

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



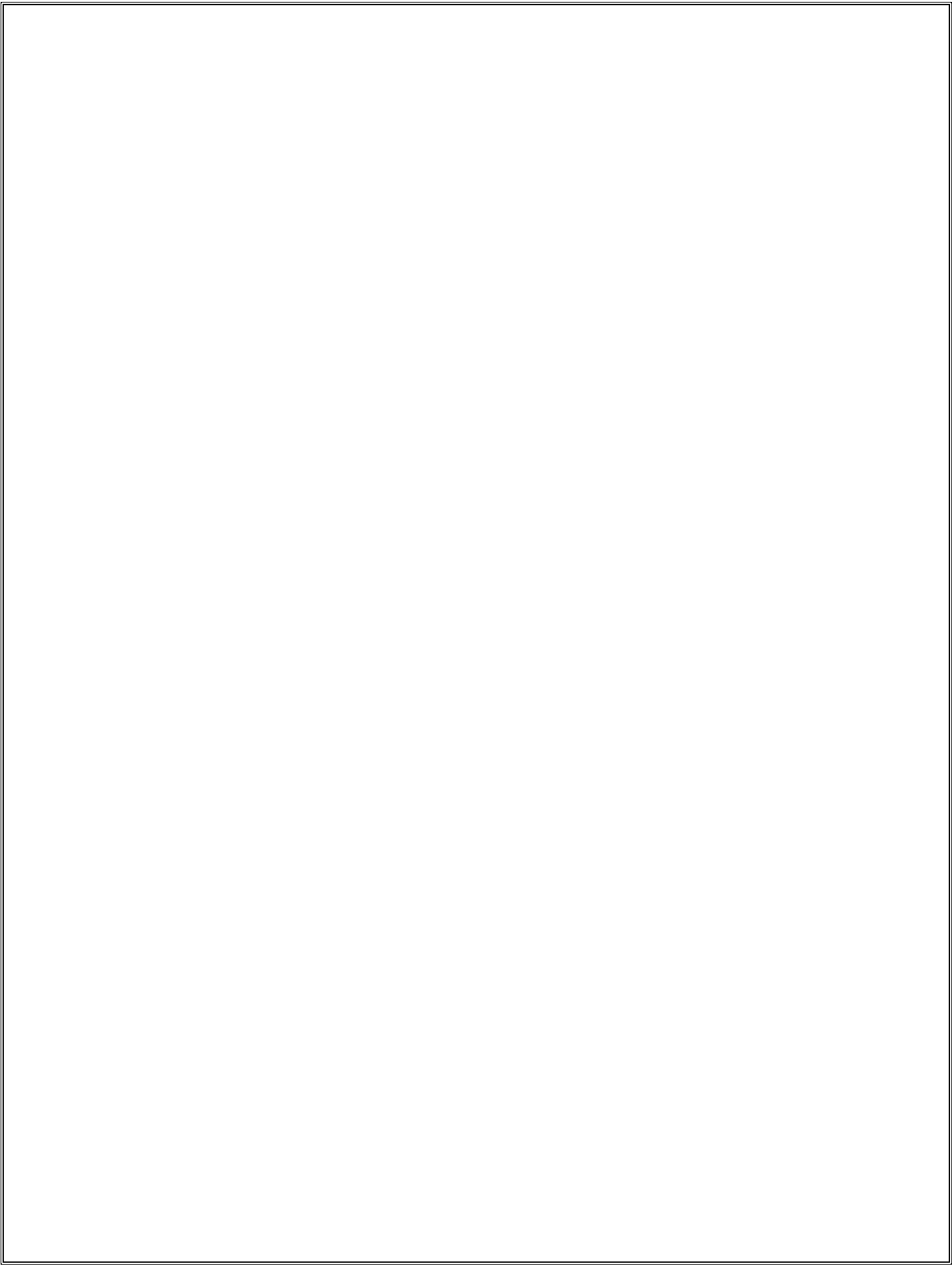
## **COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**FOR THE  
FISCAL YEAR ENDED JUNE 30, 2018**



COMPREHENSIVE  
ANNUAL FINANCIAL REPORT  
OF THE  
JEFFERSON TOWNSHIP  
LOCAL SCHOOL DISTRICT  
MONTGOMERY COUNTY, OHIO  
FOR THE  
FISCAL YEAR ENDED JUNE 30, 2018

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**

**COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

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# Jefferson Township Local Schools

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

**TREASURER/CFO**  
Craig A. Jones

## BOARD OF EDUCATION

Rev. Cuttino Dargan  
Mr. Rochester Dixon  
Dr. Vilma Helms  
Mr. C. V. Mitchell, III  
Mr. Emmett C. Orr

December 20, 2018

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

We are pleased to present the Comprehensive Annual Financial Report (CAFR) of the Jefferson Township School District (the "District") for the fiscal year ended June 30, 2018. Responsibility for both the accuracy of the presented data, and the completeness and fairness of the presentation, including all disclosures, rests with the District. This report is prepared in conformance with generally accepted accounting principles (GAAP) as set forth by the Governmental Accounting Standards Board (GASB) and other recognized authoritative sources. 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 and account groups 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 Ohio Auditor of State.

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.

The Ohio Auditor of State has issued an unmodified opinion on the District's financial statements for the fiscal year ended June 30, 2018. The report of the independent auditors' is located in the front of the financial section of this report.

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

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

## **DISTRICT OVERVIEW**

### **The District and Its Facilities**

The District is located in Montgomery County (County) approximately 80 miles west of the City of Columbus and 54 miles north of the City of Cincinnati. The District's total area is approximately 25.5 square miles. The District provides educational services, as mandated by state and/or federal laws, to children located within its boundaries. For the 2017-2018 school year, the District had 343 enrolled students, and is projecting that enrollment will remain stable for the near future. Jefferson Township is home to 7,000 residents and over 400 jobs.

### **District Facilities**

Name of Building	Grades	Enrollment (2017-2018)	Square Feet	Year Building Completed
Blairwood Elementary	PK-6	185	38,500	1962
Jefferson Jr./Sr. High School	7-12	128	71,400	1966
Total	n/a	343	109,900	n/a

## 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.

Official	Office	Expiration of Current Term	Beginning of Tenure
C. V. Mitchell, III	President	12/31/2019	01/01/2010
Emmett Orr	Vice President	12/31/2021	01/01/2010
Rev. Cuttino Dargan	Member	12/31/2021	01/01/2010
Rochester Dixon	Member	12/31/2021	02/12/2018
Dr. Vilma Helms	Member	12/31/2019	01/01/2004

C. V. Mitchell, III was elected 11/03/2009 to fill the unexpired term ending 12/31/2011 of Robin J. Mobley.  
Rochester Dixon was appointed 02/12/2018 to fill the expired term ending 12/31/2017 of Johnnie Kimberlin.  
Dr. Vilma Helms was elected 11/07/2017 to fill the unexpired term ending 12/31/2017.

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 was the Superintendent of record for this reporting period.

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. He previously served as Treasurer/CFO for Dayton City Schools, Troy City Schools, Lakota Local Schools (Butler County), and Jefferson Township Local Schools. Mr. Jones holds a Bachelor of Science degree in Business Administration, with a dual major in accounting and finance, from Ohio Northern University. He is a Certified Public Finance Officer as well as a Certified Government Financial Manager. He was the Treasurer/CFO of record for this reporting period.

## **DISTRICT ORGANIZATION AND REPORTING ENTITY**

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

The reporting entity is comprised of the primary government, component units, and other organizations that are included to ensure the financial statements of the District are not misleading.

Component units are legally separate organizations for which the District is financially accountable. The District is financially accountable for an organization if the District appoints a voting majority of the organization's Governing Board and (1) the District is able to significantly influence the programs or services performed or provided by the organization; or (2) the District is legally entitled to or can otherwise have access to the organization's resources; or (3) the District is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or (4) the District is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the District in that the District approves the budget, the issuance of debt or the levying of taxes. Certain organizations are also included as component units if the nature and significance of the relationship between the primary government and the organization is such that exclusion by the primary government would render the primary government's financial statements incomplete or misleading. Currently, the District does not have any component units. Below are jointly governed organizations and 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 2018, the District paid META Solutions \$35,542 for services. Financial information can be obtained from Dave Varda, 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 School 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. The MSA has a population of 800,683 with a median age of 39.5 with a median household income of \$51,427. The economy of the Dayton, OH MSA employs 369,917 people and the poverty rate is 16.1% while the median property value is \$129,700. 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.

Wright Patterson Air Force Base (WPAFB) has a historically significant tie to this community and to aviation as a whole. Currently, this facility is the largest single site employer within the State of Ohio and has over 27,500 military and civilian employees. This translates into an economic impact over \$5 billion. The Base is headquarters for the Aeronautical Systems Center (ASC) – the foremost aeronautical acquisition center in the U.S. Air Force.

New construction and business expansions continue the optimism and reinforce broader-based business and consumer confidence. The Hollywood Gaming at Dayton Raceway, also known as the Racino, opened in late August 2014. Penn National Gaming invested \$250 million in the facility which features over 1,000 video lottery terminals, and a 5/8 mile race track for harness racing. The Racino employees about 500 people. In 2017, Dayton Children's Hospital completed a \$141 million 260,000 square foot, eight-story patient tower. The hospital currently employees approximately 1,500 people. CareSource, Ohio’s largest Medicaid managed care provider, is in the process of expanding its footprint downtown with construction of a new seven-story office building, scheduled for completion in 2019.

Further, the Dayton International Airport has weathered the departure of Southwest Airlines by continuing to develop its surrounding real estate. In addition to the 77,000 square foot maintenance hangar built by PSA airlines in 2016, Spectrum Brands finished construction on its 570,000 square foot \$11 million distribution center, adding about 325 jobs.

Some of the largest for-profit employers in the MSA include: Premier Health Partners, Kettering Health Network, the Kroger Company and LexisNexis. The MSA currently has the highest concentration per capita of scientific and technical personnel in the State.

Twenty-six institutions of higher education located within a 90-mile radius of the MSA provide a ready resource of highly qualified professional employees as well as educational programs and interdisciplinary research programs to support area businesses.

### **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**

### *College Credit Plus*

Ohio's new 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.

For six consecutive school years, students have been able to earn both high school and college credit concurrently. One hundred percent of the graduates in CCP have attended college upon high school graduation. The success of the program continues to grow. In the 2013-2014 school year, two of our graduates received both a high school diploma from the District and an Associate degree from Sinclair Community College. In the 2014-2015 school year, three of our graduates received both a high school diploma from the District and earned an Industry Credential Certification from Sinclair Community College.

Because of the success of this program, the number of students participating has increased significantly. Our goal is to improve student achievement every year, and to continue the trend of students graduating from high school with credits towards a college degree or obtaining a college degree. During the 2015-2016 school year, four seniors graduated with an Associate's Degree. During the 2016-2017 school year, five students, three seniors and two juniors, graduated with an Associate's Degree. In the 2017-18 school year, the following students earned their Associate's degree: Rory Tigler (Liberal Arts Degree), Kennami Stewart (Science Degree), Maur'yana Woodruff (Liberal Arts Degree), Kristopher Benson (Liberal Arts Degree), D'Arrionna Calahan (Liberal Arts Degree), Alexis Banks (Liberal Arts Degree), and Chanelle Works (Liberal Arts Degree). Also during 2017-2018, seniors Victoria Fogel, Class of 2018 valedictorian and Aliah Barker, Class of 2018 salutatorian, earned credits towards a Bachelor's Degree at Wright State University. In addition, Aric Richardson (8<sup>th</sup> grade) is on track to graduate from high school with a Bachelor's Degree in his senior year. During the 2017-2018 school year, 57% of Jefferson Township seniors graduated with college credits.

As Superintendent of the Jefferson Township Local School District, I wholeheartedly support the College Credit Plus Program. The beauty and benefit of the program is that there is no cost to our students and their families. All students are required to do is be prepared to learn, be prepared to be challenged, and embrace the life changing opportunity that College Credit Plus can offer. The rigorous coursework is challenging as well as fulfilling. Our students are charting an impressive course for their academic, professional, and personal future. Our outstanding students have shown tenacity and worked hard while achieving their goals. Our CCP Program is setting a trend of advanced learning and commendable accomplishments; and we plan for this trend to be a common occurrence. Parents, teachers, staff, and upcoming students are supportive and proud of the wonderful opportunity the College Credit Program has to offer. The success of our program in the past is the springboard for this year and beyond. When our students succeed, we all succeed....and their families are the real winners!

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.

		Default Per-Credit Rates Based on Semesters		
Academic Year	Per Pupil Foundation Amount	Ceiling Rate Course delivered on the college campus (83% of Foundation divided by 30 credits)	Mid-Level Rate Course delivered at the high school with faculty instruction (50% of ceiling rate)	Floor Rate Course delivered at the high school, with credentialed teacher (25% of ceiling rate)
2018-19	\$6,020	\$166.55	\$83.28	\$41.64
2017-18	\$6,010	\$166.28	\$83.14	\$41.57

#### *Other Initiatives*

Blairwood Elementary School is our Preschool-6<sup>th</sup> grade building. We are implementing a new building-wide instructional model for our students. This allows for instruction to take place in a uniform manner which provides greater opportunity for differentiated learning. Each classroom will use a minimum of three stations for a 60-minute block dedicated to independent and/or collaborative learning, and 30 minutes of working with the teacher. This allows each teacher the opportunity to move through the classroom and pull out individuals or small groups of students who need intensive intervention. Blended learning with rotations also promotes intentional instruction and learning where students take ownership of their own learning.

#### *Significant Events for 2017-2018*

In 2017, Jefferson Township and the Miami Valley Regional Planning Commission (MVRPC) received the American Planning Association's (APA) "Excellence in Small Town and Rural Planning (STaR) Award" for the *Jefferson Township Future Land Use Strategic Plan*, a comprehensive strategic planning initiative for Jefferson Township in Montgomery County, Ohio. The project designed to bring residents, businesses, and community leaders together to develop the Township's future direction and to draft a course of action.

The project resulted in three major outcomes:

- ✓ Establishment of four community goals;
- ✓ Development of a future land use vision – a place-based strategic framework illustrating the location and types of development opportunity within the Township; and
- ✓ Compilation of a list of implementation strategies for each of the four community goals.

The one overarching guiding principle and the final four goals are as follows:

Guiding Principle: Striving for a positive perception of Jefferson Township

- Goal A: Designating specific areas within the Township for positive business development
- Goal B: Establishing/Expanding infrastructure to support modern technologies throughout the Township
- Goal C: Maintaining the rural nature of the Township
- Goal D: Identifying locations for, and establishing, a larger variety of recreational amenities for citizens, especially children

School Board President C. V. Mitchell, III and Vice President Emmett C. Orr participated as community leadership team members. The Board of Education will incorporate lessons learned in its future policy and planning activities.

In the summer of 2018, the 166<sup>th</sup> Montgomery County Fair was held in Jefferson Township after 165 years in Dayton. The new fairgrounds moved to 645 Infirmary Road from their previous location at 1043 South Main Street. Located in the 72 acre Arthur O. Fisher Park, the new fairgrounds attracted nearly 27,000 people, an increase of about 13,000 from 2017. A main event center with 26,000 square feet and an exhibit hall with 16,000 square feet were constructed. Both are climate-controlled.

## 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.

The grade ranges for the various components are indicated below:

1. Achievement Component
  - Performance Index (75%)
  - Indicators Met (25%)

Score	Letter Grade
90 - 100%	A
80 - 89.9%	B
70 - 79.9%	C
50 - 69.9%	D
Below 50%	F

2. Progress Component
  - All Students (55%);
  - Gifted Students (15%);
  - Students with Disabilities (15%);
  - Students whose academic performance is in the lowest 20 percent of students statewide (15%)

Score	Letter Grade
+2 and higher	A
>= to +1 but < +2	B
>= to -1 but < +1	C
>= to -2 but < -1	D
Less than -2	F



3. Gap Closing Component

- Annual Measurable Objectives (AMO) measure the academic performance of specific groups of students, such as racial and demographic groups.

Score	Letter Grade
90% - 100%	A
80% - 89.9%	B
70% - 79.9%	C
60% - 69.9%	D
Less Than 60%	F

4. Graduation Rate Component

- Four-year Graduation Rate (60%)
- Five-year Graduation Rate (40%)

<u>Four-Year Graduation Rate</u>		<u>Five-Year Graduation Rate</u>	
Score	Letter Grade	Score	Letter Grade
93% - 100%	A	95% - 100%	A
89% - 92.9%	B	90% - 94.9%	B
84% - 88.9%	C	85% - 89.9%	C
79% - 83.9%	D	80% - 84.9%	D
Less than 79%	F	Less than 80%	F

5. Improving At-Risk K-3 Readers Component

- Improving At-Risk K-3 Readers

Score	Letter Grade
78.3% - 100%	A
56.6% - 78.2%	B
34.9% - 56.5%	C
13.2% - 34.8%	D
Less Than 13.1%	F

6. Prepared for Success Component

- College Entrance Exam (ACT/SAT)
- College Credit Plus
- Industry-Recognized Credentials
- Honors Diploma
- Advanced Placement
- International Baccalaureate Tests

Score	Letter Grade
93% - 100%	A
75% - 92.9%	B
60% - 74.9%	C
40% - 59.9%	D
Less Than 39.9%	F

### 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; <b>or</b> At least two Priority schools; <b>or</b> A four-year ESSA graduation rate at or below 67 percent; <b>or</b> An F on the Gap Closing component for two consecutive years	Overall D on the Ohio School Report Card; <b>or</b> D or F on the Gap Closing component for the two most recent years; <b>or</b> At least one Priority, Focus, Warning or Watch School	All others

#### DISTRICTS UNDER AN ACADEMIC DISTRESS COMMISSION

Districts are subject to an Academic Distress Commission after receiving an overall “F” on the Ohio School Report Cards for three consecutive years. Before the implementation of the overall grade in 2018, having a grade of “F” on the Performance Index measure and a grade of “F” on the Value-Added overall measure for three consecutive years served as the criteria.

#### INTENSIVE SUPPORT DISTRICTS

Districts are identified as Intensive support districts if they meet any one of the four criteria listed below:

1. Overall “F” on the district’s Ohio School Report Card;
2. A four-year graduation rate of 67 percent or lower;
3. An “F” on the Gap Closing component for the two most recent years; or
4. At least two schools identified as Priority schools.

#### MODERATE SUPPORT DISTRICTS

There are two categories of Moderate support: Moderate ‘D/F’ and Moderate ‘C.’ Districts are identified as Moderate support districts if they meet any one of the three criteria listed below.

##### Moderate “D/F”

1. Overall “D” on the Ohio School Report Card;
2. “D” or “F” on the Gap Closing component for the two most recent years.

##### Moderate “C”

1. At least one school identified as a Priority, Focus, Warning or Watch school.

## WATCH DISTRICTS

Watch districts are identified as districts that received state funding designated to serve one of four specific subgroups of students (students with disabilities, English learners, economically disadvantaged or gifted students) and had one or more of those funded subgroups not show satisfactory progress and achievement.

## INDEPENDENT SUPPORT DISTRICTS

All other districts that do not meet the criteria for an Academic Distress Commission, Intensive or Moderate support are identified as Independent support districts.

