortality assumptions were updated to the RP-2014 mortality tables with generational improvement scale MP-2016 and (f) rates of retirement, termination and disability were modified to better reflect anticipated future experience. There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal years 2019-2021.

OTHER POSTEMPLOYMENT BENEFITS (OPEB)

SCHOOL EMPLOYEES RETIREMENT SYSTEM (SERS) OF OHIO

Changes in benefit terms: There were no changes in benefit terms from the amounts previously reported for fiscal years 2017-2021.

(Continued)

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

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

OTHER POSTEMPLOYMENT BENEFITS (OPEB) (Continued)

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

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.

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. 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 9.62% initial - 4.00% ultimate up to 11.87% initial - 4.00% ultimate.

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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.

**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, 2021

	Budgeted Amounts		Variance with Final Budget- Over (Under)
	Final	Actual	
Special Trust Fund			
Total Expenditures and Other Uses	\$ 3,053	\$ -	\$ 3,053
Net Change in Fund Balances	(3,053)	-	3,053
Fund Balance at Beginning of Year	3,053	3,053	-
Fund Balance at End of Year	\$ -	\$ 3,053	\$ 3,053
Underground Storage Tanks Fund			
Total Expenditures and Other Uses	\$ 11,000	\$ -	\$ 11,000
Net Change in Fund Balances	(11,000)	-	11,000
Fund Balance at Beginning of Year	11,000	11,000	-
Fund Balance at End of Year	\$ -	\$ 11,000	\$ 11,000
Public School Support Fund			
Total Expenditures and Other Uses	\$ 131	\$ 131	\$ -
Net Change in Fund Balances	(131)	(131)	-
Fund Balance at Beginning of Year	2,749	2,749	-
Fund Balanc at End of Year	\$ 2,618	\$ 2,618	\$ -

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

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2021

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Fund - Permanent Improvement	Total Nonmajor Governmental Funds
Assets:			
Equity in pooled cash and cash equivalents	\$ 188,233	\$ 333,464	\$ 521,697
Receivables:			
Property taxes	-	105,653	105,653
Accounts	49	-	49
Intergovernmental	210,974	-	210,974
Materials and supplies inventory	479	-	479
Inventory held for resale	1,283	-	1,283
Total assets	<u>\$ 401,018</u>	<u>\$ 439,117</u>	<u>\$ 840,135</u>
Liabilities:			
Accounts payable	\$ 47,457	\$ -	\$ 47,457
Accrued wages and benefits payable	19,263	-	19,263
Intergovernmental payable	7,904	-	7,904
Pension and postemployment benefits payable	9,494	-	9,494
Interfund loan payable	31,946	-	31,946
Total liabilities	<u>116,064</u>	<u>-</u>	<u>116,064</u>
Deferred inflows of resources:			
Property taxes levied for the next fiscal year	-	74,118	74,118
Delinquent property tax revenue not available	-	28,823	28,823
Intergovernmental revenue not available	209,279	-	209,279
Total deferred inflows of resources	<u>209,279</u>	<u>102,941</u>	<u>312,220</u>
Fund balances:			
Nonspendable:			
Materials and supplies inventory	479	-	479
Restricted:			
Capital improvements	-	336,176	336,176
Food service operations	31,432	-	31,432
State funded programs	121,530	-	121,530
Extracurricular activities	4,911	-	4,911
Unassigned (deficit)	<u>(82,677)</u>	<u>-</u>	<u>(82,677)</u>
Total fund balances	<u>75,675</u>	<u>336,176</u>	<u>411,851</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 401,018</u>	<u>\$ 439,117</u>	<u>\$ 840,135</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, 2021

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Fund - Permanent Improvement	Total Nonmajor Governmental Funds
Revenues:			
Property taxes	\$ -	\$ 81,438	\$ 81,438
Intergovernmental	807,429	13,406	820,835
Investment earnings	139	-	139
Extracurricular	52	-	52
Total revenues	<u>807,620</u>	<u>94,844</u>	<u>902,464</u>
Expenditures:			
Current:			
Instruction:			
Regular	64,485	-	64,485
Special	269,109	-	269,109
Support services:			
Instructional staff	46,608	-	46,608
Administration	19,216	458	19,674
Fiscal	-	1,228	1,228
Operations and maintenance	2,922	-	2,922
Pupil transportation	202,048	-	202,048
Central	101	-	101
Operation of non-instructional services:			
Food service operations	93,197	-	93,197
Other non-instructional services	113,260	-	113,260
Extracurricular activities	19,339	-	19,339
Debt service:			
Principal retirement	-	26,000	26,000
Interest and fiscal charges	-	24,228	24,228
Total expenditures	<u>830,285</u>	<u>51,914</u>	<u>882,199</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(22,665)</u>	<u>42,930</u>	<u>20,265</u>
Other financing sources:			
Transfers in	<u>10,000</u>	<u>-</u>	<u>10,000</u>
Net change in fund balances	(12,665)	42,930	30,265
Fund balances at beginning of year	<u>88,340</u>	<u>293,246</u>	<u>381,586</u>
Fund balances at end of year	<u>\$ 75,675</u>	<u>\$ 336,176</u>	<u>\$ 411,851</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 Service 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.

Student Wellness and Success Fund

This fund accounts for revenues received from the State to be used for students well being and success, such as providing mental health services for students.

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.

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.

Coronavirus Relief Fund

To cover costs that are necessary expenditures incurred due to the public health emergency with respect to the Coronavirus Disease 2019 (COVID-19).