## **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 an adequate internal control structure is in place to ensure compliance with applicable laws and regulations related to those programs. This internal control structure is 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 approved a five-year financial forecast of operational revenues and expenditures along with assumptions in October 2018. A surplus of revenues over expenditures is projected for each of the five forecasted fiscal years. Given the uncertainty of future state budgets, local, state and national economic factors, fiscal year 2020 and beyond may deviate significantly from the forecast.

## Internal Controls

The management of the District is responsible for establishing and maintaining an internal control structure 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 2017-2018 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 the Ohio Auditor of State has performed this year's audit. The results of the audit are presented in the Independent Auditor's Report.

### Awards

#### *GFOA Certificate of Achievement*

The fiscal year ended June 30, 2018 will be the first year the District submits a CAFR for an award. The District hopes that the Government Finance Officers Association of the United States and Canada (GFOA) will award a Certificate of Achievement for Excellence in Financial Reporting for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2018. 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 Comprehensive Annual 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*

The fiscal year ended June 30, 2018 will be the first year the District submits a CAFR for an award. The District hopes that the Association of School Business Officials International, a professional organization founded in 1910, will award the District with a Certificate of Excellence in Financial Reporting Award for the preparation and issuance of the fiscal year 2018 school system comprehensive annual financial report. 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 the staff of the Treasurer's Office. 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 on the left is 'Craig A. Jones' and the second signature on the right 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, 2018**

**ELECTED OFFICIALS**

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

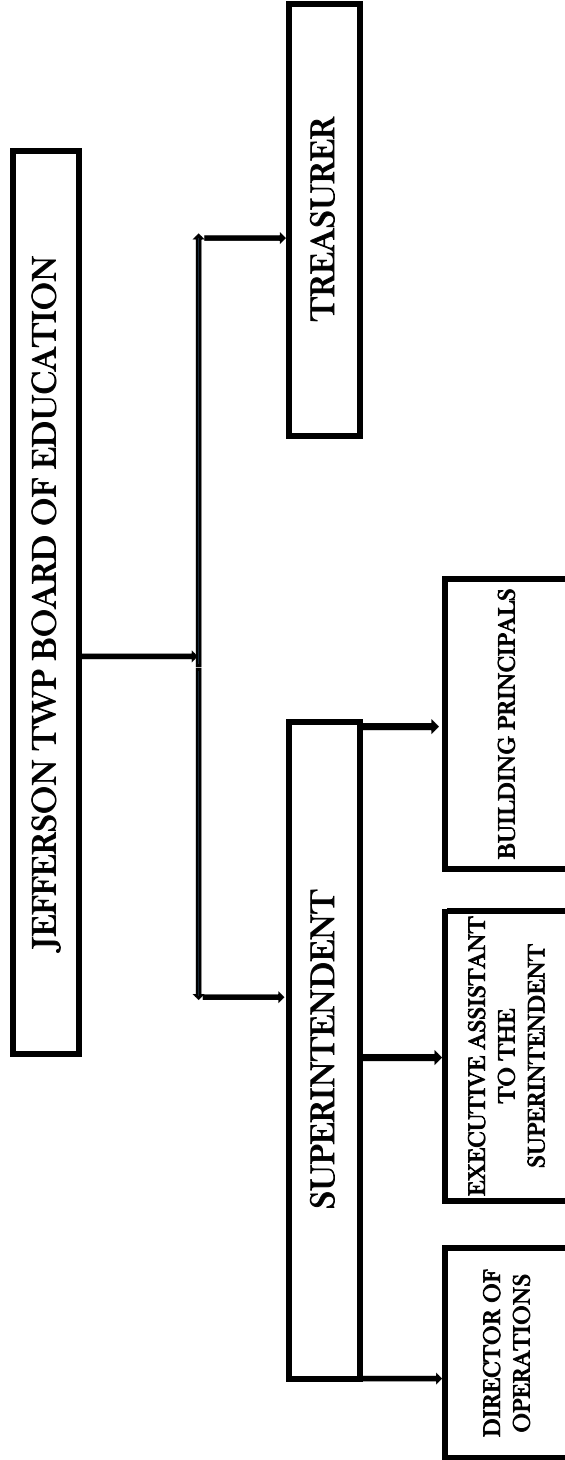
**ADMINISTRATIVE OFFICIALS**

Dr. Richard Gates, Superintendent  
Bobby Bogan, Director of Operations  
Walter Sledge, Jr., Principal, Jefferson Jr./Sr. High School  
Semone Epps, Principal, Blairwood Elementary

**OFFICE OF THE TREASURER**

Craig A. Jones, Treasurer/CFO

**JEFFERSON TOWNSHIP LOCAL SCHOOL DISTRICT**  
**ORGANIZATIONAL CHART**



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## **FINANCIAL SECTION**

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# Dave Yost • Auditor of State

## 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 (the District), as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditor's Responsibility***

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

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

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

### **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the major fund, and the aggregate remaining fund information of the Jefferson Township Local School District, Montgomery County, Ohio, as of June 30, 2018, and the respective changes in financial position thereof for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

### **Emphasis of Matter**

As discussed in Note 3 to the financial statements, during 2018, the District adopted new accounting guidance in Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pension* and restated beginning Capital Assets. We did not modify our opinion regarding these matters.

### **Other Matters**

#### *Required Supplementary Information*

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

#### *Supplementary and Other Information*

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

The introductory section, the financial section's combining statements, individual fund statements and schedules and the statistical section information present additional analysis and are not a required part of the basic financial statements.

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

We did not subject the introductory section and statistical section information to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion or any other assurance on them.

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 20, 2018, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

A handwritten signature in black ink, appearing to read "Dave Yost". The signature is fluid and cursive, with a large loop at the end of the last name.

**Dave Yost**  
Auditor of State  
Columbus, Ohio

December 20, 2018

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018  
(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, 2018. 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 2018 are as follows:

- In total, net position of governmental activities increased \$2,999,108 which represents a 300.40% increase from June 30, 2017's restated net position.
- General revenues accounted for \$6,705,979 in revenue or 80.93% of all revenues. Program specific revenues in the form of charges for services and sales, grants and contributions accounted for \$1,580,599 or 19.07% of total revenues of \$8,286,578.
- The District had \$5,287,470 in expenses related to governmental activities; \$1,580,599 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 \$6,705,979 were adequate to provide for these programs.
- The District's only major governmental fund is the general fund. The general fund had \$7,178,582 in revenues and \$6,477,895 in expenditures and other financing uses. During fiscal year 2018, the general fund's balance increased \$700,687 from a balance of \$6,094,664 to \$6,795,351.

**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 2018?" The statement of net position and statement of activities answer this question. These statements include all assets, deferred outflows of resources, liabilities, deferred inflows of resources, revenues and expenses using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting will take into account all of the current year's revenues and expenses regardless of when cash is received or paid.

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018  
(UNAUDITED)**

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

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

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

**Reporting the District's Most Significant Funds**

***Fund Financial Statements***

The analysis of the District's major governmental fund begins on page 13. Fund financial reports provide detailed information about the District's major funds. The District uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the District's most significant funds. The District's 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. The basic governmental fund financial statements can be found on pages 19-22 of this report.

***Reporting the District's Fiduciary Responsibilities***

The District acts in a trustee capacity as an agent for individuals or other entities. These activities are reported in an agency fund. All of the District's fiduciary activities are reported in a separate statement of fiduciary assets and liabilities on page 23. These activities are excluded from the District's other financial statements because the assets cannot be utilized by the District to finance its operations.

***Notes to the Basic Financial Statements***

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. These notes to the basic financial statements can be found on pages 25-60 of this report.

***Required Supplementary Information***

The schedule of revenues, expenditures, and changes in fund balance - budget and actual (non-GAAP budgetary basis) for the general fund are provided on pages 62-65 of this report. 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. The required supplementary information can be found on pages 66 through 79 of this report.



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

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018  
(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, 2018 and June 30, 2017. The net position at June 30, 2017 has been restated as described in Note 3.A.

	<b>Net Position</b>	
	Governmental Activities 2018	Restated Governmental Activities 2017
<b><u>Assets</u></b>		
Current and other assets	\$ 11,163,093	\$ 10,167,250
Capital assets, net	2,023,630	2,192,347
Total assets	<u>13,186,723</u>	<u>12,359,597</u>
<b><u>Deferred Outflows of Resources</u></b>		
Pension	1,781,387	1,344,683
OPEB	105,359	14,723
Total deferred outflows of resources	<u>1,886,746</u>	<u>1,359,406</u>
<b><u>Liabilities</u></b>		
Current liabilities	411,082	402,091
Long-term liabilities:		
Due within one year	31,044	63,121
Due in more than one year:		
Net pension liability	5,402,351	6,975,794
Net OPEB liability	1,351,638	1,566,085
Other amounts	534,757	580,170
Total liabilities	<u>7,730,872</u>	<u>9,587,261</u>
<b><u>Deferred Inflows of Resources</u></b>		
Property taxes levied for next year	2,526,975	2,398,566
Payment in lieu of taxes levied for next year	6,217	-
Pension	663,963	734,791
OPEB	147,949	-
Total deferred inflows of resources	<u>3,345,104</u>	<u>3,133,357</u>
<b><u>Net Position</u></b>		
Net investment in capital assets	1,546,630	1,693,347
Restricted	523,796	439,625
Unrestricted (deficit)	1,927,067	(1,134,587)
Total net position	<u>\$ 3,997,493</u>	<u>\$ 998,385</u>

The net pension liability (NPL) is the largest single liability reported by the District at June 30, 2018 and is reported pursuant to GASB Statement 68, "Accounting and Financial Reporting for Pensions—an Amendment of GASB Statement 27." For fiscal year 2018, the District adopted GASB Statement 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions," which significantly revises accounting for costs and liabilities related to other postemployment benefits (OPEB). For reasons discussed below, many end users of this financial statement will gain a clearer understanding of the District's actual financial condition by adding deferred inflows related to pension and OPEB, the net pension liability and the net OPEB liability to the reported net position and subtracting deferred outflows related to pension and OPEB.

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018  
(UNAUDITED)**

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

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

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

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

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

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

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

As a result of implementing GASB 75, the District is reporting a net OPEB liability and deferred inflows/outflows of resources related to OPEB on the accrual basis of accounting. This implementation of GASB 75 and the reevaluation of capital assets also had the effect of restating net position at June 30, 2017, from \$2,356,766 to \$998,385.

Over time, net position can serve as a useful indicator of a government's financial position. At June 30, 2018, the District's assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$3,997,493. The increase in net position is due to the reduction of staff, a reduction in the cost of living adjustment in the pension and OPEB calculations, and fewer students served during fiscal year 2018.

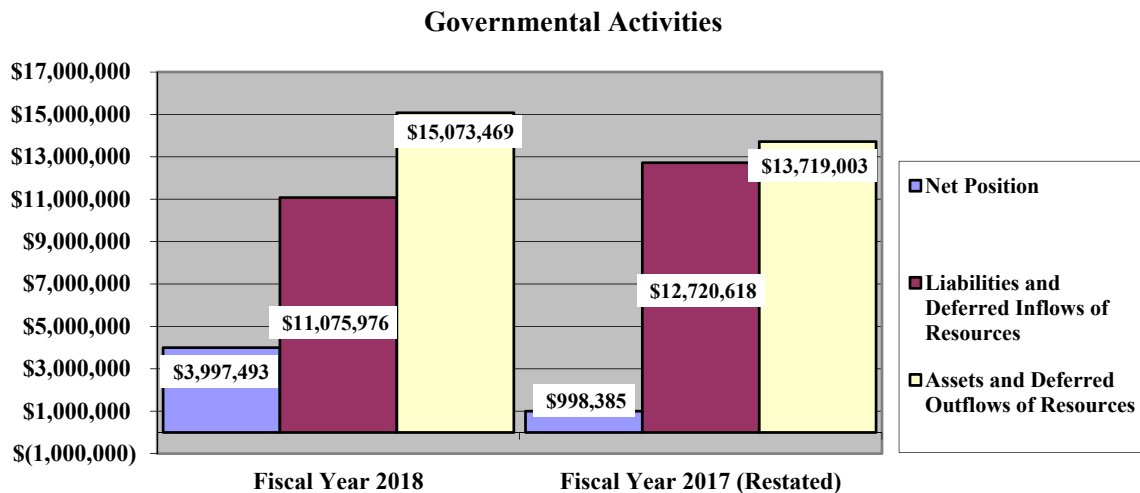
**JEFFERSON TOWNSHIP LOCAL SCHOOL DISTRICT  
MONTGOMERY COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018  
(UNAUDITED)**

At year end, capital assets represented 15.35% 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, 2018, were \$1,546,630. 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.

A portion of the District's net position, \$523,796, represents resources that are subject to external restriction on how they may be used. The remaining balance of unrestricted net position is \$1,927,067.

The table below presents the District's governmental activities liabilities and deferred inflows, net position and assets as of June 30, 2018 and June 30, 2017. The amounts at June 30, 2017 have restated as described in Note 3.A.



The table below shows the change in net position for fiscal years 2018 and 2017. The net position at June 30, 2017 has been restated as described in Note 3.A.

	<b>Change in Net Position</b>	
	Governmental Activities 2018	Restated Governmental Activities 2017
<b><u>Revenues</u></b>		
Program revenues:		
Charges for services and sales	\$ 425,643	\$ 327,931
Operating grants and contributions	1,154,956	1,256,323
General revenues:		
Property taxes	2,814,630	2,653,603
Payments in lieu of taxes	6,217	6,217
Grants and entitlements	3,763,489	3,880,576
Investment earnings	101,754	37,470
Other	19,889	5,791
Total revenues	<u>8,286,578</u>	<u>8,167,911</u>

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018  
(UNAUDITED)**

	<b>Change in Net Position</b>	
	Governmental	Restated
	Activities	Governmental
	<u>2018</u>	<u>2017</u>
<b><u>Expenses</u></b>		
Program expenses:		
Instruction:		
Regular	624,677	1,405,058
Special	1,199,701	1,617,008
Other	1,100,113	1,000,494
Support services:		
Pupil	413,094	489,973
Instructional staff	59,648	156,885
Board of education	48,117	67,107
Administration	316,615	761,580
Fiscal	205,765	213,764
Operations and maintenance	474,512	608,408
Pupil transportation	542,279	676,532
Central	7,000	3,973
Operation of non-instructional services:		
Other non-instructional services	9,538	20,085
Food service operations	200,175	299,016
Extracurricular activities	57,244	106,956
Interest and fiscal charges	<u>28,992</u>	<u>30,322</u>
Total expenses	<u>5,287,470</u>	<u>7,457,161</u>
Change in net position	2,999,108	710,750
Net position at beginning of year (restated)	<u>998,385</u>	<u>N/A</u>
Net position at end of year	<u>\$ 3,997,493</u>	<u>\$ 998,385</u>

The information necessary to restate the 2017 beginning balances and the 2017 OPEB expense amounts for the effects of the initial implementation of GASB 75 is not available. Therefore, 2017 functional expenses still include OPEB expense of \$14,723 computed under GASB 45. GASB 45 required recognizing OPEB expense equal to the contractually required contributions to the plan. Under GASB 75, OPEB expense represents additional amounts earned, adjusted by deferred inflows/outflows. The contractually required contribution is no longer a component of OPEB expense. Under GASB 75, the 2018 statements report negative OPEB expense of \$138,071. Consequently, in order to compare 2018 total program expenses to 2017, the following adjustments are needed:

Total 2018 program expenses under GASB 75	\$ 5,287,470
Negative OPEB expense under GASB 75	138,071
2018 contractually required contributions	<u>19,063</u>
Adjusted 2018 program expenses	5,444,604
Total 2017 program expenses under GASB 45	<u>7,457,161</u>
Decrease in program expenses not related to OPEB	<u>\$ (2,012,557)</u>

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018  
(UNAUDITED)**

**Governmental Activities**

Net position of the District's governmental activities increased \$2,999,108. Total governmental expenses of \$5,287,470 were offset by program revenues of \$1,580,599 and general revenues of \$6,705,979. Program revenues supported 29.89% of the total governmental expenses.

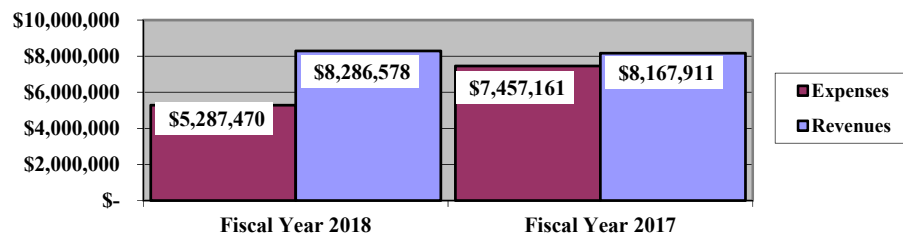
Expenses of the governmental activities decreased \$2,169,691 or 29.10%. This decrease is primarily the result of the State Teachers Retirement System (STRS) indefinitely suspending the Cost of Living Adjustment ("COLA") and the School Employees Retirement System (SERS) lowering the COLA from 3.00% to 2.50%. On an accrual basis, the District reported (\$1,691,911) in pension expense and (\$138,071) in OPEB expense mainly due to these benefit changes.

The primary sources of revenue for governmental activities are derived from property taxes and unrestricted grants and entitlements. These revenue sources represent 79.38% of total governmental revenue.

The largest expense of the District is for instructional programs. Instruction expenses totaled \$2,924,491 or 55.31% of total governmental expenses for fiscal year 2018.

The graph below presents the District's governmental activities revenue and expenses for fiscal years 2018 and 2017.

**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, 2018  
(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.

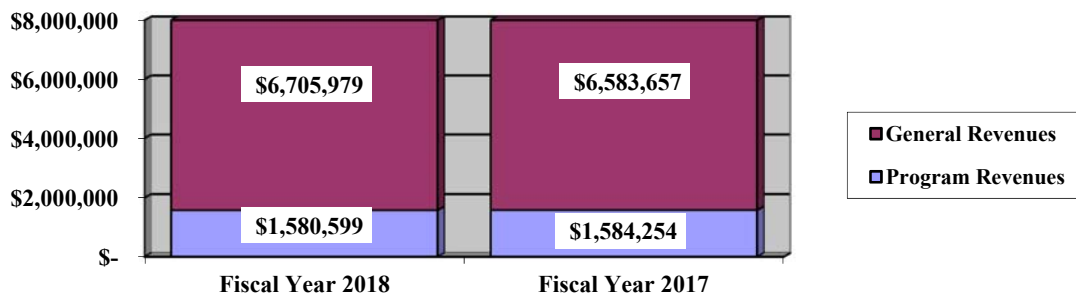
**Governmental Activities**

	Total Cost of Services 2018	Net Cost of Services 2018	Total Cost of Services 2017	Net Cost of Services 2017
<b>Program expenses</b>				
Instruction:				
Regular	\$ 624,677	\$ 142,855	\$ 1,405,058	\$ 1,072,236
Special	1,199,701	424,828	1,617,008	758,330
Other	1,100,113	1,094,641	1,000,494	998,792
Support services:				
Pupil	413,094	410,797	489,973	487,887
Instructional staff	59,648	55,724	156,885	153,285
Board of education	48,117	48,117	67,107	67,107
Administration	316,615	316,615	761,580	761,580
Fiscal	205,765	205,765	213,764	213,764
Operations and maintenance	474,512	474,005	608,408	608,095
Pupil transportation	542,279	542,279	676,532	676,532
Central	7,000	7,000	3,973	3,973
Operation of non-instructional services:				
Other non-instructional services	9,538	438	20,085	2,327
Food service operations	200,175	(86,092)	299,016	(54,189)
Extracurricular activities	57,244	40,907	106,956	92,866
Interest and fiscal charges	28,992	28,992	30,322	30,322
<b>Total expenses</b>	<u><u>\$ 5,287,470</u></u>	<u><u>\$ 3,706,871</u></u>	<u><u>\$ 7,457,161</u></u>	<u><u>\$ 5,872,907</u></u>

The dependence upon tax and other general revenues for governmental activities is apparent, as 56.84% of instruction activities are supported through taxes and other general revenues for fiscal year 2018. For all governmental activities, general revenue support is 70.11% for fiscal year 2018.

The graph below presents the District's governmental activities revenue for fiscal years 2018 and 2017.

**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, 2018  
(UNAUDITED)

**The District's Funds**

The District's governmental funds reported a combined fund balance of \$7,251,428, which is higher than last year's balance of \$6,379,116. The schedule below indicates the fund balance and the total change in fund balance as of June 30, 2018 and 2017.

	<u>Fund Balance June 30, 2018</u>	<u>Fund Balance June 30, 2017</u>	<u>Change</u>	<u>Percentage Change</u>
General	\$ 6,795,351	\$ 6,094,664	\$ 700,687	11.50 %
Other Governmental	<u>456,077</u>	<u>284,452</u>	<u>171,625</u>	60.34 %
Total	<u>\$ 7,251,428</u>	<u>\$ 6,379,116</u>	<u>\$ 872,312</u>	13.67 %

**General Fund**

The District's general fund balance increased \$700,687 overall due to services provided to fewer students during the fiscal year.

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

	<u>2018 Amount</u>	<u>2017 Amount</u>	<u>Change</u>	<u>Percentage Change</u>
<b><u>Revenues</u></b>				
Property taxes	\$ 2,703,831	\$ 2,592,149	\$ 111,682	4.31 %
Tuition	356,131	254,726	101,405	39.81 %
Earnings on investments	101,754	37,470	64,284	171.56 %
Intergovernmental	3,990,760	4,164,525	(173,765)	(4.17) %
Other revenues	<u>26,106</u>	<u>12,008</u>	<u>14,098</u>	117.41 %
Total	<u>\$ 7,178,582</u>	<u>\$ 7,060,878</u>	<u>\$ 117,704</u>	1.67 %
<b><u>Expenditures</u></b>				
Instruction	\$ 3,506,233	\$ 3,353,181	\$ 153,052	4.56 %
Support services	2,824,352	2,908,775	(84,423)	(2.90) %
Extracurricular activities	97,310	87,562	9,748	11.13 %
Facilities acquisition and construction	-	5,336	(5,336)	(100.00) %
Debt service	<u>-</u>	<u>10,200</u>	<u>(10,200)</u>	(100.00) %
Total	<u>\$ 6,427,895</u>	<u>\$ 6,365,054</u>	<u>\$ 62,841</u>	0.99 %

Earning on investment increased 171.56% from 2017 due to increased amounts in investment accounts. Tuition revenues increased by 39.81% from 2017 which can primarily be attributed to regular instructional tuition increasing throughout the District. Taxes increased \$111,682 or 4.31% primarily due to increased property tax collections in fiscal year 2018. Instruction expenditures increased 4.56% due to an increase in special and other instruction related expenditures. Support expenditures decreased 2.90% due to less instructional staff, board of education, operations and maintenance, and pupil transportation expenditures in fiscal year 2018. Facilities acquisitions and construction expense decreased due to fewer costs of repair and maintenance throughout the District in fiscal year 2018. Debt service expenditures decreased to \$0 since the District's only capital lease matured in fiscal year 2017. All other revenues and expenditures remained comparable to the prior year.

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018  
(UNAUDITED)**

***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 2018, the general fund, original budgeted revenues and other financing sources were \$7,030,950. Final budgeted revenues and other financing sources were \$7,415,969. Actual revenues and other financing sources for fiscal year 2018 were \$7,363,325. This represents an \$52,644 decrease from final budgeted revenues and other financing sources.

General fund original appropriations (appropriated expenditures plus other financing uses) totaled \$7,591,318. Final appropriations totaled \$7,711,318. The actual budget basis expenditures and other financing uses for fiscal year 2018 totaled \$6,999,239, which was \$712,079 less than the final budget appropriations. This decrease is due to the District's conservative budgeting approach.

**Capital Assets and Debt Administration**

***Capital Assets***

At the end of fiscal year 2018, the District had \$2,023,630 (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, 2018 balances compared to June 30, 2017. The amounts at June 30, 2017 have been restated as described in Note 3.A.

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

	Governmental Activities	
	2018	Restated 2017
Land	\$ 151,690	\$ 151,690
Land improvements	53,391	60,645
Building and improvements	1,481,256	1,556,780
Furniture and equipment	337,293	423,232
Vehicles	-	-
Total	<u>\$ 2,023,630</u>	<u>\$ 2,192,347</u>

The overall decrease in capital assets of \$168,717 is due to the District having depreciation expense of \$168,717 and no capital asset additions in fiscal year 2018.

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



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

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018  
(UNAUDITED)**

***Debt Administration***

At June 30, 2018, the District had \$477,000 in lease purchase agreements. Of this total, \$23,000 is due within one year and \$454,000 is due in greater than one year. The following table summarizes the debt outstanding.

**Outstanding Debt, at Year End**

	Governmental Activities <u>2018</u>	Governmental Activities <u>2017</u>
Lease purchase agreement	\$ 477,000	\$ 499,000
Total	<u>\$ 477,000</u>	<u>\$ 499,000</u>

At June 30, 2018, the District's overall legal debt margin was \$8,763,889, and an unvoted debt margin of \$97,377.

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

**Current Financial Related Activities**

The District is located in an area of Montgomery County that is mainly rural in nature with relatively small assessed value for the generation of property taxes. The District also relies heavily on State funding as nearly fifty 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, 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, 2018

	<b>Governmental Activities</b>
<b>Assets:</b>	
Equity in pooled cash and cash equivalents. . .	\$ 7,385,447
Receivables:	
Property taxes . . . . .	3,577,200
Payment in lieu of taxes . . . . .	6,217
Accounts. . . . .	4,509
Intergovernmental . . . . .	161,758
Prepayments . . . . .	4,124
Materials and supplies inventory. . . . .	22,844
Inventory held for resale. . . . .	994
Capital assets:	
Nondepreciable capital assets . . . . .	151,690
Depreciable capital assets, net. . . . .	1,871,940
Capital assets, net . . . . .	2,023,630
Total assets. . . . .	<u>13,186,723</u>
<b>Deferred outflows of resources:</b>	
Pension . . . . .	1,781,387
OPEB . . . . .	105,359
Total deferred outflows of resources . . . . .	<u>1,886,746</u>
<b>Liabilities:</b>	
Accounts payable. . . . .	60,845
Accrued wages and benefits payable . . . . .	252,070
Intergovernmental payable . . . . .	27,897
Pension and postemployment benefits payable . . . . .	70,270
Long-term liabilities:	
Due within one year. . . . .	31,044
Due in more than one year:	
Net pension liability . . . . .	5,402,351
Net OPEB liability . . . . .	1,351,638
Other amounts due in more than one year . . . . .	534,757
Total liabilities . . . . .	<u>7,730,872</u>
<b>Deferred inflows of resources:</b>	
Property taxes levied for the next fiscal year. . .	2,526,975
Payment in lieu of taxes levied for the next fiscal year	6,217
Pension . . . . .	663,963
OPEB . . . . .	147,949
Total deferred inflows of resources . . . . .	<u>3,345,104</u>
<b>Net position:</b>	
Net investment in capital assets . . . . .	1,546,630
Restricted for:	
Capital projects . . . . .	284,950
State funded programs. . . . .	3,600
Federally funded programs . . . . .	30,393
Student activities . . . . .	38,038
Food service operations. . . . .	166,815
Unrestricted . . . . .	1,927,067
Total net position. . . . .	<u>\$ 3,997,493</u>

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, 2018

		Program Revenues		Net (Expense) Revenue and Changes in Net Position
	Expenses	Charges for Services and Sales	Operating Grants and Contributions	Governmental Activities
<b>Governmental activities:</b>				
Instruction:				
Regular . . . . .	\$ 624,677	\$ 356,131	\$ 125,691	\$ (142,855)
Special . . . . .	1,199,701	-	774,873	(424,828)
Other . . . . .	1,100,113	-	5,472	(1,094,641)
Support services:				
Pupil . . . . .	413,094	-	2,297	(410,797)
Instructional staff . . . . .	59,648	-	3,924	(55,724)
Board of education . . . . .	48,117	-	-	(48,117)
Administration . . . . .	316,615	-	-	(316,615)
Fiscal . . . . .	205,765	-	-	(205,765)
Operations and maintenance . . . . .	474,512	94	413	(474,005)
Pupil transportation . . . . .	542,279	-	-	(542,279)
Central . . . . .	7,000	-	-	(7,000)
Operation of non-instructional services:				
Other non-instructional services . . . . .	9,538	-	9,100	(438)
Food service operations . . . . .	200,175	53,081	233,186	86,092
Extracurricular activities . . . . .	57,244	16,337	-	(40,907)
Interest and fiscal charges . . . . .	28,992	-	-	(28,992)
Total governmental activities . . . . .	<u>\$ 5,287,470</u>	<u>\$ 425,643</u>	<u>\$ 1,154,956</u>	<u>(3,706,871)</u>
<b>General revenues:</b>				
Property taxes levied for:				
General purposes . . . . .				2,733,551
Capital projects . . . . .				81,079
Payments in lieu of taxes . . . . .				6,217
Grants and entitlements not restricted to specific programs . . . . .				3,763,489
Investment earnings . . . . .				101,754
Miscellaneous . . . . .				19,889
Total general revenues . . . . .				<u>6,705,979</u>
Change in net position . . . . .				2,999,108
Net position at beginning of year (restated) . . . . .				<u>998,385</u>
Net position at end of year . . . . .				<u>\$ 3,997,493</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2018

	<u>General</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>Assets:</b>			
Equity in pooled cash and cash equivalents. . . . .	\$ 6,871,216	\$ 514,231	\$ 7,385,447
Receivables:			
Property taxes. . . . .	3,474,406	102,794	3,577,200
Payment in lieu of taxes . . . . .	6,217	-	6,217
Accounts . . . . .	4,431	78	4,509
Interfund loans . . . . .	81,215	-	81,215
Intergovernmental. . . . .	39,130	122,628	161,758
Prepayments. . . . .	4,124	-	4,124
Materials and supplies inventory. . . . .	21,317	1,527	22,844
Inventory held for resale. . . . .	-	994	994
Total assets . . . . .	<u>\$ 10,502,056</u>	<u>\$ 742,252</u>	<u>\$ 11,244,308</u>
<b>Liabilities:</b>			
Accounts payable . . . . .	\$ 59,645	\$ 1,200	\$ 60,845
Accrued wages and benefits payable . . . . .	200,367	51,703	252,070
Intergovernmental payable . . . . .	27,124	773	27,897
Pension and postemployment benefits payable . . . . .	57,777	12,493	70,270
Interfund loans payable. . . . .	-	81,215	81,215
Total liabilities. . . . .	<u>344,913</u>	<u>147,384</u>	<u>492,297</u>
<b>Deferred inflows of resources:</b>			
Property taxes levied for the next fiscal year. . . . .	2,453,966	73,009	2,526,975
Payment in lieu of taxes levied for the next fiscal year. . . . .	6,217	-	6,217
Delinquent property tax revenue not available. . . . .	886,019	25,856	911,875
Intergovernmental revenue not available. . . . .	15,590	39,926	55,516
Total deferred inflows of resources . . . . .	<u>3,361,792</u>	<u>138,791</u>	<u>3,500,583</u>
<b>Fund balances:</b>			
Nonspendable:			
Materials and supplies inventory. . . . .	21,317	1,527	22,844
Prepays. . . . .	4,124	-	4,124
Restricted:			
Capital improvements . . . . .	-	259,094	259,094
Food service operations . . . . .	-	169,264	169,264
Other purposes. . . . .	-	3,600	3,600
Extracurricular. . . . .	-	38,038	38,038
Committed:			
Underground storage tank. . . . .	11,000	-	11,000
Assigned:			
Student instruction . . . . .	89,918	-	89,918
Student and staff support. . . . .	251,136	-	251,136
Extracurricular activities . . . . .	900	-	900
Subsequent year's appropriations . . . . .	555,613	-	555,613
Other purposes. . . . .	3,053	-	3,053
Unassigned (deficit) . . . . .	<u>5,858,290</u>	<u>(15,446)</u>	<u>5,842,844</u>
Total fund balances . . . . .	<u>6,795,351</u>	<u>456,077</u>	<u>7,251,428</u>
Total liabilities, deferred inflows of resources and fund balances. . . . .	<u>\$ 10,502,056</u>	<u>\$ 742,252</u>	<u>\$ 11,244,308</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO  
NET POSITION OF GOVERNMENTAL ACTIVITIES  
JUNE 30, 2018

<b>Total governmental fund balances</b>		\$ 7,251,428
<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.		2,023,630
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred inflows in the funds.		
Property taxes receivable	\$ 911,875	
Intergovernmental receivable	55,516	
Total		967,391
The net pension liability is not due and payable in the current period; therefore, the liability and related deferred inflows/outflows are not reported in governmental funds.		
Deferred outflows of resources - pension	1,781,387	
Deferred inflows of resources - pension	(663,963)	
Net pension liability	(5,402,351)	
Total		(4,284,927)
The net OPEB liability is not due and payable in the current period; therefore, the liability and related deferred inflows/outflows are not reported in governmental funds.		
Deferred outflows of resources - OPEB	105,359	
Deferred inflows of resources - OPEB	(147,949)	
Net OPEB liability	(1,351,638)	
Total		(1,394,228)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.		
Lease purchase agreement	(477,000)	
Compensated absences	(88,801)	
Total		(565,801)
<b>Net position of governmental activities</b>		<u><u>\$ 3,997,493</u></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, 2018

	<u>General</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>Revenues:</b>			
From local sources:			
Property taxes . . . . .	\$ 2,703,831	\$ 80,180	\$ 2,784,011
Payment in lieu of taxes . . . . .	6,217	-	6,217
Tuition. . . . .	356,131	-	356,131
Earnings on investments . . . . .	101,754	2,071	103,825
Charges for services . . . . .	-	53,175	53,175
Extracurricular. . . . .	-	16,337	16,337
Contributions and donations . . . . .	11	-	11
Other local revenues . . . . .	19,878	-	19,878
Intergovernmental - state . . . . .	3,988,494	131,621	4,120,115
Intergovernmental - federal . . . . .	2,266	832,729	834,995
Total revenues . . . . .	<u>7,178,582</u>	<u>1,116,113</u>	<u>8,294,695</u>
<b>Expenditures:</b>			
Current:			
Instruction:			
Regular. . . . .	1,260,730	100,092	1,360,822
Special . . . . .	1,145,390	557,342	1,702,732
Other . . . . .	1,100,113	-	1,100,113
Support services:			
Pupil . . . . .	574,745	-	574,745
Instructional staff . . . . .	127,277	345	127,622
Board of education . . . . .	26,332	-	26,332
Administration . . . . .	790,270	-	790,270
Fiscal . . . . .	225,648	1,243	226,891
Operations and maintenance . . . . .	511,900	427	512,327
Pupil transportation . . . . .	561,180	-	561,180
Central . . . . .	7,000	-	7,000
Operation of non-instructional services:			
Other operation of non-instructional. . . . .	-	9,538	9,538
Food service operations. . . . .	-	241,542	241,542
Extracurricular activities . . . . .	97,310	32,967	130,277
Debt service:			
Principal retirement. . . . .	-	22,000	22,000
Interest and fiscal charges . . . . .	-	28,992	28,992
Total expenditures . . . . .	<u>6,427,895</u>	<u>994,488</u>	<u>7,422,383</u>
Excess of revenues over expenditures . . . . .	<u>750,687</u>	<u>121,625</u>	<u>872,312</u>
<b>Other financing sources (uses):</b>			
Transfers in. . . . .	-	50,000	50,000
Transfers (out) . . . . .	(50,000)	-	(50,000)
Total other financing sources (uses) . . . . .	<u>(50,000)</u>	<u>50,000</u>	<u>-</u>
Net change in fund balances . . . . .	700,687	171,625	872,312
<b>Fund balances at beginning of year. . . . .</b>	<u>6,094,664</u>	<u>284,452</u>	<u>6,379,116</u>
<b>Fund balances at end of year . . . . .</b>	<u><u>\$ 6,795,351</u></u>	<u><u>\$ 456,077</u></u>	<u><u>\$ 7,251,428</u></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, 2018

<b>Net change in fund balances - total governmental funds</b>	<b>\$</b>	<b>872,312</b>
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*Amounts reported for governmental activities in the statement of activities are different because:*

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.

Current year depreciation		(168,717)
---------------------------	--	-----------

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.

Property taxes	30,619	
Intergovernmental	(39,745)	
Total		(9,126)

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.	22,000
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Contractually required pension contributions are reported as expenditures in governmental funds; however, the statement of activities reports these amounts as deferred outflows.	389,064
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Except for amounts reported as deferred inflows/outflows, changes in the net pension liability are reported as pension expense in the statement of activities.	1,691,911
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Contractually required OPEB contributions are reported as expenditures in governmental funds; however, the statement of activities reports these amounts as deferred outflows.	19,063
--	--------

Except for amounts reported as deferred inflows/outflows, changes in the net OPEB liability are reported as OPEB expense in the statement of activities.	138,071
--	---------

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.	44,530
--	--------

<b>Change in net position of governmental activities</b>	<b>\$</b>	<b>2,999,108</b>
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SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS



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

STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES  
FIDUCIARY FUND  
JUNE 30, 2018

	<u>Agency</u>
<b>Assets:</b>	
Equity in pooled cash and cash equivalents . . . . .	\$ 4,807
Total assets. . . . .	<u>\$ 4,807</u>
<b>Liabilities:</b>	
Due to students. . . . .	\$ 4,807
Total liabilities . . . . .	<u>\$ 4,807</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

**NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

**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 high school. The District employs 16 non-certified, 32 certified employees and 5 administrators to provide services to 343 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 BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

**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 2018, the District paid META Solutions \$35,542 for services. Financial information can be obtained from Dave Varda, 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.

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

**NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

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

**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.

***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 agency funds. Trust funds are used to account for assets held by the District under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the District's own programs. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The District's agency fund accounts for student activities.

**C. Basis of Presentation and Measurement Focus**

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

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

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

**NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

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

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. Fiduciary funds are reported by fund type.

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

Agency funds do not report a measurement focus as they do not report operations.