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

COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2021

	Food Service	Student Managed Activities	District Managed Student Activities	Public School Preschool
Assets:				
Equity in pooled cash and cash equivalents	\$ 38,941	\$ 51	\$ 4,860	\$ -
Receivables:				
Accounts	-	-	-	-
Intergovernmental	1,695	-	-	2,400
Materials and supplies inventory	479	-	-	-
Inventory held for resale	1,283	-	-	-
Total assets	<u>\$ 42,398</u>	<u>\$ 51</u>	<u>\$ 4,860</u>	<u>\$ 2,400</u>
Liabilities:				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Accrued wages and benefits payable	4,840	-	-	-
Intergovernmental payable	61	-	-	-
Pension and postemployment benefits payable	5,586	-	-	-
Interfund loan payable	-	-	-	2,400
Total liabilities	<u>10,487</u>	<u>-</u>	<u>-</u>	<u>2,400</u>
Deferred inflows of resources:				
Intergovernmental revenue not available	-	-	-	2,400
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,400</u>
Fund balances:				
Nonspendable:				
Materials and supplies inventory	479	-	-	-
Restricted:				
Food service operations	31,432	-	-	-
State funded programs	-	-	-	-
Extracurricular activities	-	51	4,860	-
Unassigned (deficit)	-	-	-	(2,400)
Total fund balances (deficits)	<u>31,911</u>	<u>51</u>	<u>4,860</u>	<u>(2,400)</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 42,398</u>	<u>\$ 51</u>	<u>\$ 4,860</u>	<u>\$ 2,400</u>

Student Wellness and Success	IDEA Part B	Title I - Disadvantaged Children	Supporting Effective Instruction	ESSER	Coronavirus Relief	Total Nonmajor Special Revenue Funds
\$ 121,530	\$ 2,653	\$ 17,333	\$ 865	\$ 2,000	\$ -	\$ 188,233
-	-	-	-	49	-	49
-	8,289	119,854	-	55,103	23,633	210,974
-	-	-	-	-	-	479
-	-	-	-	-	-	1,283
<u>\$ 121,530</u>	<u>\$ 10,942</u>	<u>\$ 137,187</u>	<u>\$ 865</u>	<u>\$ 57,152</u>	<u>\$ 23,633</u>	<u>\$ 401,018</u>
\$ -	\$ -	\$ -	\$ -	\$ 47,457	\$ -	\$ 47,457
-	5,996	8,424	3	-	-	19,263
-	87	110	-	7,646	-	7,904
-	1,796	2,112	-	-	-	9,494
-	-	26,567	979	2,000	-	31,946
-	<u>7,879</u>	<u>37,213</u>	<u>982</u>	<u>57,103</u>	-	<u>116,064</u>
-	8,289	119,854	-	55,103	23,633	209,279
-	<u>8,289</u>	<u>119,854</u>	-	<u>55,103</u>	<u>23,633</u>	<u>209,279</u>
-	-	-	-	-	-	479
-	-	-	-	-	-	31,432
121,530	-	-	-	-	-	121,530
-	-	-	-	-	-	4,911
-	(5,226)	(19,880)	(117)	(55,054)	-	(82,677)
<u>121,530</u>	<u>(5,226)</u>	<u>(19,880)</u>	<u>(117)</u>	<u>(55,054)</u>	-	<u>75,675</u>
<u>\$ 121,530</u>	<u>\$ 10,942</u>	<u>\$ 137,187</u>	<u>\$ 865</u>	<u>\$ 57,152</u>	<u>\$ 23,633</u>	<u>\$ 401,018</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, 2021

	Food Service	Student Managed Activities	District Managed Student Activities	Public School Preschool
Revenues:				
Intergovernmental	\$ 6,852	\$ -	\$ -	\$ 23,600
Investment earnings	139	-	-	-
Extracurricular	-	52	-	-
Total revenues	6,991	52	-	23,600
Expenditures:				
Current:				
Instruction:				
Regular	-	-	-	16,800
Special	-	-	-	-
Support services:				
Instructional staff	-	-	-	-
Administration	-	-	-	-
Operations and maintenance	2,922	-	-	-
Pupil transportation	-	-	-	-
Central	-	-	-	-
Operation of non-instructional services:				
Food service operations	93,197	-	-	-
Other non-instructional services	-	-	-	-
Extracurricular activities	-	3,607	15,732	-
Total expenditures	96,119	3,607	15,732	16,800
Excess (deficiency) of revenues over (under) expenditures	(89,128)	(3,555)	(15,732)	6,800
Other financing sources:				
Transfers in	-	-	10,000	-
Net change in fund balances	(89,128)	(3,555)	(5,732)	6,800
Fund balances (deficits) at beginning of year	121,039	3,606	10,592	(9,200)
Fund balances (deficits) at end of year	\$ 31,911	\$ 51	\$ 4,860	\$ (2,400)

Data Communications	Student Wellness and Success	IDEA Part B	School Improvement Stimulus A	Title I - Disadvantaged Children	Supporting Effective Instruction
\$ 3,600	\$ 177,739	\$ 79,241	\$ 6,206	\$ 177,366	\$ 31,973
-	-	-	-	-	-
-	-	-	-	-	-
<u>3,600</u>	<u>177,739</u>	<u>79,241</u>	<u>6,206</u>	<u>177,366</u>	<u>31,973</u>
-	-	-	-	-	-
-	56,209	69,561	-	143,339	-
3,600	-	-	3,313	250	32,943
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	101	-
-	-	-	-	-	-
-	-	-	-	32,805	-
-	-	-	-	-	-
<u>3,600</u>	<u>56,209</u>	<u>69,561</u>	<u>3,313</u>	<u>176,495</u>	<u>32,943</u>
-	121,530	9,680	2,893	871	(970)
-	-	-	-	-	-
-	121,530	9,680	2,893	871	(970)
-	-	(14,906)	(2,893)	(20,751)	853
<u>\$ -</u>	<u>\$ 121,530</u>	<u>\$ (5,226)</u>	<u>\$ -</u>	<u>\$ (19,880)</u>	<u>\$ (117)</u>

(Continued)

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

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - (Continued)
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Miscellaneous Federal Grants	ESSER	Total Nonmajor Special Revenue Funds
Revenues:			
Intergovernmental	\$ 54,187	\$ 246,665	\$ 807,429
Investment earnings	-	-	139
Extracurricular	-	-	52
Total revenues	54,187	246,665	807,620
Expenditures:			
Current:			
Instruction:			
Regular	47,685	-	64,485
Special	-	-	269,109
Support services:			
Instructional staff	6,502	-	46,608
Administration	-	19,216	19,216
Operations and maintenance	-	-	2,922
Pupil transportation	-	202,048	202,048
Central	-	-	101
Operation of non-instructional services:			
Food service operations	-	-	93,197
Other non-instructional services	-	80,455	113,260
Extracurricular activities	-	-	19,339
Total expenditures	54,187	301,719	830,285
Excess (deficiency) of revenues over (under) expenditures	-	(55,054)	(22,665)
Other financing sources:			
Transfers in	-	-	10,000
Net change in fund balances	-	(55,054)	(12,665)
Fund balances (deficits) at beginning of year	-	-	88,340
Fund balances (deficits) at end of year	\$ -	\$ (55,054)	\$ 75,675