**D. Basis of Accounting**

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

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

**NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

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

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, respectively.

In addition to liabilities, both the government-wide statement of net position and the governmental fund financial statements report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. For the District, deferred inflows of resources include property taxes, 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, 2018, but which were levied to finance fiscal year 2019 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, 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 in a central bank account. 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 2018, 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.

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

**NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

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

For fiscal year 2018, there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, notice must be given 24 hours in advance of all deposits and withdrawals exceeding \$25 million. STAR Ohio reserves the right to limit the transaction to \$100 million, requiring the excess amount to be transacted the following business day(s), but only to the \$100 million limit. All accounts of the participant will be combined for these purposes.

Under existing Ohio statutes 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 2018 amounted to \$101,754, which includes \$4,658 assigned from other District funds.

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

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

**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 three-thousand-dollars. 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



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

**NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

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

**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.

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, 2018, 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, 2018 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. Lease purchase agreements and 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, compensated absences and pension obligations 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.

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

**NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

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

**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.

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.

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

**NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

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

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.

**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, 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 2018.

**R. Fair Market 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.

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

**NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

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

**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.

**NOTE 3 - ACCOUNTABILITY AND COMPLIANCE**

**A. Change in Accounting Principles/Restatement of Net Position**

For fiscal year 2018, the District has implemented GASB Statement No. 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pension", GASB Statement No. 81 "Irrevocable Split-Interest Agreements" GASB Statement No. 85, "Omnibus 2017" and GASB Statement No. 86, "Certain Debt Extinguishments".

GASB Statement No. 75 improves the accounting and financial reporting by state and local governments for postemployment benefits other than pension (OPEB). It also improves information provided by state and local governmental employers about financial support for OPEB that is provided by other entities. The implementation of GASB Statement No. 75 effected the District's postemployment benefit plan disclosures, as presented in Note 13 to the basic financial statements and added required supplementary information which is presented on pages 62-79.

GASB Statement No. 81 improves the accounting and financial reporting for irrevocable split-interest agreements by providing recognition and measurement guidance for situations in which a government is a beneficiary of the agreement. The implementation of GASB Statement No. 81 did not have an effect on the financial statements of the District.

GASB Statement No. 85 addresses practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics including issues related to blending component units, goodwill, fair value measurement and application, and OPEB. The implementation of GASB Statement No. 85 did not have an effect on the financial statements of the District.

GASB Statement No. 86 improves consistency in accounting and financial reporting for in-substance defeasance of debt by providing guidance for transactions in which cash and other monetary assets acquired with only existing resources - resources other than the proceeds of refunding debt - are placed in an irrevocable trust for the sole purpose of extinguishing debt. This Statement also improves accounting and financial reporting for prepaid insurance on debt that is extinguished and notes to financial statements for debt that is defeased in substance. The implementation of GASB Statement No. 86 did not have an effect on the financial statements of the District.

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

**NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

**NOTE 3 - ACCOUNTABILITY AND COMPLIANCE – (Continued)**

A net position restatement is required in order to implement GASB Statement No 75. The net position has also been restated to restate capital assets due to a reappraisal of the District's capital assets. The governmental activities at July 1, 2017 have been restated as follows:

	<u>Governmental Activities</u>
Net position as previously reported	\$ 2,356,766
Deferred outflows - payments subsequent to measurement date	14,723
Net OPEB liability	(1,566,085)
Restatement of capital assets	<u>192,981</u>
Restated net position at July 1, 2017	<u>\$ 998,385</u>

Other than employer contributions subsequent to the measurement date, the District made no restatement for deferred inflows/outflows of resources as the information needed to generate these restatements was not available. The restatement had no effect on fund balances.

**B. Deficit Fund Balances**

Fund balances at June 30, 2018 included the following individual fund deficits:

<u>Nonmajor funds</u>	<u>Deficit</u>
IDEA Part-B	\$ 1,452
Title I	13,993
Improving teacher quality	1

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

**NOTE 4 - DEPOSITS AND INVESTMENTS**

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

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

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

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

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

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

**NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

**NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)**

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, Government National Mortgage Association, and Student Loan Marketing 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;
5. 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;
6. The State Treasurer's investment pool (STAR Ohio);
7. Certain banker's acceptance and commercial paper notes for a period not to exceed one hundred eighty days from the purchase date in an amount not to exceed twenty-five percent of the interim monies available for investment at any one time; and,
8. Under limited circumstances, corporate debt interests rated in either of the two highest classifications by at least two nationally recognized rating agencies.

Protection of the District's deposits is provided by the Federal Deposit Insurance Corporation (FDIC), by eligible securities pledged by the financial institution as security for repayment, by surety company bonds deposited with the Treasurer by the financial institution or by a single collateral pool established by the financial institution to secure the repayment of all public monies deposited with the institution.

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

**A. Deposits with Financial Institutions**

At June 30, 2018, the carrying amount of all District deposits was \$2,547,056 and the bank balance of all District deposits was \$2,613,291. The entire bank balance was covered by the FDIC.

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

NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

**NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)**

**B. Investments**

As of June 30, 2018, the District had the following investment and maturity:

<u>Measurement/ Investment type</u>	<u>Measurement Value</u>	<u>Investment Maturity</u> 6 months or less
<i>Amortized Cost:</i>		
STAR Ohio	<u>\$ 4,843,198</u>	<u>\$ 4,843,198</u>

The District's investments in STAR Ohio are valued at the daily redemption value as reported by the underlying fund (Level 1 Inputs).

*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, 2018:

<u>Measurement/Investment type</u>	<u>Measurement Value</u>	<u>% of Total</u>
<i>Amortized Cost:</i>		
STAR Ohio	<u>\$ 4,843,198</u>	<u>100.00</u>

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

The following is a reconciliation of cash and investments as reported in the note above to cash and investments as reported on the statement of net position as of June 30, 2018:

<u>Cash and investments per note</u>	
Carrying amount of deposits	\$ 2,547,056
Investments	<u>4,843,198</u>
Total	<u>\$ 7,390,254</u>
<u>Cash and investments per statement of net position</u>	
Governmental activities	\$ 7,385,447
Agency fund	<u>4,807</u>
Total	<u>\$ 7,390,254</u>

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

**NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

**NOTE 5 - INTERFUND TRANSACTIONS**

- A. Interfund transfers for the year ended June 30, 2018, consisted of the following, as reported on the fund financial statements:

<u>Transfers from the general fund to:</u>	<u>Amount</u>
Nonmajor governmental fund	<u>\$ 50,000</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.

- B. Interfund balances at June 30, 2018 as reported on the fund statements, consist of the following individual interfund loan receivable and payable:

<u>Receivable fund</u>	<u>Payable funds</u>	<u>Amount</u>
General fund	Nonmajor governmental funds	<u>\$ 81,215</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.

**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 2018 represent the collection of calendar year 2017 taxes. Real property taxes received in calendar year 2018 were levied after April 1, 2017, on the assessed values as of January 1, 2017, the lien date. Assessed values for real property taxes are established by State statute at 35 percent of appraised market value. Real property taxes are payable annually or semiannually. If paid annually, payment is due December 31; if paid semiannually, the first payment is due December 31, with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established. Public utility property tax revenues received in calendar year 2018 represent the collection of calendar year 2017 taxes. Public utility real and personal property taxes received in calendar year 2018 became a lien on December 31, 2016, were levied after April 1, 2017, 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.



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

**NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

**NOTE 6 - PROPERTY TAXES - (Continued)**

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, 2018, are available to finance fiscal year 2018 operations. The amount available as an advance at June 30, 2018 was \$134,421 in the general fund and \$3,929 in the permanent improvement fund (a nonmajor governmental fund). This amount is recorded as revenue. The amount available for advance at June 30, 2017 was \$148,305 in the general fund and \$4,308 in the permanent improvement fund (a nonmajor governmental fund). The amount of second-half real property taxes available for advance at fiscal year-end can vary based on the date the tax bills are sent.

Accrued property taxes receivable includes real property, public utility property and delinquent tangible personal property taxes which are measurable as of June 30, 2018 and for which there is an enforceable legal claim. Although total property tax collections for the next fiscal year are measurable, only the amount of real property taxes available as an advance at June 30 was levied to finance current fiscal year operations and is reported as revenue at fiscal year-end. The portion of the receivable not levied to finance current fiscal year operations is offset by a credit to deferred inflows of resources.

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

The assessed values upon which the fiscal year 2018 taxes were collected are:

	2017 Second Half Collections		2018 First Half Collections	
	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
Agricultural/residential and other real estate	\$ 91,080,310	94.23	\$ 91,486,100	93.95
Public utility personal	<u>5,577,180</u>	<u>5.77</u>	<u>5,890,440</u>	<u>6.05</u>
Total	<u>\$ 96,657,490</u>	<u>100.00</u>	<u>\$ 97,376,540</u>	<u>100.00</u>
Tax rate per \$1,000 of assessed valuation	\$61.40		\$61.40	

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

NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

**NOTE 7 - RECEIVABLES**

Receivables at June 30, 2018 consisted of taxes, current payments in lieu of taxes, and intergovernmental grants and entitlements. All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes, the stable condition of state programs, and the current year guarantee of federal funds. A summary of the principal items of receivables reported on the statement of net position follows:

**Governmental activities:**

Property taxes	\$ 3,577,200
Payment in lieu of taxes	6,217
Intergovernmental:	
General	
Medicaid school program	1,601
SERS refund	593
State foundation	8,909
BWC refund	12,355
Other	15,672
Nonmajor governmental funds	
Title I - disadvantaged children	74,106
Title VI - IDEA Part-B	20,534
IDEA Part-B Preschool stimulus	2,297
Improving teacher quality	25,691
Total intergovernmental	<u>161,758</u>
Total	<u>\$ 3,745,175</u>

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

**NOTE 8 - CAPITAL ASSETS**

Capital asset activity for the fiscal year ended June 30, 2018, was as follows. Capital assets at June 30, 2018 have been restated as described in Note 3.A.

	Balance <u>06/30/17</u>	<u>Adjustments</u>	Restated Balance <u>06/30/17</u>
Capital assets, not being depreciated:			
Land	\$ 192,660	\$ (40,970)	\$ 151,690
Total capital assets, not being depreciated	<u>192,660</u>	<u>(40,970)</u>	<u>151,690</u>
Capital assets, being depreciated:			
Land improvements	498,235	255,927	754,162
Buildings and improvements	3,634,245	85,284	3,719,529
Furniture and equipment	502,328	459,652	961,980
Vehicles	413,356	(27,000)	386,356
Total capital assets, being depreciated	<u>5,048,164</u>	<u>773,863</u>	<u>5,822,027</u>
Less: accumulated depreciation			
Land improvements	(440,023)	(253,494)	(693,517)
Buildings and improvements	(1,936,279)	(226,470)	(2,162,749)
Furniture and equipment	(463,136)	(75,612)	(538,748)
Vehicles	(402,020)	15,664	(386,356)
Total accumulated depreciation	<u>(3,241,458)</u>	<u>(539,912)</u>	<u>(3,781,370)</u>
Governmental activities capital assets, net	<u>\$ 1,999,366</u>	<u>\$ 192,981</u>	<u>\$ 2,192,347</u>

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

NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

**NOTE 8 - CAPITAL ASSETS – (Continued)**

Capital asset activity for the fiscal year ended June 30, 2018 was as follows:

	Restated Balance 06/30/17	Additions	Deductions	Balance 06/30/18
<b><u>Governmental activities:</u></b>				
<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	(693,517)	(7,254)	-	(700,771)
Buildings and improvements	(2,162,749)	(75,524)	-	(2,238,273)
Furniture and equipment	(538,748)	(85,939)	-	(624,687)
Vehicles	(386,356)	-	-	(386,356)
Total accumulated depreciation	<u>(3,781,370)</u>	<u>(168,717)</u>	<u>-</u>	<u>(3,950,087)</u>
Governmental activities capital assets, net	<u>\$ 2,192,347</u>	<u>\$ (168,717)</u>	<u>\$ -</u>	<u>\$ 2,023,630</u>

Depreciation expense was charged to the governmental functions as follows:

<b><u>Instruction:</u></b>	
Regular	\$ 69,297
Special	17,296
<b><u>Support services:</u></b>	
Board of education	26,051
Operation and maintenance	46,241
Extracurricular	878
Food service operations	<u>8,954</u>
Total depreciation expense	<u>\$ 168,717</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. 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, 2018 was \$377,679 leaving a current book value of \$330,321. During fiscal year 2018, the District paid \$22,000 in principal and \$28,992 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 BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

**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,	Principal	Interest	Total
2019	\$ 23,000	\$ 27,046	\$ 50,046
2020	24,000	25,680	49,680
2021	26,000	24,228	50,228
2022	27,000	22,688	49,688
2023	29,000	21,061	50,061
2024 - 2028	170,000	77,563	247,563
2029 - 2032	178,000	21,381	199,381
Total	<u>\$ 477,000</u>	<u>\$ 219,647</u>	<u>\$ 696,647</u>

**NOTE 10 - LONG-TERM OBLIGATIONS**

- A. During fiscal year 2018, the following changes occurred in the governmental activities long-term obligations. The long-term obligations at June 30, 2017 have been restated as described in Note 3.A.

	Restated Balance 06/30/17	Additions	Reductions	Balance 06/30/18	Amounts Due in One Year
<b>Governmental activities:</b>					
Lease purchase agreement	\$ 499,000	\$ -	\$ (22,000)	\$ 477,000	\$ 23,000
Net pension liability	6,975,794	-	(1,573,443)	5,402,351	-
Net OPEB liability	1,566,085	-	(214,447)	1,351,638	-
Compensated absences	144,291	8,044	(63,534)	88,801	8,044
Total long-term obligations, governmental activities	<u>\$ 9,185,170</u>	<u>\$ 8,044</u>	<u>\$ (1,873,424)</u>	<u>\$ 7,319,790</u>	<u>\$ 31,044</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  
MONTGOMERY COUNTY, OHIO**

**NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

**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, 2018, are a voted debt margin of \$8,763,889 and an unvoted debt margin of \$97,377.

**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 2018.

**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**

***Net Pension Liability***

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

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

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

NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

**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 are financed; however, the District does receive the benefit of employees' services in exchange for compensation including pension.

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

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

***Plan Description - School Employees Retirement System (SERS)***

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

Age and service requirements for retirement are as follows:

	Eligible to Retire on or before August 1, 2017 *	Eligible to Retire after August 1, 2017
Full benefits	Any age with 30 years of service credit	Age 67 with 10 years of service credit; or Age 57 with 30 years of service credit
Actuarially reduced benefits	Age 60 with 5 years of service credit 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 percent for the first thirty years of service and 2.5 percent for years of service credit over 30. Final average salary is the average of the highest three years of salary.

One year after an effective benefit date, a benefit recipient is entitled to a three percent cost-of-living adjustment (COLA). This same COLA is added each year to the base benefit amount on the anniversary date of the benefit.

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

**NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

**NOTE 12 - DEFINED BENEFIT PENSION PLANS - (Continued)**

Funding Policy - Plan members are required to contribute 10 percent of their annual covered salary and the District is required to contribute 14 percent 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 percent for plan members and 14 percent 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, 2018, the allocation to pension, death benefits, and Medicare B was 13.5 percent. The remaining 0.5 percent of the employer contribution rate was allocated to the Health Care Fund.

The District's contractually required contribution to SERS was \$122,540 for fiscal year 2018. Of this amount, \$4,786 is reported as pension and postemployment benefits payable.

***Plan Description - State Teachers Retirement System (STRS)***

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

New members have a choice of three retirement plans; a Defined Benefit (DB) Plan, a Defined Contribution (DC) Plan and a Combined Plan. Benefits are established by Ohio Revised Code Chapter 3307. The DB Plan offers an annual retirement allowance based on final average salary multiplied by a percentage that varies based on years of service. Effective August 1, 2015, the calculation will be 2.2 percent 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 26 years of service, or 31 years of service regardless of age. Eligibility changes will be phased in until August 1, 2026, when retirement eligibility for unreduced benefits will be five years of service credit and age 65, or 35 years of service credit and at least age 60.

The DC Plan allows members to place all their member contributions and 9.5 percent of the 14 percent employer contributions into an investment account. Investment allocation decisions are determined by the member. The remaining 4.5 percent of the 14 percent 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 percent of the 14 percent member rate goes to the DC Plan and the remaining 2 percent is applied to the DB Plan. Member contributions to the DC Plan are allocated among investment choices by the member, and contributions to the DB Plan from the employer and the member are used to fund the defined benefit payment at a reduced level from the regular DB Plan. The defined benefit portion of the Combined Plan payment is payable to a member on or after age 60 with five years of service. The defined contribution portion of the account may be taken as a lump sum payment or converted to a lifetime monthly annuity after termination of employment at age 50 or later.

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

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MONTGOMERY COUNTY, OHIO**

NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

**NOTE 12 - DEFINED BENEFIT PENSION PLANS - (Continued)**

A DB or Combined Plan member with five or more years of credited service who is determined to be disabled may qualify for a disability benefit. Eligible survivors of members who die before service retirement may qualify for monthly benefits. New members on or after July 1, 2013, must have at least ten years of qualifying service credit that 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 2018, plan members were required to contribute 14 percent of their annual covered salary. The District was required to contribute 14 percent; the entire 14 percent was the portion used to fund pension obligations. The fiscal year 2018 contribution rates were equal to the statutory maximum rates.

The District's contractually required contribution to STRS was \$266,524 for fiscal year 2018. Of this amount, \$49,212 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, 2017, 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	0.02638090%	0.01507171%	
Proportion of the net pension liability current measurement date	<u>0.02666140%</u>	<u>0.01603602%</u>	
Change in proportionate share	<u>0.00028050%</u>	<u>0.00096431%</u>	
Proportionate share of the net pension liability	\$ 1,592,960	\$ 3,809,391	\$ 5,402,351
Pension expense	\$ (90,058)	\$ (1,601,853)	\$ (1,691,911)

At June 30, 2018, 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>
<b>Deferred outflows of resources</b>			
Differences between expected and actual experience	\$ 68,554	\$ 147,099	\$ 215,653
Changes of assumptions	82,374	833,156	915,530
Difference between District contributions and proportionate share of contributions/ change in proportionate share	30,310	230,830	261,140
District contributions subsequent to the measurement date	<u>122,540</u>	<u>266,524</u>	<u>389,064</u>
Total deferred outflows of resources	<u>\$ 303,778</u>	<u>\$ 1,477,609</u>	<u>\$ 1,781,387</u>



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NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

**NOTE 12 - DEFINED BENEFIT PENSION PLANS - (Continued)**

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
<b>Deferred inflows of resources</b>			
Differences between expected and actual experience	\$ -	\$ 30,702	\$ 30,702
Net difference between projected and actual earnings on pension plan investments	7,561	125,714	133,275
Difference between District contributions and proportionate share of contributions/ change in proportionate share	<u>52,120</u>	<u>447,866</u>	<u>499,986</u>
Total deferred inflows of resources	<u>\$ 59,681</u>	<u>\$ 604,282</u>	<u>\$ 663,963</u>

\$389,064 reported as deferred outflows of resources related to pension resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2019. 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:			
2019	\$ 31,166	\$ 40,475	\$ 71,641
2020	100,998	211,486	312,484
2021	26,527	230,584	257,111
2022	<u>(37,134)</u>	<u>124,258</u>	<u>87,124</u>
Total	<u>\$ 121,557</u>	<u>\$ 606,803</u>	<u>\$ 728,360</u>

***Actuarial Assumptions - SERS***

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

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

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

**JEFFERSON TOWNSHIP LOCAL SCHOOL DISTRICT  
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NOTES TO BASIC FINANCIAL STATEMENTS  
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**NOTE 12 - DEFINED BENEFIT PENSION PLANS - (Continued)**

Key methods and assumptions used in calculating the total pension liability in the latest actuarial valuation, prepared as of June 30, 2017, are presented below:

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

Prior to 2017, an assumption of 3 percent was used for COLA or Ad Hoc COLA.