**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, 2021

	<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	\$ 74,946	\$ 20,780	\$ (54,166)
Total Expenditures and Other Uses	<u>112,813</u>	<u>111,326</u>	<u>1,487</u>
Net Change in Fund Balances	(37,867)	(90,546)	(52,679)
Fund Balance at Beginning of Year	126,674	126,674	-
Prior Year Encumbrances Appropriated	<u>2,813</u>	<u>2,813</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 91,620</u>	<u>\$ 38,941</u>	<u>\$ (52,679)</u>
Student Managed Activities Fund			
Total Revenues and Other Sources	\$ 979	\$ 52	\$ (927)
Total Expenditures and Other Uses	<u>3,628</u>	<u>3,607</u>	<u>21</u>
Net Change in Fund Balances	(2,649)	(3,555)	(906)
Fund Balance at Beginning of Year	3,585	3,585	-
Prior Year Encumbrances Appropriated	<u>21</u>	<u>21</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 957</u>	<u>\$ 51</u>	<u>\$ (906)</u>
District Managed Student Activities Fund			
Total Revenues and Other Sources	\$ 10,000	\$ 10,000	\$ -
Total Expenditures and Other Uses	<u>16,642</u>	<u>15,982</u>	<u>660</u>
Net Change in Fund Balances	(6,642)	(5,982)	660
Fund Balance at Beginning of Year	<u>10,842</u>	<u>10,842</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 4,200</u>	<u>\$ 4,860</u>	<u>\$ 660</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, 2021

	<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	\$ 111,600	\$ 26,000	\$ (85,600)
Total Expenditures and Other Uses	<u>26,000</u>	<u>26,000</u>	<u>-</u>
Net Change in Fund Balances	85,600	-	(85,600)
Fund Balance at Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance at End of Year	<u><u>\$ 85,600</u></u>	<u><u>\$ -</u></u>	<u><u>\$ (85,600)</u></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 Balances	-	-	-
Fund Balance at Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance at End of Year	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>
Student Wellness and Success Fund			
Total Revenues and Other Sources	\$ 177,739	\$ 177,739	\$ -
Total Expenditures and Other Uses	<u>177,739</u>	<u>56,209</u>	<u>121,530</u>
Net Change in Fund Balances	-	121,530	121,530
Fund Balance at Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance at End of Year	<u><u>\$ -</u></u>	<u><u>\$ 121,530</u></u>	<u><u>\$ 121,530</u></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, 2021

	<u>Budgeted Amounts</u>		<u>Variance with Final Budget- Over (Under)</u>
	<u>Final</u>	<u>Actual</u>	
IDEA Part B Fund			
Total Revenues and Other Sources	\$ 124,259	\$ 79,241	\$ (45,018)
Total Expenditures and Other Uses	<u>78,126</u>	<u>78,126</u>	<u>-</u>
Net Change in Fund Balances	46,133	1,115	(45,018)
Fund Balance at Beginning of Year	<u>1,538</u>	<u>1,538</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 47,671</u>	<u>\$ 2,653</u>	<u>\$ (45,018)</u>
School Improvement Stimulus A Fund			
Total Revenues and Other Sources	\$ 21,906	\$ 6,206	\$ (15,700)
Total Expenditures and Other Uses	<u>6,206</u>	<u>6,206</u>	<u>-</u>
Net Change in Fund Balances	15,700	-	(15,700)
Fund Balance at Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 15,700</u>	<u>\$ -</u>	<u>\$ (15,700)</u>
Title I - Disadvantaged Children Fund			
Total Revenues and Other Sources	\$ 546,652	\$ 203,933	\$ (342,719)
Total Expenditures and Other Uses	<u>208,393</u>	<u>208,393</u>	<u>-</u>
Net Change in Fund Balances	338,259	(4,460)	(342,719)
Fund Balance at Beginning of Year	4,458	4,458	-
Prior Year Encumbrances Appropriated	<u>3,458</u>	<u>3,458</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 346,175</u>	<u>\$ 3,456</u>	<u>\$ (342,719)</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, 2021

	<u>Budgeted Amounts</u>		<u>Variance with Final Budget- Over (Under)</u>
	<u>Final</u>	<u>Actual</u>	
IDEA Preschool Grant for the Handicapped Fund			
Total Revenues and Other Sources	\$ 2,584	\$ -	\$ (2,584)
Net Change in Fund Balances	2,584	-	(2,584)
Fund Balance at Beginning of Year	<u>1</u>	<u>1</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 2,585</u>	<u>\$ 1</u>	<u>\$ (2,584)</u>
Supporting Effective Instruction Fund			
Total Revenues and Other Sources	\$ 35,064	\$ 32,952	\$ (2,112)
Total Expenditures and Other Uses	<u>32,952</u>	<u>32,952</u>	<u>-</u>
Net Change in Fund Balances	2,112	-	(2,112)
Fund Balance at Beginning of Year	<u>865</u>	<u>865</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 2,977</u>	<u>\$ 865</u>	<u>\$ (2,112)</u>
Miscellaneous Federal Grants Fund			
Total Revenues and Other Sources	\$ 55,491	\$ 54,187	\$ (1,304)
Total Expenditures and Other Uses	<u>54,187</u>	<u>54,187</u>	<u>-</u>
Net Change in Fund Balances	1,304	-	(1,304)
Fund Balance at Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 1,304</u>	<u>\$ -</u>	<u>\$ (1,304)</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, 2021

	<u>Budgeted Amounts</u>		<u>Variance with Final Budget- Over (Under)</u>
	<u>Final</u>	<u>Actual</u>	
ESSER Fund			
Total Revenues and Other Sources	\$ 272,298	\$ 248,665	\$ (23,633)
Total Expenditures and Other Uses	<u>248,665</u>	<u>248,665</u>	<u>-</u>
Net Change in Fund Balances	23,633	-	(23,633)
Fund Balance at Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 23,633</u>	<u>\$ -</u>	<u>\$ (23,633)</u>
Coronavirus Relief Fund			
Total Revenues and Other Sources	\$ 30,067	\$ -	\$ (30,067)
Total Expenditures and Other Uses	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	30,067	-	(30,067)
Fund Balance at Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 30,067</u>	<u>\$ -</u>	<u>\$ (30,067)</u>

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

COMBINING STATEMENTS - NONMAJOR FUNDS

Nonmajor Capital Projects Funds

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 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, 2021

	<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	\$ 89,726	\$ 94,508	\$ 4,782
Total Expenditures and Other Uses	<u>150,118</u>	<u>51,914</u>	<u>98,204</u>
Net Change in Fund Balances	(60,392)	42,594	102,986
Fund Balance at Beginning of Year	<u>290,870</u>	<u>290,870</u>	<u>-</u>
Fund Balance at End of Year	<u><u>\$ 230,478</u></u>	<u><u>\$ 333,464</u></u>	<u><u>\$ 102,986</u></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.

<u>Table of Contents</u>	<u>Pages</u>
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.	100-111
Revenue Capacity These schedules contain information to help the reader assess the District's most significant local revenue source, the property tax.	112-118
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.	119-122
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.	123-124
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.	125-127

Sources: Unless otherwise noted, the information in these schedules is derived from the annual comprehensive financial report for the relevant year. Fiscal year 2011 was the District's first year implementation of GASB 54. 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>2012</u>	<u>2013</u>	<u>2014 (1)</u>	<u>2015</u>
Governmental activities				
Net investment in capital assets	\$ 826,388	\$ 743,621	\$ 794,069	\$ 1,005,207
Restricted for:				
Capital projects	32,011	68,708	112,827	160,433
Other purposes	19,814	14,711	167,292	111,050
Unrestricted (deficit)	<u>3,287,485</u>	<u>4,231,507</u>	<u>4,935,199</u>	<u>(1,146,006)</u>
Total Governmental Activities Net Position	<u>\$ 4,165,698</u>	<u>\$ 5,058,547</u>	<u>\$ 6,009,387</u>	<u>\$ 130,684</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.

	2016	2017 (2)	2018	2019 (3)	2020	2021
\$	1,591,788	\$ 1,693,347	\$ 1,546,630	\$ 1,427,144	\$ 1,295,185	\$ 1,171,822
	203,860	242,372	284,950	277,097	318,393	364,999
	214,703	197,253	238,846	296,593	223,289	277,220
	<u>(364,335)</u>	<u>(1,134,587)</u>	<u>1,927,067</u>	<u>2,947,322</u>	<u>1,889,542</u>	<u>1,931,082</u>
\$	<u>1,646,016</u>	<u>\$ 998,385</u>	<u>\$ 3,997,493</u>	<u>\$ 4,948,156</u>	<u>\$ 3,726,409</u>	<u>\$ 3,745,123</u>

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

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

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Expenses				
Governmental activities:				
Instruction				
Regular	\$ 2,017,546	\$ 1,849,646	\$ 1,992,580	\$ 1,757,858
Special	1,100,212	1,121,923	1,310,403	1,334,024
Vocational	-	-	-	3,709
Adult/continuing	-	-	-	-
Other	1,431,424	1,439,916	1,394,708	1,337,548
Support services:				
Pupil	246,968	182,663	248,567	230,274
Instructional staff	311,685	293,573	141,016	149,623
Board of education	54,931	59,738	53,695	53,093
Administration	690,496	773,178	706,921	644,039
Fiscal	263,948	250,796	283,868	266,785
Business	573	484	562	562
Operations and maintenance	1,034,798	805,464	583,007	892,220
Pupil transportation	454,025	398,649	454,746	394,057
Central	53,805	59,574	1,389	3,973
Operation of non-instructional services	339,065	271,402	228,811	246,672
Extracurricular activities	124,615	125,454	93,403	110,474
Interest and fiscal charges	37,713	37,471	35,815	34,062
Total governmental activities expenses	<u>8,161,804</u>	<u>7,669,931</u>	<u>7,529,491</u>	<u>7,458,973</u>
Program Revenues				
Governmental activities:				
Charges for services:				
Instruction:				
Regular	214,008	370,190	449,995	150,582
Special	224,278	83,124	51,253	182,403
Support services:				
Pupil	-	369	1,003	430
Administration	93	1,963	799	1,025
Operations and maintenance	2,966	106	-	165
Operation of non-instructional services	10,711	4,983	43,188	42,947
Extracurricular activities	30,932	19,549	15,853	11,488
Total governmental activities charges for services	<u>482,988</u>	<u>480,284</u>	<u>562,091</u>	<u>389,040</u>