For 2017, 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 percent of male rates, and 110 percent of female rates. Mortality among disabled members was based upon the RP-2000 Disabled Mortality Table, 90 percent for male rates and 100 percent 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 assets class are summarized in the following table:

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

**Discount Rate** - The total pension liability was calculated using the discount rate of 7.50 percent. The projection of cash flows used to determine the discount rate assumed the contributions from employers and from the members would be computed based on contribution requirements as stipulated by State statute. Projected inflows from investment earning were calculated using the long-term assumed investment rate of return (7.50 percent). 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.

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

NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

**NOTE 12 - DEFINED BENEFIT PENSION PLANS - (Continued)**

***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 percent, 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 percent), or one percentage point higher (8.50 percent) than the current rate.

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
District's proportionate share of the net pension liability	\$ 2,210,614	\$ 1,592,960	\$ 1,075,548

***Actuarial Assumptions - STRS Ohio***

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results used in the July 1, 2017, actuarial valuation, compared with July 1, 2016 are presented below:

	July 1, 2017	July 1, 2016
Inflation	2.50 percent	2.75 percent
Projected salary increases	12.50 percent at age 20 to 2.50 percent at age 65	12.25 percent at age 20 to 2.75 percent at age 70
Investment rate of return	7.45 percent, net of investment expenses, including inflation	7.75 percent, net of investment expenses, including inflation
Payroll increases	3 percent	3.5 percent
Cost-of-living adjustments (COLA)	0.0 percent, effective July 1, 2017	2 percent simple applied as follows: for members retiring before August 1, 2013, 2 percent per year; for members retiring August 1, 2013, or later, 2 percent COLA commences on fifth anniversary of retirement date.

For the July 1, 2017, actuarial valuation, post-retirement mortality rates for healthy retirees are based on the RP-2014 Annuitant Mortality Table with 50 percent of rates through age 69, 70 percent of rates between ages 70 and 79, 90 percent of rates between ages 80 and 84, and 100 percent 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 percent of rates for males and 100 percent 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.

For the July 1, 2016 actuarial valuation, mortality rates were based on the RP-2000 Combined Mortality Table (Projection 2022—Scale AA) for Males and Females. Males' ages are set-back two years through age 89 and no set-back for age 90 and above. Females younger than age 80 are set back four years, one year set back from age 80 through 89, and no set back from age 90 and above.

Actuarial assumptions used in the July 1 2017, valuation are based on the results of an actuarial experience study for the period July 1, 2011 through June 30, 2016. Actuarial assumptions used in the June 30, 2016, valuation are based on the results of an actuarial experience study, effective July 1, 2012.

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

**NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

**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 percent as of June 30, 2017. The discount rate used to measure the total pension liability was 7.75 percent as of June 30, 2016. 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, 2017. Therefore, the long-term expected rate of return on pension plan investments of 7.45 percent was applied to all periods of projected benefit payment to determine the total pension liability as of June 30, 2017.

**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 percent, 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 percent) or one-percentage-point higher (8.45 percent) than the current rate:

	1% Decrease (6.45%)	Current Discount Rate (7.45%)	1% Increase (8.45%)
District's proportionate share of the net pension liability	\$ 5,460,632	\$ 3,809,391	\$ 2,418,468

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

**NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

**NOTE 13 - DEFINED BENEFIT OPEB PLANS**

***Net OPEB Liability***

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

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

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

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

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

***Plan Description - School Employees Retirement System (SERS)***

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

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MONTGOMERY COUNTY, OHIO**

**NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

**NOTE 13 - DEFINED BENEFIT OPEB PLANS - (Continued)**

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

Funding Policy - State statute permits SERS to fund the health care benefits through employer contributions. Each year, after the allocation for statutorily required pensions and benefits, the Retirement Board may allocate the remainder of the employer contribution of 14 percent of covered payroll to the Health Care Fund in accordance with the funding policy. For fiscal year 2018, .5 percent of covered payroll was made to 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 2018, this amount was \$23,700. Statutes provide that no employer shall pay a health care surcharge greater than 2 percent of that employer's SERS-covered payroll; nor may SERS collect in aggregate more than 1.5 percent of the total statewide SERS-covered payroll for the health care surcharge. For fiscal year 2018, the District's surcharge obligation was \$14,524.

The surcharge added to the allocated portion of the 14 percent employer contribution rate is the total amount assigned to the Health Care Fund. The District's contractually required contribution to SERS was \$19,063 for fiscal year 2018. Of this amount, \$14,701 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, 2020. The Plan is included in the report of STRS which can be obtained by visiting [www.strsoh.org](http://www.strsoh.org) or by calling (888) 227-7877.

Funding Policy – Ohio Revised Code Chapter 3307 authorizes STRS to offer the Plan and gives the Retirement Board discretionary authority over how much, if any, of the health care costs will be absorbed by STRS. Active employee members do not contribute to the Health Care Plan. Nearly all health care plan enrollees, for the most recent year, pay a portion of the health care costs in the form of a monthly premium. Under Ohio law, funding for post-employment health care may be deducted from employer contributions, currently 14 percent of covered payroll. For the fiscal year ended June 30, 2018, STRS did not allocate any employer contributions to post-employment health care.

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

NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

**NOTE 13 - DEFINED BENEFIT OPEB PLANS - (Continued)**

***OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB***

The net OPEB liability was measured as of June 30, 2017, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date. The District's proportion of the net OPEB liability 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 prior measurement date	0.02666480%	0.01507171%	
Proportion of the net OPEB liability current measurement date	<u>0.02705080%</u>	<u>0.01603602%</u>	
Change in proportionate share	<u>0.00038600%</u>	<u>0.00096431%</u>	
Proportionate share of the net OPEB liability	\$ 725,972	\$ 625,666	\$ 1,351,638
OPEB expense	\$ 45,483	\$ (183,554)	\$ (138,071)

At June 30, 2018, 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>
<b>Deferred outflows of resources</b>			
Differences between expected and actual experience	\$ -	\$ 36,117	\$ 36,117
Difference between District contributions and proportionate share of contributions/ change in proportionate share	5,974	44,205	50,179
District contributions subsequent to the measurement date	<u>19,063</u>	<u>-</u>	<u>19,063</u>
Total deferred outflows of resources	<u>\$ 25,037</u>	<u>\$ 80,322</u>	<u>\$ 105,359</u>
	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
<b>Deferred inflows of resources</b>			
Net difference between projected and actual earnings on pension plan investments	\$ 1,917	\$ 26,742	\$ 28,659
Changes of assumptions	<u>68,891</u>	<u>50,399</u>	<u>119,290</u>
Total deferred inflows of resources	<u>\$ 70,808</u>	<u>\$ 77,141</u>	<u>\$ 147,949</u>

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

**NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

**NOTE 13 - DEFINED BENEFIT OPEB PLANS - (Continued)**

\$19,063 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 in the year ending June 30, 2019. 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:			
2019	\$ (23,275)	\$ (1,699)	\$ (24,974)
2020	(23,275)	(1,699)	(24,974)
2021	(17,804)	(1,699)	(19,503)
2022	(480)	(1,697)	(2,177)
2023	-	4,987	4,987
Thereafter	-	4,988	4,988
	<u>\$ (64,834)</u>	<u>\$ 3,181</u>	<u>\$ (61,653)</u>
Total	<u>\$ (64,834)</u>	<u>\$ 3,181</u>	<u>\$ (61,653)</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  
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**NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

**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, 2017, are presented below:

Wage inflation	3.00 percent
Future salary increases, including inflation	3.50 percent to 18.20 percent
Investment rate of return	7.50 percent net of investments expense, including inflation
Municipal bond index rate:	
Measurement date	3.56 percent
Prior measurement date	2.92 percent
Single equivalent interest rate, net of plan investment expense, including price inflation:	
Measurement date	3.63 percent
Prior measurement date	2.98 percent
Medical trend assumption:	
Medicare	5.50 to 5.00 percent
Pre-Medicare	7.50 to 5.00 percent

Mortality rates were based on the RP-2014 Blue Collar Mortality Table with fully generational projection and Scale BB, 120 percent of male rates and 110 percent of female rates. RP-2000 Disabled Mortality Table with 90 percent for male rates and 100 percent 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 percent, by weighting the expected future real rates of return by the target asset allocation percentage and then adding expected inflation. The capital market assumptions developed by the investment consultant are intended for use over a 10-year horizon and may not be useful in setting the long-term rate of return for funding pension plans which covers a longer timeframe. The assumption is intended to be a long-term assumption and is not expected to change absent a significant change in the asset allocation, a change in the inflation assumption, or a fundamental change in the market that alters expected returns in future years.

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

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

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

NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

**NOTE 13 - DEFINED BENEFIT OPEB PLANS - (Continued)**

**Discount Rate** - The discount rate used to measure the total OPEB liability at June 30, 2017 was 3.63 percent. The discount rate used to measure total OPEB liability prior to June 30, 2017 was 2.98 percent. 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 percent of projected covered employee payroll each year, which includes a 1.50 percent payroll surcharge and 0.50 percent of contributions from the basic benefits plan. Based on these assumptions, the OPEB plan's fiduciary net position was projected to become insufficient to make future benefit payments during the fiscal year ending June 30, 2025. Therefore, the long-term expected rate of return on OPEB plan assets was used to present value the projected benefit payments through the fiscal year ending June 30, 2024 and the Fidelity General Obligation 20-year Municipal Bond Index rate of 3.56 percent, as of June 30, 2017 (i.e. municipal bond rate), was used to present value the projected benefit payments for the remaining years in the projection. The total present value of projected benefit payments from all years was then used to determine the single rate of return that was used as the discount rate. The projection of future benefit payments for all current plan members was until the benefit payments ran out.

**Sensitivity of the District's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate and Changes in the Health Care Cost Trend Rates** - The net OPEB liability is sensitive to changes in the discount rate and the health care cost trend rate. The following table presents the net OPEB liability of SERS, what SERS' net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (2.63%) and higher (4.63%) than the current discount rate (3.63%). Also shown is what SERS' net OPEB liability would be based on health care cost trend rates that are 1 percentage point lower (6.5% decreasing to 4.0%) and higher (8.5% decreasing to 6.0%) than the current rate.

	1% Decrease (2.63%)	Current Discount Rate (3.63%)	1% Increase (4.63%)
District's proportionate share of the net OPEB liability	\$ 876,704	\$ 725,972	\$ 606,554

	1% Decrease (6.5 % decreasing to 4.0 %)	Current Trend Rate (7.5 % decreasing to 5.0 %)	1% Increase (8.5 % decreasing to 6.0 %)
District's proportionate share of the net OPEB liability	\$ 589,072	\$ 725,972	\$ 907,162

**Actuarial Assumptions - STRS**

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results used in the June 30, 2017, actuarial valuation are presented below:

Inflation	2.50 percent
Projected salary increases	12.50 percent at age 20 to 2.50 percent at age 65
Investment rate of return	7.45 percent, net of investment expenses, including inflation
Payroll increases	3 percent
Cost-of-living adjustments (COLA)	0.0 percent, effective July 1, 2017
Blended discount rate of return	4.13 percent
Health care cost trends	6 to 11 percent initial, 4.5 percent ultimate

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

**NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

**NOTE 13 - DEFINED BENEFIT OPEB PLANS - (Continued)**

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 percent of rates through age 69, 70 percent of rates between ages 70 and 79, 90 percent of rates between ages 80 and 84, and 100 percent 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 percent of rates for males and 100 percent of rates for females, projected forward generationally using mortality improvement scale MP-2016.

Actuarial assumptions used in the June 30, 2017, valuation are based on the results of an actuarial experience study for the period July 1, 2011 through June 30, 2016.

Since the prior measurement date, the discount rate was increased from 3.26 percent to 4.13 percent based on the methodology defined under GASB Statement No. 74, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans (OPEB) and the long term expected rate of return was reduced from 7.75 percent to 7.45 percent. Valuation year per capita health care costs were updated, and the salary scale was modified. 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. The assumed mortality, disability, retirement, withdrawal and future health care cost trend rates were modified along with the portion of rebated prescription drug costs.

Also, since the prior measurement date, the subsidy multiplier for non-Medicare benefit recipients was reduced from 2.1 percent to 1.9 percent 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. Subsequent to the current measurement date, the date for discontinuing remaining Medicare Part B premium reimbursements was extended to January 2020.

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	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.

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

**NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

**NOTE 13 - DEFINED BENEFIT OPEB PLANS - (Continued)**

**Discount Rate** - The discount rate used to measure the total OPEB liability was 4.13 percent as of June 30, 2017. 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 not projected to be sufficient to make all projected future benefit payments of current plan members. The OPEB plan's fiduciary net position was projected to become insufficient to make future benefit payments during the fiscal year ending June 30, 2037. Therefore, the long-term expected rate of return on OPEB plan assets was used to determine the present value of the projected benefit payments through the fiscal year ending June 30, 2036 and the Bond Buyer 20-year municipal bond rate of 3.58 percent as of June 30, 2017 (i.e. municipal bond rate), was used to determine the present value of the projected benefit payments for the remaining years in the projection. 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 blended discount rate of 4.13 percent, which represents the long-term expected rate of return of 7.45 percent for the funded benefit payments and the Bond Buyer 20-year municipal bond rate of 3.58 percent for the unfunded benefit payments, was used to measure the total OPEB liability as of June 30, 2017. A blended discount rate of 3.26 percent which represents the long term expected rate of return of 7.75 percent for the funded benefit payments and the Bond Buyer 20-year municipal bond rate of 2.85 percent for the unfunded benefit payments was used to measure the total OPEB liability at June 30, 2016.

**Sensitivity of the District's Proportionate Share of the Net OPEB Liability to Changes in the Discount and Health Care Cost Trend Rate** - The following table represents the net OPEB liability as of June 30, 2017, calculated using the current period discount rate assumption of 4.13 percent, as well as what the net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (3.13 percent) or one percentage point higher (5.13 percent) than the current assumption. Also shown is the net OPEB liability as if it were calculated using health care cost trend rates that are one percentage point lower or one percentage point higher than the current health care cost trend rates.

	1% Decrease (3.13%)	Current Discount Rate (4.13%)	1% Increase (5.13%)
District's proportionate share of the net OPEB liability	\$ 839,947	\$ 625,666	\$ 456,315

	1% Decrease	Current Trend Rate	1% Increase
District's proportionate share of the net OPEB liability	\$ 434,686	\$ 625,666	\$ 877,019

**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.

**B. Litigation**

The District is not a party to legal proceedings that would have a material effect on the financial condition of the District.

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

**NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

**NOTE 14 - CONTINGENCIES - (Continued)**

**C. Foundation Funding**

District foundation funding is based on the annualized full-time equivalent (FTE) enrollment of each student. The Ohio Department of Education (ODE) is legislatively required to adjust/reconcile funding as enrollment information is updated by schools throughout the State, which can extend past the fiscal year end. As of the date of this report, additional ODE adjustments for fiscal year 2018 are not finalized. As a result, the impact of future FTE adjustments on the fiscal year 2018 financial statements is not determinable, at this time. Management believes this may result in either an additional receivable to, or a liability of, the District.

**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, 2017	\$ -
Current year set-aside requirement	69,302
Current year offsets	<u>(69,302)</u>
Total	<u>\$ -</u>
Balance carried forward to fiscal year 2019	<u>\$ -</u>
Set-aside balance June 30, 2018	<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>Fund</u>	<u>Year-End Encumbrances</u>
General	\$ 340,865
Other governmental	<u>61,768</u>
Total	<u><u>\$ 402,633</u></u>

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

**NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

**NOTE 17 – TAX ABATEMENTS**

The City of Moraine entered into a Community Reinvestment Area (CRA). Under this agreement, the School District's and City of Moraine's property taxes were reduced by a combined total of \$139,216.

The City of West Carrollton entered into a Community Reinvestment Area (CRA). Under this agreement, the School District's and City of West Carrollton's property taxes were reduced by a combined total of \$13,707.

## 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, 2018

	<b>Budgeted Amounts</b>			<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>	<b>Actual</b>	
<b>Revenues:</b>				
From local sources:				
Property taxes . . . . .	\$ 2,614,283	\$ 2,650,000	\$ 2,717,715	\$ 67,715
Payment in lieu of taxes. . . . .	-	-	6,217	6,217
Tuition. . . . .	256,496	485,000	356,131	(128,869)
Earnings on investments . . . . .	39,461	100,000	101,754	1,754
Contributions and donations . . . . .	-	-	11	11
Other local revenues . . . . .	247	6,467	18,874	12,407
Intergovernmental - state . . . . .	3,955,461	4,009,500	3,968,143	(41,357)
Total revenues . . . . .	<u>6,865,948</u>	<u>7,250,967</u>	<u>7,168,845</u>	<u>(82,122)</u>
<b>Expenditures:</b>				
Current:				
Instruction:				
Regular . . . . .	1,493,286	1,450,930	1,423,815	27,115
Special. . . . .	1,224,892	1,190,150	1,136,254	53,896
Other. . . . .	1,206,212	1,172,000	1,100,113	71,887
Support services:				
Pupil. . . . .	546,732	531,225	591,282	(60,057)
Instructional staff . . . . .	176,712	171,700	169,640	2,060
Board of education . . . . .	32,471	31,550	37,120	(5,570)
Administration. . . . .	884,642	859,550	835,145	24,405
Fiscal . . . . .	280,866	272,900	260,106	12,794
Operations and maintenance. . . . .	653,475	634,940	578,655	56,285
Pupil transportation . . . . .	708,866	688,760	635,722	53,038
Central. . . . .	3,602	3,500	3,500	-
Extracurricular activities. . . . .	113,417	110,200	96,672	13,528
Facilities acquisition and construction . . . . .	146,145	473,913	-	473,913
Total expenditures . . . . .	<u>7,471,318</u>	<u>7,591,318</u>	<u>6,868,024</u>	<u>723,294</u>
Excess (deficiency) of revenues over (under) expenditures . . . . .	<u>(605,370)</u>	<u>(340,351)</u>	<u>300,821</u>	<u>641,172</u>
<b>Other financing sources (uses):</b>				
Refund of prior year's expenditures . . . . .	65,000	65,000	94,478	29,478
Transfers (out). . . . .	(18,000)	(18,000)	(50,000)	(32,000)
Advances in. . . . .	100,002	100,002	100,002	-
Advances (out) . . . . .	(102,000)	(102,000)	(81,215)	20,785
Total other financing sources (uses) . . . . .	<u>45,002</u>	<u>45,002</u>	<u>63,265</u>	<u>18,263</u>
Net change in fund balance . . . . .	(560,368)	(295,349)	364,086	659,435
<b>Fund balance at beginning of year . . . . .</b>	6,038,844	6,038,844	6,038,844	-
<b>Prior year encumbrances appropriated . . . . .</b>	91,318	91,318	91,318	-
<b>Fund balance at end of year . . . . .</b>	<u>\$ 5,569,794</u>	<u>\$ 5,834,813</u>	<u>\$ 6,494,248</u>	<u>\$ 659,435</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, 2018**

**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 2018 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 2018.
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, 2018**

**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 generally accepted accounting principles (GAAP), the budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts and disbursements.