	2016	2017	2018	2019 (1)	2020	2021
\$	1,556,731	\$ 1,405,058	\$ 624,677	\$ 1,184,376	\$ 1,812,788	\$ 1,481,590
	1,196,511	1,617,008	1,199,701	1,416,590	1,670,314	1,811,116
	-	-	-	-	-	-
	-	-	-	-	-	432
	1,167,294	1,000,494	1,100,113	1,023,681	1,153,907	1,430,719
	352,188	489,973	413,094	563,089	465,442	382,223
	114,043	156,885	59,648	94,466	271,042	277,834
	54,872	67,107	48,117	47,992	41,107	45,335
	692,537	761,580	316,615	689,756	884,872	734,246
	260,377	213,764	205,765	268,479	335,754	313,924
	483	-	-	-	-	-
	316,957	608,408	474,512	727,470	1,162,011	705,886
	551,357	676,532	542,279	610,080	562,711	428,891
	3,973	3,973	7,000	136,709	181,672	219,112
	268,403	319,101	209,713	215,154	215,856	222,361
	114,002	106,956	57,244	126,817	233,649	138,115
	32,211	30,322	28,992	27,046	25,680	24,228
	<u>6,681,939</u>	<u>7,457,161</u>	<u>5,287,470</u>	<u>7,131,705</u>	<u>9,016,805</u>	<u>8,216,012</u>
	279,328	180,576	356,131	195,872	127,868	122,911
	115,245	74,150	-	174,278	97,016	77,243
	1,367	-	-	-	-	-
	1,188	-	-	-	-	-
	85	53	94	139	20	-
	47,588	59,812	53,081	30,923	26,363	-
	14,966	13,340	16,337	10,288	11,718	52
	<u>459,767</u>	<u>327,931</u>	<u>425,643</u>	<u>411,500</u>	<u>262,985</u>	<u>200,206</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>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Operating grants and contributions:				
Instruction:				
Regular	\$ 150,326	\$ 160,486	\$ 178,221	\$ 178,132
Special	687,445	836,394	737,898	666,789
Vocational	12,014	12,014	5,155	-
Other	-	-	-	6,519
Support services:				
Pupil	2,510	-	1,979	15
Instructional staff	185,729	107,482	60,985	56,860
Administration	765	-	-	-
Operations and maintenance	567	4,555	-	839
Pupil transportation	21,611	21,767	303	787
Central	3,600	3,600	-	-
Operation of non-instructional services	228,512	229,744	225,348	228,330
Extracurricular activities	6,076	1,183	700	3,400
Total operating grants and contributions	<u>1,299,155</u>	<u>1,377,225</u>	<u>1,210,589</u>	<u>1,141,671</u>

	2016	2017	2018	2019 (1)	2020	2021
\$	157,018	\$ 152,246	\$ 125,691	\$ 72,446	\$ 33,600	\$ 88,118
	640,284	784,528	774,873	645,301	623,309	682,163
	-	-	-	-	-	-
	-	1,702	5,472	3,490	4,022	4,022
	3,970	2,086	2,297	18,477	100,000	-
	3,600	3,600	3,924	23,702	74,413	42,411
	-	-	-	1,057	-	19,219
	433	260	413	657	17,933	213
	-	-	-	-	-	202,081
	-	-	-	-	-	136
	257,152	311,151	242,286	177,490	151,207	131,356
	750	750	-	1,093	-	-
	<u>1,063,207</u>	<u>1,256,323</u>	<u>1,154,956</u>	<u>943,713</u>	<u>1,004,484</u>	<u>1,169,719</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>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
General Revenues				
Property taxes levied for:				
General purposes	\$ 2,710,549	\$ 2,745,908	\$ 2,564,940	\$ 2,660,898
Capital projects	71,916	72,850	75,011	78,408
Payment in lieu of taxes	6,779	6,929	6,514	6,155
Grants and entitlements not restricted to specific programs	4,059,717	3,873,639	4,050,831	3,990,161
Investment earnings	1,305	2,541	2,895	9,564
Miscellaneous	11,617	3,404	7,460	8,656
Total governmental activities	<u>6,861,883</u>	<u>6,705,271</u>	<u>6,707,651</u>	<u>6,753,842</u>
 Change in Net Position				
Governmental activities	<u>\$ 482,222</u>	<u>\$ 892,849</u>	<u>\$ 950,840</u>	<u>\$ 825,580</u>

Source: District financial records.

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

	2016	2017	2018	2019 (1)	2020	2021
\$	2,602,116	\$ 2,577,301	\$ 2,733,551	\$ 2,708,548	\$ 2,693,902	\$ 2,907,364
	76,891	76,302	81,079	80,359	79,836	85,114
	6,250	6,217	6,217	6,422	6,387	6,784
	3,971,969	3,880,576	3,763,489	3,736,884	3,623,464	3,836,211
	14,946	37,470	101,754	183,210	121,885	10,827
	2,125	5,791	19,889	6,925	2,115	18,501
	<u>6,674,297</u>	<u>6,583,657</u>	<u>6,705,979</u>	<u>6,722,348</u>	<u>6,527,589</u>	<u>6,864,801</u>
\$	<u>1,515,332</u>	\$ <u>710,750</u>	\$ <u>2,999,108</u>	\$ <u>945,856</u>	\$ <u>(1,221,747)</u>	\$ <u>18,714</u>

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

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

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
General Fund:				
Nonspendable	\$ 40,143	\$ 37,651	\$ 36,677	\$ 23,981
Committed	11,000	11,000	430,349	657,155
Assigned	130,101	76,352	70,221	49,738
Unassigned	<u>2,539,792</u>	<u>3,435,916</u>	<u>3,822,165</u>	<u>4,041,355</u>
Total general fund	<u>\$ 2,721,036</u>	<u>\$ 3,560,919</u>	<u>\$ 4,359,412</u>	<u>\$ 4,772,229</u>
All Other Governmental Funds:				
Nonspendable	\$ 5,908	\$ 6,203	\$ 6,513	\$ -
Restricted	32,137	60,977	105,331	175,159
Unassigned (deficit)	<u>(3,644)</u>	<u>(52,559)</u>	<u>(142,765)</u>	<u>(118,672)</u>
Total all other governmental funds	<u>\$ 34,401</u>	<u>\$ 14,621</u>	<u>\$ (30,921)</u>	<u>\$ 56,487</u>
Total governmental funds	<u>\$ 2,755,437</u>	<u>\$ 3,575,540</u>	<u>\$ 4,328,491</u>	<u>\$ 4,828,716</u>

Source: District financial records.

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

2016	2017	2018	2019 (1)	2020	2021
\$ 26,580	\$ 30,139	\$ 25,441	\$ 32,454	\$ 25,474	\$ 15,451
112,899	11,000	11,000	11,000	11,000	11,000
632,631	222,222	900,620	1,944,533	877,215	246,498
<u>4,639,619</u>	<u>5,831,303</u>	<u>5,858,290</u>	<u>5,326,136</u>	<u>5,410,597</u>	<u>6,402,777</u>
<u>\$ 5,411,729</u>	<u>\$ 6,094,664</u>	<u>\$ 6,795,351</u>	<u>\$ 7,314,123</u>	<u>\$ 6,324,286</u>	<u>\$ 6,675,726</u>
\$ -	\$ 1,916	\$ 1,527	\$ 5,386	\$ 64	\$ 479
251,759	346,153	469,996	434,853	429,272	494,049
<u>(117,640)</u>	<u>(63,617)</u>	<u>(15,446)</u>	<u>(84,664)</u>	<u>(47,750)</u>	<u>(82,677)</u>
<u>\$ 134,119</u>	<u>\$ 284,452</u>	<u>\$ 456,077</u>	<u>\$ 355,575</u>	<u>\$ 381,586</u>	<u>\$ 411,851</u>
<u>\$ 5,545,848</u>	<u>\$ 6,379,116</u>	<u>\$ 7,251,428</u>	<u>\$ 7,669,698</u>	<u>\$ 6,705,872</u>	<u>\$ 7,087,577</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>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Revenues				
Property taxes	\$ 2,800,839	\$ 2,726,414	\$ 2,667,815	\$ 2,715,144
Payment in lieu of taxes	6,779	6,929	6,514	6,155
Tuition and fees	437,793	453,314	501,248	332,985
Investment earnings	1,324	2,543	2,897	9,579
Charges for services	10,739	5,089	43,188	43,112
Extracurricular activities	31,518	21,881	17,655	12,943
Rental income	2,938	-	-	-
Contributions and donations	4,733	2,702	6,956	8,184
Miscellaneous	12,960	1,885	1,204	3,872
Intergovernmental	5,620,378	5,237,554	5,106,405	5,192,106
Total revenues	<u>8,930,001</u>	<u>8,458,311</u>	<u>8,353,882</u>	<u>8,324,080</u>
Expenditures				
Current:				
Instructional:				
Regular	1,960,081	1,826,736	1,957,635	1,746,569
Special	1,096,978	1,126,128	1,309,762	1,381,448
Adult/continuing	-	-	-	-
Other	1,431,424	1,439,916	1,394,708	1,337,548
Support services:				
Pupil	246,968	182,663	248,567	233,021
Instructional staff	310,869	288,908	142,566	152,897
Board of education	29,717	30,481	28,441	28,099
Administration	683,188	778,334	706,211	659,191
Fiscal	270,698	254,619	276,640	276,476
Business	573	484	562	562
Operations and maintenance	626,779	581,658	618,527	586,345
Pupil transportation	404,404	370,102	419,776	387,003
Central	57,352	59,101	3,500	3,500
Operation of non-instructional services	336,816	271,196	234,446	250,799
Extracurricular activities	124,615	124,670	93,865	113,101
Facilities acquisition and construction	438,256	235,801	98,257	599,832
Capital outlay	80,527	-	-	-
Debt service:				
Principal retirement	24,036	30,235	31,963	33,728
Interest and fiscal charges	37,713	37,471	35,815	34,062
Total expenditures	<u>8,160,994</u>	<u>7,638,503</u>	<u>7,601,241</u>	<u>7,824,181</u>
Excess (deficiency) of revenues expenditures over (under) expenditures	769,007	819,808	752,641	499,899
Other Financing Sources (Uses)				
Capital lease transaction	80,527	-	-	-
Transfers in	7,000	20,000	17,000	10,000
Transfers (out)	(7,000)	(20,000)	(17,000)	(10,000)
Total other financing sources (uses)	<u>80,527</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>\$ 849,534</u>	<u>\$ 819,808</u>	<u>\$ 752,641</u>	<u>\$ 499,899</u>
Capital expenditures	\$ 118,426	\$ 6,200	\$ 131,656	\$ 285,814
Debt service as a percentage of noncapital expenditures	0.77%	0.89%	0.91%	0.90%

Source: District financial records.

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

	2016	2017	2018	2019 (1)	2020	2021
\$	2,659,855	\$ 2,668,816	\$ 2,784,011	\$ 2,746,855	\$ 2,841,547	\$ 2,848,204
	6,250	6,217	6,217	6,422	6,387	6,784
	394,573	254,726	356,131	370,150	224,884	200,154
	15,066	38,005	103,825	186,861	124,042	10,966
	47,673	59,865	53,175	31,062	26,383	-
	17,521	13,340	16,337	10,288	11,718	52
	-	-	-	-	-	-
	1,228	532	11	643	62	-
	1,647	6,246	19,878	7,375	2,053	18,501
	4,958,465	5,245,560	4,955,110	4,593,568	4,666,882	4,889,711
	<u>8,102,278</u>	<u>8,293,307</u>	<u>8,294,695</u>	<u>7,953,224</u>	<u>7,903,958</u>	<u>7,974,372</u>
	1,610,696	1,414,661	1,360,822	1,278,599	1,748,860	1,235,258
	1,217,340	1,634,489	1,702,732	1,531,430	1,663,314	1,744,911
	-	-	-	-	-	432
	1,167,294	1,000,494	1,100,113	1,023,681	1,153,907	1,430,719
	358,621	488,281	574,745	595,642	463,235	365,804
	115,044	160,819	127,622	118,168	276,833	245,868
	29,213	42,071	26,332	22,925	15,073	18,309
	707,823	785,796	790,270	806,199	869,832	648,809
	261,293	223,950	226,891	283,493	328,636	271,977
	483	-	-	-	-	-
	427,642	557,363	512,327	708,282	1,110,578	629,835
	534,105	654,466	561,180	610,244	562,711	428,891
	3,500	3,500	7,000	136,832	181,888	199,991
	269,440	317,975	251,080	222,246	210,348	206,457
	118,285	110,484	130,277	151,974	232,889	115,178
	496,623	5,336	-	-	-	-
	-	-	-	-	-	-
	35,533	30,032	22,000	23,000	24,000	26,000
	32,211	30,322	28,992	27,046	25,680	24,228
	<u>7,385,146</u>	<u>7,460,039</u>	<u>7,422,383</u>	<u>7,539,761</u>	<u>8,867,784</u>	<u>7,592,667</u>
	717,132	833,268	872,312	413,463	(963,826)	381,705
	-	-	-	-	-	-
	10,000	12,889	50,000	-	1,900	10,000
	(10,000)	(12,889)	(50,000)	-	(1,900)	(10,000)
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
\$	<u>717,132</u>	<u>\$ 833,268</u>	<u>\$ 872,312</u>	<u>\$ 413,463</u>	<u>\$ (963,826)</u>	<u>\$ 381,705</u>
\$	671,856	\$ 5,336	\$ -	\$ -	\$ -	\$ -
	1.01%	0.81%	0.69%	0.66%	0.56%	0.66%