The 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 and major special revenue 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, 2018**

**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 and major special revenue fund are as follows:

Net Change in Fund Balance

	<u>General Fund</u>
Budget basis	\$ 364,086
Net adjustment for revenue accruals	8,737
Net adjustment for expenditure accruals	78,509
Net adjustment for other sources/uses	(113,265)
Funds budgeted elsewhere	793
Adjustment for encumbrances	<u>361,827</u>
GAAP basis	<u><u>\$ 700,687</u></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.

**JEFFERSON 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 FIVE FISCAL YEARS

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
District's proportion of the net pension liability	0.02666140%	0.02638090%	0.02558310%	0.02934700%	0.02934700%
District's proportionate share of the net pension liability	\$ 1,592,960	\$ 1,930,838	\$ 1,459,796	\$ 1,485,235	\$ 1,745,172
District's covered payroll	\$ 859,014	\$ 812,479	\$ 770,182	\$ 852,756	\$ 796,040
District's proportionate share of the net pension liability as a percentage of its covered payroll	185.44%	237.65%	189.54%	174.17%	219.23%
Plan fiduciary net position as a percentage of the total pension liability	69.50%	62.98%	69.16%	71.70%	65.52%

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

**JEFFERSON 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 FIVE FISCAL YEARS

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
District's proportion of the net pension liability	0.01603602%	0.01507171%	0.01629975%	0.01836561%	0.01836561%
District's proportionate share of the net pension liability	\$ 3,809,391	\$ 5,044,956	\$ 4,504,774	\$ 4,467,152	\$ 5,321,242
District's covered payroll	\$ 1,816,821	\$ 1,556,064	\$ 1,698,443	\$ 1,876,454	\$ 1,854,446
District's proportionate share of the net pension liability as a percentage of its covered payroll	209.67%	324.21%	265.23%	238.06%	286.95%
Plan fiduciary net position as a percentage of the total pension liability	75.30%	66.80%	72.10%	74.70%	69.30%

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

**JEFFERSON 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>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contribution	\$ 122,540	\$ 120,262	\$ 113,747	\$ 101,510
Contributions in relation to the contractually required contribution	<u>(122,540)</u>	<u>(120,262)</u>	<u>(113,747)</u>	<u>(101,510)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 907,704	\$ 859,014	\$ 812,479	\$ 770,182
Contributions as a percentage of covered payroll	13.50%	14.00%	14.00%	13.18%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
\$ 118,192	\$ 110,172	\$ 128,237	\$ 113,849	\$ 116,531	\$ 94,619
<u>(118,192)</u>	<u>(110,172)</u>	<u>(128,237)</u>	<u>(113,849)</u>	<u>(116,531)</u>	<u>(94,619)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 852,756	\$ 796,040	\$ 953,435	\$ 905,720	\$ 860,643	\$ 961,575
13.86%	13.84%	13.45%	12.57%	13.54%	9.84%

**JEFFERSON 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>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contribution	\$ 266,524	\$ 254,355	\$ 217,849	\$ 237,782
Contributions in relation to the contractually required contribution	<u>(266,524)</u>	<u>(254,355)</u>	<u>(217,849)</u>	<u>(237,782)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 1,903,743	\$ 1,816,821	\$ 1,556,064	\$ 1,698,443
Contributions as a percentage of covered payroll	14.00%	14.00%	14.00%	14.00%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION



<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
\$ 243,939	\$ 241,078	\$ 265,243	\$ 283,305	\$ 306,469	\$ 313,249
<u>(243,939)</u>	<u>(241,078)</u>	<u>(265,243)</u>	<u>(283,305)</u>	<u>(306,469)</u>	<u>(313,249)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 1,876,454	\$ 1,854,446	\$ 2,040,331	\$ 2,179,269	\$ 2,357,454	\$ 2,409,608
13.00%	13.00%	13.00%	13.00%	13.00%	13.00%

**JEFFERSON 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 TWO FISCAL YEARS

	<u>2018</u>	<u>2017</u>
District's proportion of the net OPEB liability	0.02705080%	0.02666480%
District's proportionate share of the net OPEB liability	\$ 725,972	\$ 760,046
District's covered payroll	\$ 859,014	\$ 812,479
District's proportionate share of the net OPEB liability as a percentage of its covered payroll	84.51%	93.55%
Plan fiduciary net position as a percentage of the total OPEB liability	12.46%	11.49%

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

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

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

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

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

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

LAST TWO FISCAL YEARS

	<u>2018</u>	<u>2017</u>
District's proportion of the net OPEB liability	0.01603602%	0.01507171%
District's proportionate share of the net OPEB liability	\$ 625,666	\$ 806,039
District's covered payroll	\$ 1,816,821	\$ 1,556,064
District's proportionate share of the net OPEB liability as a percentage of its covered payroll	34.44%	51.80%
Plan fiduciary net position as a percentage of the total OPEB liability	47.10%	37.30%

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

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

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

**JEFFERSON 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>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contribution	\$ 19,063	\$ 14,723	\$ 13,195	\$ 19,395
Contributions in relation to the contractually required contribution	<u>(19,063)</u>	<u>(14,723)</u>	<u>(13,195)</u>	<u>(19,395)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 907,704	\$ 859,014	\$ 812,479	\$ 770,182
Contributions as a percentage of covered payroll	2.10%	1.71%	1.62%	2.52%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
\$ 14,699	\$ 14,485	\$ 17,684	\$ 25,763	\$ 18,159	\$ 66,446
<u>(14,699)</u>	<u>(14,485)</u>	<u>(17,684)</u>	<u>(25,763)</u>	<u>(18,159)</u>	<u>(66,446)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 852,756	\$ 796,040	\$ 953,435	\$ 905,720	\$ 860,643	\$ 961,575
1.72%	1.82%	1.85%	2.84%	2.11%	6.91%

**JEFFERSON 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>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</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	\$ 1,903,743	\$ 1,816,821	\$ 1,556,064	\$ 1,698,443
Contributions as a percentage of covered payroll	0.00%	0.00%	0.00%	0.00%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
\$ 18,166	\$ 18,544	\$ 20,403	\$ 21,793	\$ 23,575	\$ 24,096
<u>(18,166)</u>	<u>(18,544)</u>	<u>(20,403)</u>	<u>(21,793)</u>	<u>(23,575)</u>	<u>(24,096)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 1,876,454	\$ 1,854,446	\$ 2,040,331	\$ 2,179,269	\$ 2,357,454	\$ 2,409,608
1.00%	1.00%	1.00%	1.00%	1.00%	1.00%

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

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

PENSION

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*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 changed in the Consumer Price Index (CPI-W), with a cap of 2.5% and a floor of 0%.

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 year 2018.

*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.

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.

(Continued)



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

**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION (CONTINUED)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

**OTHER POSTEMPLOYMENT BENEFITS (OPEB)**

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*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 2017-2018.

Changes in assumptions: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal years 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.

*STATE TEACHERS RETIREMENT SYSTEM (STRS) OF OHIO*

Changes in benefit terms: There were no changes in benefit terms from the amounts reported for fiscal year 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.

Changes in assumptions: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2017. For fiscal year 2018, the following changes of assumption affected the total OPEB liability since the prior measurement date: (a) the discount rate was increased from 3.26% to 4.13% based on the methodology defined under GASB Statement No. 74, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans (OPEB), (b) the long term expected rate of return was reduced from 7.75% to 7.45%, (c) valuation year per capita health care costs were updated, and the salary scale was modified, (d) the percentage of future retirees electing each option was updated based on current data and the percentage of future disabled retirees and terminated vested participants electing health coverage were decreased and (e) the assumed mortality, disability, retirement, withdrawal and future health care cost trend rates were modified along with the portion of rebated prescription drug costs.

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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**

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, 2018

	<u>Budgeted Amounts</u>		<u>Variance with Final Budget- Over (Under)</u>
	<u>Final</u>	<u>Actual</u>	
<b>Special Trust Fund</b>			
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	<u>\$ -</u>	<u>\$ 3,053</u>	<u>\$ 3,053</u>
<b>Underground Storage Tanks Fund</b>			
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	<u>\$ -</u>	<u>\$ 11,000</u>	<u>\$ 11,000</u>
<b>Public School Fund</b>			
Total Revenues and Other Sources	\$ 2,000	\$ 1,000	\$ (1,000)
Total Expenditures and Other Uses	207	207	-
Net Change in Fund Balances	1,793	793	(1,000)
Fund Balance at Beginning of Year	295	295	-
Fund Balance at End of Year	<u>\$ 2,088</u>	<u>\$ 1,088</u>	<u>\$ (1,000)</u>

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

COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2018

	<b>Nonmajor Special Revenue Funds</b>	<b>Nonmajor Capital Projects Fund - Permanent Improvement</b>	<b>Total Nonmajor Governmental Funds</b>
<b>Assets:</b>			
Equity in pooled cash and cash equivalents. . . . .	\$ 259,066	\$ 255,165	\$ 514,231
Receivables:			
Property taxes . . . . .	-	102,794	102,794
Accounts. . . . .	78	-	78
Intergovernmental . . . . .	122,628	-	122,628
Materials and supplies inventory . . . . .	1,527	-	1,527
Inventory held for resale . . . . .	994	-	994
Total assets. . . . .	<u>\$ 384,293</u>	<u>\$ 357,959</u>	<u>\$ 742,252</u>
<b>Liabilities:</b>			
Accounts payable . . . . .	\$ 1,200	\$ -	\$ 1,200
Accrued wages and benefits payable . . . . .	51,703	-	51,703
Intergovernmental payable . . . . .	773	-	773
Pension and postemployment benefits payable. . . . .	12,493	-	12,493
Interfund loan payable . . . . .	81,215	-	81,215
Total liabilities. . . . .	<u>147,384</u>	<u>-</u>	<u>147,384</u>
<b>Deferred inflows of resources:</b>			
Property taxes levied for the next fiscal year. . . . .	-	73,009	73,009
Delinquent property tax revenue not available. . . . .	-	25,856	25,856
Intergovernmental revenue not available. . . . .	39,926	-	39,926
Total deferred inflows of resources. . . . .	<u>39,926</u>	<u>98,865</u>	<u>138,791</u>
<b>Fund balances:</b>			
Nonspendable:			
Materials and supplies inventory . . . . .	1,527	-	1,527
Restricted:			
Capital improvements . . . . .	-	259,094	259,094
Food service operations . . . . .	169,264	-	169,264
Other purposes . . . . .	3,600	-	3,600
Extracurricular activities . . . . .	38,038	-	38,038
Unassigned (deficit) . . . . .	(15,446)	-	(15,446)
Total fund balances . . . . .	<u>196,983</u>	<u>259,094</u>	<u>456,077</u>
Total liabilities, deferred inflows and fund balances . .	<u>\$ 384,293</u>	<u>\$ 357,959</u>	<u>\$ 742,252</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, 2018

	<b>Nonmajor Special Revenue Funds</b>	<b>Nonmajor Capital Projects Fund - Permanent Improvement</b>	<b>Total Nonmajor Governmental Funds</b>
<b>Revenues:</b>			
From local sources:			
Property taxes . . . . .	\$ -	\$ 80,180	\$ 80,180
Earnings on investments . . . . .	2,071	-	2,071
Charges for services . . . . .	53,175	-	53,175
Extracurricular . . . . .	16,337	-	16,337
Intergovernmental - state . . . . .	117,887	13,734	131,621
Intergovernmental - federal . . . . .	832,729	-	832,729
Total revenues . . . . .	<u>1,022,199</u>	<u>93,914</u>	<u>1,116,113</u>
<b>Expenditures:</b>			
Current:			
Instruction:			
Regular. . . . .	100,092	-	100,092
Special . . . . .	557,342	-	557,342
Support services:			
Instructional staff. . . . .	345	-	345
Fiscal. . . . .	-	1,243	1,243
Operations and maintenance . . . . .	427	-	427
Operation of non-instructional services:			
Other non-instructional services. . . . .	9,538	-	9,538
Food service operations . . . . .	241,542	-	241,542
Extracurricular activities . . . . .	32,967	-	32,967
Debt service:			
Principal retirement. . . . .	-	22,000	22,000
Interest and fiscal charges. . . . .	-	28,992	28,992
Total expenditures . . . . .	<u>942,253</u>	<u>52,235</u>	<u>994,488</u>
Excess of revenues over expenditures. . . . .	<u>79,946</u>	<u>41,679</u>	<u>121,625</u>
<b>Other financing sources:</b>			
Transfers in . . . . .	50,000	-	50,000
Total other financing sources . . . . .	<u>50,000</u>	<u>-</u>	<u>50,000</u>
Net change in fund balances . . . . .	129,946	41,679	171,625
<b>Fund balances at beginning of year . . . . .</b>	<u>67,037</u>	<u>217,415</u>	<u>284,452</u>
<b>Fund balances at end of year. . . . .</b>	<u><u>\$ 196,983</u></u>	<u><u>\$ 259,094</u></u>	<u><u>\$ 456,077</u></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.

**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.

**Auxiliary Services Fund**

To account for monies that are restricted to provide services and materials to pupils attending non-public schools with the District.

**Public School Preschool Fund**

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

**Data Communications Fund**

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

**IDEA, Part B Fund**

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

**Title I 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 Stimulus 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.

**Improving Teacher Quality 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.



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

COMBINING BALANCE SHEET  
NONMAJOR SPECIAL REVENUE FUNDS  
JUNE 30, 2018

	<b>Food Service</b>	<b>District Managed Student Activities</b>	<b>Data Communication</b>	<b>IDEA Part B</b>
<b>Assets:</b>				
Equity in pooled cash and cash equivalents . . .	\$ 176,677	\$ 38,038	\$ 3,600	\$ 443
Receivables:				
Accounts . . . . .	78	-	-	-
Intergovernmental . . . . .	-	-	-	20,534
Materials and supplies inventory . . . . .	1,527	-	-	-
Inventory held for resale . . . . .	994	-	-	-
Total assets. . . . .	<u>\$ 179,276</u>	<u>\$ 38,038</u>	<u>\$ 3,600</u>	<u>\$ 20,977</u>
<b>Liabilities:</b>				
Accounts payable. . . . .	\$ 1,200	\$ -	\$ -	\$ -
Accrued wages and benefits . . . . .	4,232	-	-	11,834
Intergovernmental payable . . . . .	56	-	-	157
Pension and postemployment benefits payable. . . .	2,997	-	-	2,364
Interfund loans payable . . . . .	-	-	-	5,878
Total liabilities. . . . .	<u>8,485</u>	<u>-</u>	<u>-</u>	<u>20,233</u>
<b>Deferred inflows of resources:</b>				
Intergovernmental revenue not available. . . . .	-	-	-	2,196
Total deferred inflows of resources. . . . .	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,196</u>
<b>Fund balances:</b>				
Nonspendable:				
Materials and supplies inventory . . . . .	1,527	-	-	-
Restricted:				
Food service operations . . . . .	169,264	-	-	-
Other purposes . . . . .	-	-	3,600	-
Extracurricular activities . . . . .	-	38,038	-	-
Unassigned (deficit) . . . . .	-	-	-	(1,452)
Total fund balances (deficits) . . . . .	<u>170,791</u>	<u>38,038</u>	<u>3,600</u>	<u>(1,452)</u>
Total liabilities, deferred inflows and fund balances. . .	<u>\$ 179,276</u>	<u>\$ 38,038</u>	<u>\$ 3,600</u>	<u>\$ 20,977</u>

<b>Title I</b>	<b>IDEA - Preschool Stimulus</b>	<b>Improving Teacher Quality</b>	<b>Miscellaneous Federal Grants</b>	<b>Total Nonmajor Special Revenue Funds</b>
\$ 2,321	\$ 2,297	\$ 25,690	\$ 10,000	\$ 259,066
-	-	-	-	78
74,106	2,297	25,691	-	122,628
-	-	-	-	1,527
-	-	-	-	994
<u>\$ 76,427</u>	<u>\$ 4,594</u>	<u>\$ 51,381</u>	<u>\$ 10,000</u>	<u>\$ 384,293</u>
\$ -	\$ -	\$ -	\$ -	\$ 1,200
35,637	-	-	-	51,703
560	-	-	-	773
7,132	-	-	-	12,493
37,349	2,297	25,691	10,000	81,215
80,678	2,297	25,691	10,000	147,384
9,742	2,297	25,691	-	39,926
9,742	2,297	25,691	-	39,926
-	-	-	-	1,527
-	-	-	-	169,264
-	-	-	-	3,600
-	-	-	-	38,038
(13,993)	-	(1)	-	(15,446)
(13,993)	-	(1)	-	196,983
<u>\$ 76,427</u>	<u>\$ 4,594</u>	<u>\$ 51,381</u>	<u>\$ 10,000</u>	<u>\$ 384,293</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, 2018

	<b>Food Service</b>	<b>District Managed Student Activities</b>	<b>Auxillary Services</b>	<b>Public School Preschool</b>
<b>Revenues:</b>				
From local sources:				
Earnings on investments . . . . .	\$ 2,071	\$ -	\$ -	\$ -
Charges for services . . . . .	53,175	-	-	-
Extracurricular . . . . .	-	16,337	-	-
Intergovernmental - state . . . . .	11,936	-	2,351	100,000
Intergovernmental - federal . . . . .	219,592	-	-	-
Total revenues . . . . .	<u>286,774</u>	<u>16,337</u>	<u>2,351</u>	<u>100,000</u>
<b>Expenditures:</b>				
Current:				
Instruction:				
Regular. . . . .	-	-	-	100,000
Special . . . . .	-	-	-	-
Support services:				
Instructional staff. . . . .	-	-	-	-
Operations and maintenance . . . . .	427	-	-	-
Operation of non-instructional services:				
Other non-instructional services. . . . .	-	-	2,351	-
Food service operations . . . . .	241,542	-	-	-
Extracurricular activities . . . . .	-	32,967	-	-
Total expenditures. . . . .	<u>241,969</u>	<u>32,967</u>	<u>2,351</u>	<u>100,000</u>
Excess (deficiency) of revenues over (under) expenditures . . . . .	<u>44,805</u>	<u>(16,630)</u>	<u>-</u>	<u>-</u>
<b>Other financing sources:</b>				
Transfers in. . . . .	-	50,000	-	-
Total other financing sources . . . . .	<u>-</u>	<u>50,000</u>	<u>-</u>	<u>-</u>
Net change in fund balances. . . . .	44,805	33,370	-	-
<b>Fund balances (deficits) at beginning of year .</b>	<u>125,986</u>	<u>4,668</u>	<u>-</u>	<u>-</u>
<b>Fund balances (deficits) at end of year . . . .</b>	<u>\$ 170,791</u>	<u>\$ 38,038</u>	<u>\$ -</u>	<u>\$ -</u>