**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
2012	\$ 84,058,940	\$ 7,530,020	\$ 261,682,743	\$ 4,143,100	\$ 16,572,400
2013	83,605,890	7,270,580	259,647,057	4,416,310	17,665,240
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

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 Value	Actual Value		
\$ 95,732,060	\$ 278,255,143		34.40%	\$ 66.90
95,292,780	277,312,297		34.36%	66.90
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

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

**PRINCIPAL PROPERTY TAX PAYERS
CURRENT CALENDAR YEAR AND THREE YEARS AGO**

Name of Taxpayer		2020 (1)	
		Assessed Value	Percent of Real Property Assessed Value
Dayton Power And Light Co.	1	\$ 3,480,220	3.60%
STAG Dayton 2 LLC	2	1,832,650	1.90%
2901 S Gettysburg Ave LTD	3	1,156,600	1.20%
Vectren Energy Delivery Of Ohio	4	978,410	1.01%
Buckeye Community Seventeen LP	5	817,420	0.85%
Anr Pipeline Company	6	727,600	0.75%
Huffman, James W.	7	550,620	0.57%
Rauch, Steve R.	8	473,520	0.49%
B F Hill Investments LLC	9	219,320	0.23%
Conrex Residential Property	10	102,540	0.11%
Totals		<u>\$ 10,338,900</u>	<u>10.71%</u>
Total Assessed Valuation		<u>\$ 96,555,470</u>	

Name of Taxpayer		2018 (2)	
		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 fiscal year 2021 was unavailable from the County Auditor. The School District will update this in the subsequent year's report as information becomes available.

(2) 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)
2011-2020

Tax Year/ Collection Year	Overlapping Governments					Total
	Montgomery County	City of Dayton	Miami Valley Career Technical Center	Jefferson Township	Dayton Metro Library	
2011/2012	\$ 20.94	\$ 10.00	\$ 2.58	\$ 18.59	\$ 1.75	\$ 53.86
2012/2013	20.94	10.00	2.58	18.59	3.31	55.42
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

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	\$ 58.30	\$ 2.00	\$ 66.90
	6.60	58.30	2.00	66.90
	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 SEVEN COLLECTION (CALENDAR) YEARS
2014-2020

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

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 was 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)
	Lease Purchase/ Capital Leases				
2012	\$ 660,491	\$ 660,491	\$ 87	0.68%	
2013	630,256	630,256	82	0.63%	
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	N/A	
2018	477,000	477,000	70	N/A	
2019	454,000	454,000	67	N/A	
2020	430,000	430,000	73	N/A	
2021	404,000	404,000	69	N/A	

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>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Tax Valuation	<u>\$ 95,732,060</u>	<u>\$ 95,292,780</u>	<u>\$ 94,863,900</u>	<u>\$ 96,770,260</u>
Debt Limit - 9% of Taxable Valuation	<u>8,615,885</u>	<u>8,576,350</u>	<u>8,537,751</u>	<u>8,709,323</u>
Legal debt margin	<u>\$ 8,615,885</u>	<u>\$ 8,576,350</u>	<u>\$ 8,537,751</u>	<u>\$ 8,709,323</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>95,732</u>	<u>95,293</u>	<u>94,864</u>	<u>96,770</u>
Unvoted legal debt margin	<u>\$ 95,732</u>	<u>\$ 95,293</u>	<u>\$ 94,864</u>	<u>\$ 96,770</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.

2016	2017	2018	2019	2020	2021
<u>\$ 96,357,950</u>	<u>\$ 96,657,490</u>	<u>\$ 97,376,540</u>	<u>\$ 97,098,160</u>	<u>\$ 96,555,470</u>	<u>\$ 103,277,150</u>
<u>8,672,216</u>	<u>8,699,174</u>	<u>8,763,889</u>	<u>8,738,834</u>	<u>8,689,992</u>	<u>9,294,944</u>
<u>\$ 8,672,216</u>	<u>\$ 8,699,174</u>	<u>\$ 8,763,889</u>	<u>\$ 8,738,834</u>	<u>\$ 8,689,992</u>	<u>\$ 9,294,944</u>
100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
<u>96,358</u>	<u>96,657</u>	<u>97,377</u>	<u>97,098</u>	<u>96,555</u>	<u>103,277</u>
<u>\$ 96,358</u>	<u>\$ 96,657</u>	<u>\$ 97,377</u>	<u>\$ 97,098</u>	<u>\$ 96,555</u>	<u>\$ 103,277</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, 2021

Governmental Unit	Gross General Obligation	Percent Applicable to District (1)	Amount Applicable to District
Direct:			
Jefferson Township Local School District	\$ 404,000	100.00%	\$ 404,000
Overlapping: (2)			
City of Moraine	8,150,000	3.91%	318,665
City of Dayton	52,995,000	0.50%	264,975
City of West Carrollton	3,430,000	1.96%	67,228
Miami Valley Career Center	128,422,994	1.33%	1,708,026
Dayton Metro Library	147,999,986	1.28%	1,894,400
Total overlapping	<u>\$ 340,997,980</u>		<u>\$ 4,253,294</u>
Total direct and overlapping debt	<u>\$ 341,401,980</u>		<u>\$ 4,657,294</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 fiscal year 2021 is unavailable from the County auditor. Fiscal year 2020 information is used as an estimate.