<b>Data Communication</b>	<b>IDEA Part B</b>	<b>Title I</b>	<b>Improving Teacher Quality</b>	<b>Total Nonmajor Special Revenue Funds</b>
\$ -	\$ -	\$ -	\$ -	\$ 2,071
-	-	-	-	53,175
-	-	-	-	16,337
3,600	-	-	-	117,887
-	128,157	479,064	5,916	832,729
3,600	128,157	479,064	5,916	1,022,199
-	-	-	92	100,092
-	115,078	442,264	-	557,342
-	-	345	-	345
-	-	-	-	427
-	-	7,187	-	9,538
-	-	-	-	241,542
-	-	-	-	32,967
-	115,078	449,796	92	942,253
3,600	13,079	29,268	5,824	79,946
-	-	-	-	50,000
-	-	-	-	50,000
3,600	13,079	29,268	5,824	129,946
-	(14,531)	(43,261)	(5,825)	67,037
\$ 3,600	\$ (1,452)	\$ (13,993)	\$ (1)	\$ 196,983

**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, 2018

	<u>Budgeted Amounts</u>		<u>Variance with Final Budget- Over (Under)</u>
	<u>Final</u>	<u>Actual</u>	
<b>Food Services Fund</b>			
Total Revenues and Other Sources	\$ 316,236	\$ 286,325	\$ (29,911)
Total Expenditures and Other Uses	<u>277,310</u>	<u>267,350</u>	<u>9,960</u>
Net Change in Fund Balances	38,926	18,975	(19,951)
Fund Balance at Beginning of Year	127,647	127,647	-
Prior Year Encumbrances Appropriated	<u>2,310</u>	<u>2,310</u>	<u>-</u>
Fund Balance at End of Year	<u><u>\$ 168,883</u></u>	<u><u>\$ 148,932</u></u>	<u><u>\$ (19,951)</u></u>
<b>District Managed Student Activity Fund</b>			
Total Revenues and Other Sources	\$ 72,500	\$ 66,337	\$ (6,163)
Total Expenditures and Other Uses	<u>67,395</u>	<u>67,306</u>	<u>89</u>
Net Change in Fund Balances	5,105	(969)	(6,074)
Fund Balance at Beginning of Year	3,273	3,273	-
Prior Year Encumbrances Appropriated	<u>1,395</u>	<u>1,395</u>	<u>-</u>
Fund Balance at End of Year	<u><u>\$ 9,773</u></u>	<u><u>\$ 3,699</u></u>	<u><u>\$ (6,074)</u></u>
<b>Auxillary Services Fund</b>			
Total Revenues and Other Sources	\$ 2,351	\$ 2,351	\$ -
Total Expenditures and Other Uses	<u>2,351</u>	<u>2,351</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>

**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, 2018

	<u>Budgeted Amounts</u>		<u>Variance with Final Budget- Over (Under)</u>
	<u>Final</u>	<u>Actual</u>	
<b>Public School Preschool Fund</b>			
Total Revenues and Other Sources	\$ 100,000	\$ 200,000	\$ 100,000
Total Expenditures and Other Uses	<u>200,000</u>	<u>200,000</u>	<u>-</u>
Net Change in Fund Balances	(100,000)	-	100,000
Fund Balance at Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance (Deficit) at End of Year	<u><u>\$ (100,000)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 100,000</u></u>
<b>Data Communication Fund</b>			
Total Revenues and Other Sources	\$ 3,600	\$ 3,600	\$ -
Total Expenditures and Other Uses	<u>3,600</u>	<u>-</u>	<u>3,600</u>
Net Change in Fund Balances	-	3,600	3,600
Fund Balance at Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance at End of Year	<u><u>\$ -</u></u>	<u><u>\$ 3,600</u></u>	<u><u>\$ 3,600</u></u>
<b>IDEA Part B Fund</b>			
Total Revenues and Other Sources	\$ 139,333	\$ 115,697	\$ (23,636)
Total Expenditures and Other Uses	<u>115,737</u>	<u>115,294</u>	<u>443</u>
Net Change in Fund Balances	23,596	403	(23,193)
Fund Balance at Beginning of Year	<u>40</u>	<u>40</u>	<u>-</u>
Fund Balance at End of Year	<u><u>\$ 23,636</u></u>	<u><u>\$ 443</u></u>	<u><u>\$ (23,193)</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, 2018

	<u>Budgeted Amounts</u>		<u>Variance with Final Budget- Over (Under)</u>
	<u>Final</u>	<u>Actual</u>	
<b>Title I, Disadvantaged Children Fund</b>			
Total Revenues and Other Sources	\$ 552,409	\$ 452,049	\$ (100,360)
Total Expenditures and Other Uses	<u>452,110</u>	<u>450,760</u>	<u>1,350</u>
Net Change in Fund Balances	100,299	1,289	(99,010)
Fund Balance at Beginning of Year	<u>60</u>	<u>60</u>	<u>-</u>
Fund Balance at End of Year	<u><u>\$ 100,359</u></u>	<u><u>\$ 1,349</u></u>	<u><u>\$ (99,010)</u></u>
<b>IDEA Preschool Grant for the Handicapped Fund</b>			
Total Revenues and Other Sources	\$ 4,593	\$ 2,297	\$ (2,296)
Total Expenditures and Other Uses	<u>2,297</u>	<u>-</u>	<u>2,297</u>
Net Change in Fund Balances	2,296	2,297	1
Fund Balance at Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance at End of Year	<u><u>\$ 2,296</u></u>	<u><u>\$ 2,297</u></u>	<u><u>\$ 1</u></u>

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**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, 2018

	<u>Budgeted Amounts</u>		<u>Variance with Final Budget- Over (Under)</u>
	<u>Final</u>	<u>Actual</u>	
<b>Improving Teacher Quality Fund</b>			
Total Revenues and Other Sources	\$ 57,299	\$ 31,607	\$ (25,692)
Total Expenditures and Other Uses	<u>31,607</u>	<u>5,916</u>	<u>25,691</u>
Net Change in Fund Balances	25,692	25,691	(1)
Fund Balance (Deficit) at Beginning of Year	<u>(1)</u>	<u>(1)</u>	<u>-</u>
Fund Balance at End of Year	<u><u>\$ 25,691</u></u>	<u><u>\$ 25,690</u></u>	<u><u>\$ (1)</u></u>
<b>Miscellaneous Federal Grants Fund</b>			
Total Revenues and Other Sources	\$ 20,000	\$ 10,000	\$ (10,000)
Total Expenditures and Other Uses	<u>10,000</u>	<u>-</u>	<u>10,000</u>
Net Change in Fund Balances	10,000	10,000	-
Fund Balance at Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance at End of Year	<u><u>\$ 10,000</u></u>	<u><u>\$ 10,000</u></u>	<u><u>\$ -</u></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, 2018

	<u><b>Budgeted Amounts</b></u>		<u><b>Variance with Final Budget- Over (Under)</b></u>
	<u><b>Final</b></u>	<u><b>Actual</b></u>	
<b>Permanent Improvement Fund</b>			
Total Revenues and Other Sources	\$ 92,000	\$ 94,293	\$ 2,293
Total Expenditures and Other Uses	<u>290,000</u>	<u>52,235</u>	<u>237,765</u>
Net Change in Fund Balances	(198,000)	42,058	240,058
Fund Balance at Beginning of Year	<u>213,107</u>	<u>213,107</u>	<u>-</u>
Fund Balance at End of Year	<u><u>\$ 15,107</u></u>	<u><u>\$ 255,165</u></u>	<u><u>\$ 240,058</u></u>

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

**COMBINING STATEMENTS - FIDUCIARY FUNDS**

**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 agency funds. Trust funds are used to account for assets held by the District under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the School District's own programs. Agency funds are purely custodial (assets equal liabilities) and thus do not involve the measurement of results of operations.

**Agency Fund**

**Student Managed Activities Fund**

This fund accounts for those student activity programs which have student participation in the activity and have students involved in the management of the program.

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

STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
AGENCY FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	<b>Beginning Balance July 1, 2017</b>	<b>Additions</b>	<b>Deletions</b>	<b>Ending Balance June 30, 2018</b>
<b>Student Managed Activity</b>				
<b>Assets:</b>				
Equity in pooled cash and cash equivalents. . . . .	\$ 3,653	\$ 5,573	\$ 4,419	\$ 4,807
Total assets . . . . .	<u>\$ 3,653</u>	<u>\$ 5,573</u>	<u>\$ 4,419</u>	<u>\$ 4,807</u>
<b>Liabilities:</b>				
Due to students . . . . .	\$ 3,653	\$ 5,573	\$ 4,419	\$ 4,807
Total liabilities. . . . .	<u>\$ 3,653</u>	<u>\$ 5,573</u>	<u>\$ 4,419</u>	<u>\$ 4,807</u>

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## **STATISTICAL SECTION**

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

STATISTICAL SECTION

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

<b><u>Table of Contents</u></b>	<b><u>Pages</u></b>
<b>Financial Trends</b> These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time.	<b>102-113</b>
<b>Revenue Capacity</b> These schedules contain information to help the reader assess the District's most significant local revenue source, the property tax.	<b>114-120</b>
<b>Debt Capacity</b> 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.	<b>121-124</b>
<b>Demographic and Economic Information</b> These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place.	<b>125-126</b>
<b>Operating Information</b> 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.	<b>127-129</b>

**Sources:** Unless otherwise noted, the information in these schedules is derived from the comprehensive annual 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.

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

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

	<u>2009</u>	<u>2010</u>	<u>2011 (1)</u>	<u>2012</u>
<b>Governmental activities</b>				
Net investment in capital assets	\$ 682,412	\$ 792,179	\$ 884,116	\$ 826,388
Restricted for:				
Capital projects	30,121	47,202	77,335	32,011
Other purposes	343,595	487,877	388,338	19,814
Unrestricted (deficit)	<u>(234,538)</u>	<u>1,119,151</u>	<u>2,333,687</u>	<u>3,287,485</u>
Total Governmental Activities Net Position	<u>\$ 821,590</u>	<u>\$ 2,446,409</u>	<u>\$ 3,683,476</u>	<u>\$ 4,165,698</u>

**Source:** District financial records.

(1) The District implemented GASB Statement No. 54.

(2) Amounts have been restated to account for the implementation of GASB Statement No. 68/71.

(3) Amounts have been restated to account for the implementation of GASB Statement No. 75 and a restatement of capital assets.

<b>2013</b>	<b>2014 (2)</b>	<b>2015</b>	<b>2016</b>	<b>2017 (3)</b>	<b>2018</b>
\$ 743,621	\$ 794,069	\$ 1,005,207	\$ 1,591,788	\$ 1,693,347	\$ 1,546,630
68,708	112,827	160,433	203,860	242,372	284,950
14,711	167,292	111,050	214,703	197,253	238,846
4,231,507	4,935,199	(1,146,006)	(364,335)	(1,134,587)	1,927,067
<u>\$ 5,058,547</u>	<u>\$ 6,009,387</u>	<u>\$ 130,684</u>	<u>\$ 1,646,016</u>	<u>\$ 998,385</u>	<u>\$ 3,997,493</u>

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

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

	<u>2009</u>	<u>2010</u>	<u>2011 (1)</u>	<u>2012</u>
<b>Expenses</b>				
Governmental activities:				
Instruction				
Regular	\$ 1,971,034	\$ 1,908,828	\$ 1,664,598	\$ 2,017,546
Special	1,807,792	2,002,929	1,734,393	1,100,212
Vocational	-	-	-	-
Other	1,800,922	1,835,957	1,806,735	1,431,424
Support services:				
Pupil	159,277	190,052	258,111	246,968
Instructional staff	213,254	445,583	425,026	311,685
Board of education	45,172	41,857	41,810	54,931
Administration	783,086	577,768	545,104	690,496
Fiscal	217,136	242,597	244,639	263,948
Business	297	518	586	573
Operations and maintenance	693,636	685,421	649,312	1,034,798
Pupil transportation	501,776	405,396	392,080	454,025
Central	28,083	53,698	60,134	53,805
Operation of non-instructional services	407,645	338,687	323,263	339,065
Extracurricular activities	154,672	105,551	105,738	124,615
Interest and fiscal charges	91,637	37,000	35,906	37,713
Total governmental activities expenses	<u>8,875,419</u>	<u>8,871,842</u>	<u>8,287,435</u>	<u>8,161,804</u>
<b>Program Revenues</b>				
Governmental activities:				
Charges for services:				
Instruction:				
Regular	432,841	409,491	249,124	214,008
Special	125,271	141,737	208,189	224,278
Other instructional	1,676	863	22	-
Support services:				
Pupil	-	-	-	-
Administration	3,901	1,125	157	93
Operations and maintenance	24,425	9,180	2,784	2,966
Pupil transportation	4,498	-	-	-
Operation of non-instructional services	37,533	35,481	17,875	10,711
Extracurricular activities	26,935	26,818	18,998	30,932
Total governmental activities charges for services	<u>657,080</u>	<u>624,695</u>	<u>497,149</u>	<u>482,988</u>

	2013	2014	2015	2016	2017	2018
\$	1,849,646	\$ 1,992,580	\$ 1,757,858	\$ 1,556,731	\$ 1,405,058	\$ 624,677
	1,121,923	1,310,403	1,334,024	1,196,511	1,617,008	1,199,701
	-	-	3,709	-	-	-
	1,439,916	1,394,708	1,337,548	1,167,294	1,000,494	1,100,113
	182,663	248,567	230,274	352,188	489,973	413,094
	293,573	141,016	149,623	114,043	156,885	59,648
	59,738	53,695	53,093	54,872	67,107	48,117
	773,178	706,921	644,039	692,537	761,580	316,615
	250,796	283,868	266,785	260,377	213,764	205,765
	484	562	562	483	-	-
	805,464	583,007	892,220	316,957	608,408	474,512
	398,649	454,746	394,057	551,357	676,532	542,279
	59,574	1,389	3,973	3,973	3,973	7,000
	271,402	228,811	246,672	268,403	319,101	209,713
	125,454	93,403	110,474	114,002	106,956	57,244
	37,471	35,815	34,062	32,211	30,322	28,992
	<u>7,669,931</u>	<u>7,529,491</u>	<u>7,458,973</u>	<u>6,681,939</u>	<u>7,457,161</u>	<u>5,287,470</u>
	370,190	449,995	150,582	279,328	180,576	356,131
	83,124	51,253	182,403	115,245	74,150	-
	-	-	-	-	-	-
	369	1,003	430	1,367	-	-
	1,963	799	1,025	1,188	-	-
	106	-	165	85	53	94
	-	-	-	-	-	-
	4,983	43,188	42,947	47,588	59,812	53,081
	19,549	15,853	11,488	14,966	13,340	16,337
	<u>480,284</u>	<u>562,091</u>	<u>389,040</u>	<u>459,767</u>	<u>327,931</u>	<u>425,643</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

	<b>2009</b>	<b>2010</b>	<b>2011 (1)</b>	<b>2012</b>
Operating grants and contributions:				
Instruction:				
Regular	\$ 693,250	\$ 380,977	\$ 320,265	\$ 150,326
Special	1,008,881	568,247	939,226	687,445
Vocational	11,391	11,925	12,014	12,014
Other instructional	3,289	105,689	78,049	-
Support services:				
Pupil	8,225	107,158	260,921	2,510
Instructional staff	183,252	390,772	22,827	185,729
Administration	6,246	31,084	-	765
Fiscal	-	-	27,473	-
Operations and maintenance	8,290	1,987	444	567
Pupil transportation	28,504	157,149	31,018	21,611
Central	18,737	25,291	9,805	3,600
Operation of non-instructional services	400,821	314,556	240,850	228,512
Extracurricular activities	4,821	7,716	3,414	6,076
Total operating grants and contributions	<u>2,375,707</u>	<u>2,102,551</u>	<u>1,946,306</u>	<u>1,299,155</u>

	2013		2014		2015		2016		2017		2018
\$	160,486	\$	178,221	\$	178,132	\$	157,018	\$	152,246	\$	125,691
	836,394		737,898		666,789		640,284		784,528		774,873
	12,014		5,155		-		-		-		-
	-		-		6,519		-		1,702		5,472
	-		1,979		15		3,970		2,086		2,297
	107,482		60,985		56,860		3,600		3,600		3,924
	-		-		-		-		-		-
	-		-		-		-		-		-
	4,555		-		839		433		260		413
	21,767		303		787		-		-		-
	3,600		-		-		-		-		-
	229,744		225,348		228,330		257,152		311,151		242,286
	1,183		700		3,400		750		750		-
	1,377,225		1,210,589		1,141,671		1,063,207		1,256,323		1,154,956

(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>2009</u>	<u>2010</u>	<u>2011 (1)</u>	<u>2012</u>
<b>General Revenues</b>				
Property taxes levied for:				
General purposes	\$ 2,779,258	\$ 2,881,978	\$ 3,050,323	\$ 2,710,549
Capital outlay	82,586	75,945	80,086	71,916
Payment in lieu of taxes	-	-	6,462	6,779
Grants and entitlements not restricted to specific programs	3,848,094	4,612,345	3,828,979	4,059,717
Investment earnings	12,241	2,750	2,589	1,305
Gain on lease termination	30,739	-	-	-
Special item - gain on the sale of capital assets	-	83,058	-	-
Miscellaneous	14,013	113,339	112,608	11,617
Total governmental activities	<u>6,766,931</u>	<u>7,769,415</u>	<u>7,081,047</u>	<u>6,861,883</u>
 <b>Change in Net Position</b>				
Governmental activities	<u>\$ 924,299</u>	<u>\$ 1,624,819</u>	<u>\$ 1,237,067</u>	<u>\$ 482,222</u>

**Source:** District financial records.



<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
\$ 2,745,908	\$ 2,564,940	\$ 2,660,898	\$ 2,602,116	\$ 2,577,301	\$ 2,733,551
72,850	75,011	78,408	76,891	76,302	81,079
6,929	6,514	6,155	6,250	6,217	6,217
3,873,639	4,050,831	3,990,161	3,971,969	3,880,576	3,763,489
2,541	2,895	9,564	14,946	37,470	101,754
-	-	-	-	-	-
-	-	-	-	-	-
3,404	7,460	8,656	2,125	5,791	19,889
6,705,271	6,707,651	6,753,842	6,674,297	6,583,657	6,705,979
<u>\$ 892,849</u>	<u>\$ 950,840</u>	<u>\$ 825,580</u>	<u>\$ 1,515,332</u>	<u>\$ 710,750</u>	<u>\$ 2,999,108</u>

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

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

	<u>2009</u>	<u>2010</u>	<u>2011 (1)</u>	<u>2012</u>
General Fund:				
Nonspendable	\$ -	\$ -	\$ 47,455	\$ 40,143
Restricted	-	-	5,450	-
Committed	-	-	12,605	11,000
Assigned	-	-	86,227	130,101
Unassigned	-	-	1,574,824	2,539,792
Reserved	383,949	478,845	-	-
Unreserved	797,404	1,098,512	-	-
Total general fund	<u>\$ 1,181,353</u>	<u>\$ 1,577,357</u>	<u>\$ 1,726,561</u>	<u>\$ 2,721,036</u>
All Other Governmental Funds:				
Nonspendable	\$ -	\$ -	\$ 5,627	\$ 5,908
Restricted	-	-	174,233	32,137
Unassigned (deficit)	-	-	(799)	(3,644)
Reserved	62,833	83,425	-	-
Unreserved (deficit), undesignated				
Reported in:				
Special revenue funds	180,031	157,523	-	-
Capital projects funds	14,743	8,589	-	-
Total all other governmental funds	<u>\$ 257,607</u>	<u>\$ 249,537</u>	<u>\$ 179,061</u>	<u>\$ 34,401</u>
Total governmental funds	<u>\$ 1,438,960</u>	<u>\$ 1,826,894</u>	<u>\$ 1,905,622</u>	<u>\$ 2,755,437</u>

**Source:** District financial records.

(1) The District implemented GASB 54 in fiscal year 2011.

<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
\$ 37,651	\$ 36,677	\$ 23,981	\$ 26,580	\$ 30,139	\$ 25,441
-	-	-	-	-	-
11,000	430,349	657,155	112,899	11,000	11,000
76,352	70,221	49,738	632,631	222,222	900,620
3,435,916	3,822,165	4,041,355	4,639,619	5,831,303	5,858,290
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 3,560,919</u>	<u>\$ 4,359,412</u>	<u>\$ 4,772,229</u>	<u>\$ 5,411,729</u>	<u>\$ 6,094,664</u>	<u>\$ 6,795,351</u>
\$ 6,203	\$ 6,513	\$ -	\$ -	\$ 1,916	\$ 1,527
60,977	105,331	175,159	251,759	346,153	469,996
(52,559)	(142,765)	(118,672)	(117,640)	(63,617)	(15,446)
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 14,621</u>	<u>\$ (30,921)</u>	<u>\$ 56,487</u>	<u>\$ 134,119</u>	<u>\$ 284,452</u>	<u>\$ 456,077</u>
<u>\$ 3,575,540</u>	<u>\$ 4,328,491</u>	<u>\$ 4,828,716</u>	<u>\$ 5,545,848</u>	<u>\$ 6,379,116</u>	<u>\$ 7,251,428</u>

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

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

	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>
<b>Revenues</b>				
Property taxes	\$ 2,780,536	\$ 2,776,743	\$ 2,892,067	\$ 2,800,839
Payment in lieu of taxes	-	-	6,462	6,779
Tuition	558,112	551,228	457,313	437,793
Transportation fees	4,498	-	-	-
Earnings on investments	12,241	2,991	2,750	1,324
Charges for services	37,838	35,659	17,941	10,739
Extracurricular activities	32,512	28,806	19,145	31,518
Rental income	-	-	2,750	2,938
Contributions and donations	-	-	19,090	4,733
Other	47,849	145,316	96,932	12,960
Intergovernmental	6,097,957	6,522,407	5,766,132	5,620,378
Total revenues	<u>9,571,543</u>	<u>10,063,150</u>	<u>9,280,582</u>	<u>8,930,001</u>
<b>Expenditures</b>				
Current:				
Instructional:				
Regular	1,931,991	1,913,844	1,619,565	1,960,081
Special	1,797,823	2,006,579	1,747,581	1,096,978
Other	1,800,922	1,835,957	1,806,735	1,431,424
Support services:				
Pupil	207,002	187,087	261,076	246,968
Instructional staff	214,605	442,113	429,907	310,869
Board of education	19,230	15,009	16,596	29,717
Administration	679,577	580,973	559,688	683,188
Fiscal	223,962	229,355	242,140	270,698
Business	297	518	586	573
Operations and maintenance	687,729	643,919	627,521	626,779
Pupil transportation	419,434	547,366	345,770	404,404
Central	38,857	53,698	60,134	57,352
Operation of non-instructional services	405,807	345,410	343,595	336,816
Extracurricular activities	153,357	106,461	105,738	124,615
Facilities acquisition and construction	-	88,610	235,584	438,256
Capital outlay	-	-	-	80,527
Debt service:				
Principal retirement	69,087	764,000	764,000	24,036
Interest and fiscal charges	91,637	37,000	35,906	37,713
Total expenditures	<u>8,741,317</u>	<u>9,797,899</u>	<u>9,202,122</u>	<u>8,160,994</u>
Excess of revenues over expenditures	830,226	265,251	78,460	769,007
<b>Other Financing Sources (Uses)</b>				
Special item - gain on sale of building	-	122,683	-	-
Proceeds from loans	1,500,000	-	-	-
Capital lease transaction	-	-	-	80,527
Transfers in	32,092	35,000	47,354	7,000
Transfers (out)	(32,092)	(35,000)	(47,354)	(7,000)
Total other financing sources (uses)	<u>1,500,000</u>	<u>122,683</u>	<u>-</u>	<u>80,527</u>
Net change in fund balances	<u>\$ 2,330,226</u>	<u>\$ 387,934</u>	<u>\$ 78,460</u>	<u>\$ 849,534</u>
Capital expenditures	\$ -	\$ 253,952	\$ 210,838	\$ 118,426
Debt service as a percentage of noncapital expenditures	1.84%	8.39%	8.90%	0.77%

**Source:** School District financial records.

	2013	2014	2015	2016	2017	2018
\$	2,726,414	\$ 2,667,815	\$ 2,715,144	\$ 2,659,855	\$ 2,668,816	\$ 2,784,011
	6,929	6,514	6,155	6,250	6,217	6,217
	453,314	501,248	332,985	394,573	254,726	356,131
	-	-	-	-	-	-
	2,543	2,897	9,579	15,066	38,005	103,825
	5,089	43,188	43,112	47,673	59,865	53,175
	21,881	17,655	12,943	17,521	13,340	16,337
	-	-	-	-	-	-
	2,702	6,956	8,184	1,228	532	11
	1,885	1,204	3,872	1,647	6,246	19,878
	5,237,554	5,106,405	5,192,106	4,958,465	5,245,560	4,955,110
	<u>8,458,311</u>	<u>8,353,882</u>	<u>8,324,080</u>	<u>8,102,278</u>	<u>8,293,307</u>	<u>8,294,695</u>
	1,826,736	1,957,635	1,746,569	1,610,696	1,414,661	1,360,822
	1,126,128	1,309,762	1,381,448	1,217,340	1,634,489	1,702,732
	1,439,916	1,394,708	1,337,548	1,167,294	1,000,494	1,100,113
	182,663	248,567	233,021	358,621	488,281	574,745
	288,908	142,566	152,897	115,044	160,819	127,622
	30,481	28,441	28,099	29,213	42,071	26,332
	778,334	706,211	659,191	707,823	785,796	790,270
	254,619	276,640	276,476	261,293	223,950	226,891
	484	562	562	483	-	-
	581,658	618,527	586,345	427,642	557,363	512,327
	370,102	419,776	387,003	534,105	654,466	561,180
	59,101	3,500	3,500	3,500	3,500	7,000
	271,196	234,446	250,799	269,440	317,975	251,080
	124,670	93,865	113,101	118,285	110,484	130,277
	235,801	98,257	599,832	496,623	5,336	-
	-	-	-	-	-	-
	30,235	31,963	33,728	35,533	30,032	22,000
	37,471	35,815	34,062	32,211	30,322	28,992
	<u>7,638,503</u>	<u>7,601,241</u>	<u>7,824,181</u>	<u>7,385,146</u>	<u>7,460,039</u>	<u>7,422,383</u>
	819,808	752,641	499,899	717,132	833,268	872,312
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	20,000	17,000	10,000	10,000	12,889	50,000
	(20,000)	(17,000)	(10,000)	(10,000)	(12,889)	(50,000)
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
\$	<u>819,808</u>	<u>\$ 752,641</u>	<u>\$ 499,899</u>	<u>\$ 717,132</u>	<u>\$ 833,268</u>	<u>\$ 872,312</u>
\$	6,200	\$ 131,656	\$ 285,814	\$ 671,856	\$ 5,336	\$ -
	0.89%	0.91%	0.90%	1.01%	0.81%	0.69%

**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	
				Public Utility	
	Assessed Value		Estimated Actual Value	Assessed Value	Estimated Actual Value
	Residential/ Agricultural	Commercial/ Industrial/PU			
2009	\$ 89,020,810	\$ 7,522,370	\$ 275,837,657	\$ 6,305,112	\$ 25,220,448
2010	88,110,250	7,496,200	273,161,286	4,496,310	17,985,240
2011	87,855,010	7,583,910	272,682,629	4,813,330	19,253,320
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

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

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Assessed Value	Total		Total Direct Rate
	Estimated Actual Value	Ratio	
\$ 102,848,292	\$ 301,058,105	34.16%	\$ 66.90
100,102,760	291,146,526	34.38%	66.90
100,252,250	291,935,949	34.34%	66.90
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

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

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

		2018	
Name of Taxpayer		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>	

		2009	
Name of Taxpayer		Assessed Value	Percent of Real Property Assessed Value
Dayton Power And Light Co.	1	\$ 2,334,420	2.27%
Anr Pipeline Company	2	1,579,240	1.54%
Cwm/Viv LLC	3	628,170	0.61%
Buckeye Community Seventeen LP	4	598,560	0.58%
Westwood Housing Assoc.	5	449,180	0.44%
Three Bond International	6	418,740	0.41%
Love Harry F and Elizabeth K	7	317,980	0.31%
Dayton Telecasting Inc.	8	309,660	0.30%
Vectren Energy Delivery Of Ohio	9	268,460	0.26%
Max Median Properties Inc.	10	235,200	0.23%
Totals		<u>\$ 7,139,610</u>	<u>6.94%</u>
Total Assessed Valuation		<u>\$ 102,848,292</u>	

**Source:** Montgomery County Auditor

**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)  
2008-2017

Tax Year/ Collection Year	Overlapping Governments					Total
	Montgomery County	City of Dayton	Montgomery County Career Center	Jefferson Township	Montgomery County Library	
2008/2009	\$ 20.94	\$ 10.00	\$ 2.58	\$ 18.59	\$ 1.25	\$ 53.36
2009/2010	20.94	10.00	2.58	18.59	1.75	53.86
2010/2011	20.94	10.00	2.58	18.59	1.75	53.86
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

**Source:** Montgomery County Auditor.

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

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Jefferson Township Local School District

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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		58.30		2.00	66.90
	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

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

PROPERTY TAX LEVIES AND COLLECTIONS - REAL, PERSONAL, AND PUBLIC UTILITY PROPERTY  
LAST FOUR COLLECTION (CALENDAR) YEARS  
2014-2017

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 Collection 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%

**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.

**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)
	School Solvency Assistance Loan	Lease Purchase/ Capital Leases			
2009	\$ 1,500,000	\$ 632,000	\$ 2,132,000	\$ 342	2.15%
2010	750,000	618,000	1,368,000	201	1.39%
2011	-	604,000	604,000	82	0.62%
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	N/A	N/A
2018	-	477,000	477,000	N/A	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>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Tax Valuation	<u>\$ 102,848,292</u>	<u>\$ 100,102,760</u>	<u>\$ 100,252,250</u>	<u>\$ 95,732,060</u>
Debt Limit - 9% of Taxable Valuation	<u>9,256,346</u>	<u>9,009,248</u>	<u>9,022,703</u>	<u>8,615,885</u>
Amount of Debt Applicable to Debt Limit				
General obligation bonds	-	-	-	-
Less: amount available in debt service	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Amount of Debt Subject to Limit	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Legal debt margin	<u>\$ 9,256,346</u>	<u>\$ 9,009,248</u>	<u>\$ 9,022,703</u>	<u>\$ 8,615,885</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)	102,848	100,103	100,252	95,732
Amount of Debt Subject to Limit	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Unvoted legal debt margin	<u>\$ 102,848</u>	<u>\$ 100,103</u>	<u>\$ 100,252</u>	<u>\$ 95,732</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.

<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
<u>\$ 95,292,780</u>	<u>\$ 94,863,900</u>	<u>\$ 96,770,260</u>	<u>\$ 96,357,950</u>	<u>\$ 96,657,490</u>	<u>\$ 97,376,540</u>
<u>8,576,350</u>	<u>8,537,751</u>	<u>8,709,323</u>	<u>8,672,216</u>	<u>8,699,174</u>	<u>8,763,889</u>
-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 8,576,350</u>	<u>\$ 8,537,751</u>	<u>\$ 8,709,323</u>	<u>\$ 8,672,216</u>	<u>\$ 8,699,174</u>	<u>\$ 8,763,889</u>
100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
95,293	94,864	96,770	96,358	96,657	97,377
-	-	-	-	-	-
<u>\$ 95,293</u>	<u>\$ 94,864</u>	<u>\$ 96,770</u>	<u>\$ 96,358</u>	<u>\$ 96,657</u>	<u>\$ 97,377</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, 2018

Governmental Unit	Gross General Obligation	Percent Applicable to District (1)	Amount Applicable to District
Direct:			
Jefferson Township Local School District	\$ 477,000	100.00%	\$ 477,000
Overlapping:			
Montgomery County	30,723,402	1.02%	313,791
City of Dayton	20,441,542	0.51%	104,175
Jefferson Township	754,957	88.72%	669,791
Montgomery County Career Center	5,197,994	1.39%	72,027
Total overlapping	\$ 57,117,895		\$ 1,159,784
Total direct and overlapping debt	\$ 57,594,895		\$ 1,636,784

**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



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

DEMOGRAPHIC STATISTICS  
LAST TEN YEARS  
2009-2018

Year	Population (1)	Per Capita Income (1)	Personal Income (1)	School Enrollment (2)	Unemployment Rate Montgomery County (3)
2009	6,237	\$15,897	\$99,148,751	502	11.4%
2010	6,793	14,504	98,527,363	479	11.1%
2011	7,373	13,111	96,664,998	419	9.5%
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	N/A	N/A	N/A	353	4.9%
2018	N/A	N/A	N/A	343	4.1%

**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, 2017 AND NINE YEARS AGO

Employer	Nature of Business	2017			2008		
		Number of Employees	Rank	Percentage of Total Employment	Number of Employees	Rank	Percentage of Total Employment
Wright-Patterson AFB	Government	27,585	1	11.44%	22,204	1	9.06%
Premier Health	Health Care	13,858	2	5.75%	12,000	2	4.90%
Kettering Health Network	Health Care	8,415	3	3.49%	7,000	3	2.86%
Kroger Co	Grocery	5,151	4	2.14%	3,000	8	1.22%
Montgomery County	Government	4,383	5	1.82%	4,501	4	1.84%
Sinclair Community College	Education	3,094	6	1.28%			
LexisNexis	Other Services	3,000	7	1.24%			
Univesity of Dayton	Education	2,964	8	1.23%			
Dayton Children's Hospital	Health Care	2,467	9	1.02%			
Wright State University	Education	2,383	10	0.99%			
Community Mercy Health Partners	Health Care				3,750	5	1.53%
Miami University	Education				3,500	6	1.43%
AK Steel Corp	Other Services				3,415	7	1.39%
Honda of America Manufacturing	Food Services				2,750	9	1.12%
Dayton Public Schools	Education				2,722	10	1.11%
Total		<u>73,300</u>		<u>30.40%</u>	<u>64,842</u>		<u>26.46%</u>

**Source:** Montgomery County CAFR as of December 31, 2017. 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**

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<b>Official/Administrative</b>										
Principal	2.00	2.00	2.00	2.00	2.00	1.00	N/A	N/A	N/A	2.00
Superintendent	1.00	0.90	0.90	1.00	1.00	1.00	N/A	N/A	N/A	1.00
Treasurer	1.00	2.00	2.00	2.00	1.00	1.00	N/A	N/A	N/A	1.00
Other	1.00	3.00	3.00	1.00	5.00	4.00	N/A	N/A	N/A	1.00
Totals	5.00	7.90	7.90	6.00	9.00	7.00	-	-	-	5.00
<b>Professional-Educational/Other</b>										
Suppl. Service Teacher (Special Ed.)	2.00	2.00	2.00	1.00	2.00	2.00	N/A	N/A	N/A	2.00
General Education	33.00	30.20	26.20	31.70	28.20	28.80	N/A	N/A	N/A	25.00
Special Education	8.20	6.53	5.89	5.03	2.71	2.03	N/A	N/A	N/A	3.00
Other Educational/Professional	14.40	14.14	12.05	7.34	6.25	5.33	N/A	N/A	N/A	4.00
Totals	57.60	52.87	46.14	45.07	39.16	38.16	-	-	-	34.00
<b>Technical/Office/Clerical</b>										
Educational/Media Aides	5.00	1.00	1.00	1.00	1.00	1.00	N/A	N/A	N/A	1.00
Instructional Paraprofessional	-	4.00	4.00	6.00	6.00	7.00	N/A	N/A	N/A	5.00
Clerical/Other	5.00	3.00	2.00	4.00	3.00	5.00	N/A	N/A	N/A	4.00
Totals	10.00	8.00	7.00	11.00	10.00	13.00	-	-	-	10.00
<b>Craft and Trades/Operative</b>										
Vehicle Operator (buses)	10.00	9.00	9.00	7.00	6.00	4.00	N/A	N/A	N/A	-
Other	4.00	1.00	-	1.00	1.00	-	N/A	N/A	N/A	-
Totals	14.00	10.00	9.00	8.00	7.00	4.00	-	-	-	-
<b>Service Work/Laborer</b>										
Custodian	5.00	3.00	4.00	3.00	2.00	2.00	N/A	N/A	N/A	2.00
Food Service	9.00	8.00	8.00	7.00	7.00	5.00	N/A	N/A	N/A	2.00
Other	1.00	2.00	6.00	3.00	1.00	-	N/A	N/A	N/A	-
Totals	15.00	13.00	18.00	13.00	10.00	7.00	-	-	-	4.00
<b>Total Employees</b>	<b>101.60</b>	<b>91.77</b>	<b>88.04</b>	<b>83.07</b>	<b>75.16</b>	<b>69.16</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>53.00</b>

**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

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

<b>Governmental Activities</b>					
	<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>	<b>2009</b>
Land	\$ 192,660	\$ 192,660	\$ 192,660	\$ 192,660	\$ 220,390
Construction in Progress	-	-	-	57,596	-
Land Improvements	89,300	97,072	104,844	112,616	119,064
Buildings and Improvements	889,393	942,131	960,071	744,052	797,185
Furniture/Equipment/Fixtures	89,259	105,707	35,313	54,081	65,818
Vehicles	113,265	149,309	195,228	249,174	111,955
Total Governmental Activities					
Capital Assets, net	<u>\$ 1,373,877</u>	<u>\$ 1,486,879</u>	<u>\$ 1,488,116</u>	<u>\$ 1,410,179</u>	<u>\$ 1,314,412</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
2009	\$ 8,875,419	502	\$ 17,680	64.72%	50	10.0
2010	8,871,842	479	18,522	4.76%	50	9.6
2011	8,287,435	419	19,779	6.79%	39	10.7
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

**Source:** District Records.

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