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

DEMOGRAPHIC STATISTICS
LAST TEN YEARS
2011-2020

Year	Population (1)	Per Capita Income (1)	Personal Income (1)	School Enrollment (2)	Unemployment Rate Montgomery County (3)
2012	7,625	\$ 12,707	\$ 96,892,253	462	7.8%
2013	7,656	13,164	100,780,948	391	8.0%
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%

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, 2020 AND NINE YEARS AGO

Employer	Nature of Business	2020			2011		
		Number of Employees	Rank	Percentage of Total Employment	Number of Employees	Rank	Percentage of Total Employment
Wright-Patterson AFB	Government	30,000	1	12.40%	27,400	1	11.74%
Kettering Health Network	Health Care	12,847	2	5.31%	5,029	3	2.16%
Premier Health	Health Care	12,018	3	4.97%	14,135	2	6.06%
Kroger Co.	Government	4,532	4	1.87%	4,100	4	1.76%
Montgomery County	Grocery	4,469	5	1.85%	4,046	5	1.73%
Meijer Inc.	Health Care	3,607	6	1.49%			
Dayton Children's Hospital	Education	3,342	7	1.38%			
CareSource	Health Care	3,148	8	1.30%			
Sinclair Community College	Education	3,017	9	1.25%	2,726	8	1.17%
LexisNexis	Other Services	3,000	10	1.24%	3,100	6	1.33%
Wright State University	Education				2,948	7	1.26%
Dayton Public Schools	Food Services				2,574	9	1.10%
AK Steel Corp	Education				2,400	10	1.02%
Total		<u>79,980</u>		<u>33.06%</u>	<u>68,458</u>		<u>29.33%</u>

Source: Montgomery County ACFR as of December 31, 2020. 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

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Official/Administrative										
Principal	2.00	2.00	1.00	N/A	N/A	N/A	2.00	2.00	2.00	1.00
Superintendent	1.00	1.00	1.00	N/A	N/A	N/A	1.00	1.00	1.00	1.00
Treasurer	2.00	1.00	1.00	N/A	N/A	N/A	1.00	1.00	1.00	1.00
Other	1.00	5.00	4.00	N/A	N/A	N/A	1.00	2.00	6.00	4.00
Totals	6.00	9.00	7.00	-	-	-	5.00	6.00	10.00	7.00
Professional-Educational/Other										
Suppl. Service Teacher (Special Ed.)	1.00	2.00	2.00	N/A	N/A	N/A	2.00	-	-	-
General Education	31.70	28.20	28.80	N/A	N/A	N/A	25.00	21.00	26.00	24.00
Special Education	5.03	2.71	2.03	N/A	N/A	N/A	3.00	3.00	2.00	2.00
Other Educational/Professional	7.34	6.25	5.33	N/A	N/A	N/A	4.00	-	-	-
Totals	45.07	39.16	38.16	-	-	-	34.00	24.00	28.00	26.00
Technical/Office/Clerical										
Educational/Media Aides	1.00	1.00	1.00	N/A	N/A	N/A	1.00	-	-	-
Instructional Paraprofessional	6.00	6.00	7.00	N/A	N/A	N/A	5.00	4.00	3.00	3.00
Clerical/Other	4.00	3.00	5.00	N/A	N/A	N/A	4.00	4.00	5.00	4.00
Totals	11.00	10.00	13.00	-	-	-	10.00	8.00	8.00	7.00
Craft and Trades/Operative										
Vehicle Operator (buses)	7.00	6.00	4.00	N/A	N/A	N/A	-	-	-	-
Other	1.00	1.00	-	N/A	N/A	N/A	-	-	-	-
Totals	8.00	7.00	4.00	-	-	-	-	-	-	-
Service Work/Laborer										
Custodian	3.00	2.00	2.00	N/A	N/A	N/A	2.00	2.00	3.00	3.00
Food Service	7.00	7.00	5.00	N/A	N/A	N/A	2.00	4.00	4.00	3.00
Other	3.00	1.00	-	N/A	N/A	N/A	-	2.00	2.00	2.00
Totals	13.00	10.00	7.00	-	-	-	4.00	8.00	9.00	8.00
Total Employees	83.07	75.16	69.16	-	-	-	53.00	46.00	55.00	48.00

Note: Information for fiscal years 2015-2017 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				
	2021	2020	2019	2018	2017 (1)
Land	\$ 151,690	\$ 151,690	\$ 151,690	\$ 151,690	\$ 151,690
Land Improvements	31,871	38,965	46,139	53,391	60,645
Buildings and Improvements	1,254,679	1,330,204	1,405,729	1,481,256	1,556,780
Furniture/Equipment/Fixtures	137,582	204,326	277,586	337,293	423,232
Total Governmental Activities Capital Assets, net	<u>\$ 1,575,822</u>	<u>\$ 1,725,185</u>	<u>\$ 1,881,144</u>	<u>\$ 2,023,630</u>	<u>\$ 2,192,347</u>
	Governmental Activities				
	2016	2015	2014	2013	2012
Land	\$ 192,660	\$ 192,660	\$ 192,660	\$ 192,660	\$ 192,660
Construction in Progress	320,004	147,766	131,656	-	-
Land Improvements	65,984	73,756	81,528	89,300	97,072
Buildings and Improvements	1,453,670	1,049,447	837,062	889,393	942,131
Furniture/Equipment/Fixtures	54,497	49,468	68,861	89,259	105,707
Vehicles	34,005	56,675	80,595	113,265	149,309
Total Governmental Activities Capital Assets, net	<u>\$ 2,120,820</u>	<u>\$ 1,569,772</u>	<u>\$ 1,392,362</u>	<u>\$ 1,373,877</u>	<u>\$ 1,486,879</u>

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
2012	\$ 8,161,804	462	\$ 17,666	-10.68%	38	12.2
2013	7,669,931	391	19,616	11.04%	33	11.8
2014	7,529,491	377	19,972	1.81%	38	9.9
2015	7,458,973	586	12,729	-36.27%	38	15.4
2016	6,681,939	359	18,613	46.23%	31	11.6
2017	7,457,161	353	21,125	13.50%	31	11.4
2018	5,287,470	343	15,415	-27.03%	32	10.7
2019	7,131,705	330	21,611	40.19%	28	11.8
2020	9,016,805	313	28,808	33.30%	31	10.1
2021	8,216,012	277	29,661	2.96%	23	12.0

Source: District Records.

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

REGULAR AUDIT

**FOR THE FISCAL YEAR ENDED
JUNE 30, 2021**

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

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

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

To the Board of Education:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the 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, 2021, 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 17, 2021, wherein we noted as described Note 18 to the financial statements, the financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the 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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the 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*.

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 17, 2021

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 2/22/2022

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