



OHIO AUDITOR OF STATE
KEITH FABER



**KETTERING CITY SCHOOL DISTRICT
MONTGOMERY COUNTY
JUNE 30, 2021**

TABLE OF CONTENTS

| TITLE | PAGE |
|--|-------------|
| Prepared by Management: | |
| Schedule of Expenditures of Federal Awards | 1 |
| Notes to the Schedule of Expenditures of Federal Awards..... | 2 |
| Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i> | 3 |
| Independent Auditor's Report on Compliance with Requirements Applicable to Each Major Federal Program and on Internal Control Over Compliance Required by the Uniform Guidance | 5 |
| Schedule of Findings..... | 9 |
| Attachment: Annual Comprehensive Financial Report | |

This page intentionally left blank.

**KETTERING CITY SCHOOL DISTRICT
MONTGOMERY COUNTY**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

| FEDERAL GRANTOR Pass Through Grantor Program / Cluster Title | Federal Assistance Listing Number | Total Federal Expenditures |
|---|--|---|
| U.S. DEPARTMENT OF AGRICULTURE | | |
| <i>Passed Through Ohio Department of Education</i> | | |
| Child Nutrition Cluster: | | |
| School Breakfast Program: | | |
| COVID-19 Cash Assistance | 10.553 | \$110,819 |
| Cash Assistance | 10.553 | 439,082 |
| Total School Breakfast Program | | <u>549,901</u> |
| National School Lunch Program: | | |
| COVID-19 Cash Assistance | 10.555 | 176,507 |
| Cash Assistance | 10.555 | 1,111,673 |
| Non-Cash Assistance (Food Distribution) | 10.555 | 213,163 |
| Total National School Lunch Program | | <u>1,501,343</u> |
| Total Child Nutrition Cluster and U.S. Department of Agriculture | | <u>2,051,244</u> |
| U.S. DEPARTMENT OF TREASURY | | |
| <i>Passed Through Ohio Department of Education</i> | | |
| COVID-19 Coronavirus Relief Fund - BroadbandOhio Connectivity | 21.019 | 54,528 |
| COVID-19 Coronavirus Relief Fund - Suburban SD | 21.019 | 375,797 |
| <i>Passed Through Montgomery County</i> | | |
| COVID-19 Coronavirus Relief Fund | 21.019 | 628,978 |
| <i>Passed Through Montgomery County Educational Service Center</i> | | |
| COVID-19 Coronavirus Relief Fund - Innovation | 21.019 | 48,000 |
| Total COVID-19 Coronavirus Relief Fund and U.S. Department of the Treasury | | <u>1,107,303</u> |
| U.S. DEPARTMENT OF EDUCATION | | |
| <i>Passed Through Ohio Department of Education</i> | | |
| Title I Grants to Local Educational Agencies | 84.010 | 1,534,584 |
| Special Education Cluster (IDEA) | | |
| Special Education Grants to States | 84.027 | 1,928,489 |
| Special Education Preschool Grants | 84.173 | 143,191 |
| Total Special Education Cluster (IDEA) | | <u>2,071,680</u> |
| English Language Acquisition State Grants | 84.365 | 43,786 |
| Supporting Effective Instruction State Grants (formerly Improving Teacher Quality State Grants) | 84.367 | 173,227 |
| Student Support and Academic Enrichment Program | 84.424 | 119,089 |
| COVID-19 Education Stabilization Fund: | | |
| Elementary and Secondary School Emergency Relief Fund | 84.425D | 1,260,163 |
| Elementary and Secondary School Emergency Relief Fund - ARP | 84.425U | 132,891 |
| Total COVID-19 Education Stabilization Fund | | <u>1,393,054</u> |
| Career and Technical Education - Basic Grants to States | 84.048 | 205,584 |
| Total U.S. Department of Education | | <u>5,541,004</u> |
| Total Expenditures of Federal Awards | | <u>\$ 8,699,551</u> |

The accompanying notes are an integral part of this schedule.

**KETTERING CITY SCHOOL DISTRICT
MONTGOMERY COUNTY**

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
2 CFR 200.510(b)(6)
FOR THE YEAR ENDED JUNE 30, 2021**

NOTE A – BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of the Kettering City School District (the District's) under programs of the federal government for the fiscal year ended June 30, 2021. The information on this Schedule is prepared in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position or changes in net position of the District.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the cash basis of accounting. Such expenditures are recognized following the cost principles contained in Uniform Guidance wherein certain types of expenditures may or may not be allowable or may be limited as to reimbursement.

NOTE C – INDIRECT COST RATE

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

NOTE D - CHILD NUTRITION CLUSTER

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

NOTE E – FOOD DONATION PROGRAM

The District reports commodities consumed on the Schedule at the entitlement value. The District allocated donated food commodities to the respective program(s) that benefitted from the use of those donated food commodities.

NOTE F - TRANSFERS BETWEEN PROGRAM YEARS

Federal regulations require schools to obligate certain federal awards by June 30. However, with ODE's consent, schools can transfer unobligated amounts to the subsequent fiscal year's program. The District transferred the following amounts from 2021 to 2022 programs:

| <u>Program Title</u> | <u>FAL Number</u> | <u>Amt. Transferred</u> |
|---|-------------------|-----------------------------|
| Supporting Effective Instruction State Grants (formerly Improving Teacher Quality State Grants) | 84.367 | \$92,976 |
| Student Support and Academic Enrichment Program | 84.424 | 7,641 |

OHIO AUDITOR OF STATE KEITH FABER



88 East Broad Street
Columbus, Ohio 43215
ContactUs@ohioauditor.gov
(800) 282-0370

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS REQUIRED BY GOVERNMENT AUDITING STANDARDS

Kettering City School District
Montgomery County
580 Lincoln Park Boulevard
Suite 105
Kettering, Ohio 45429

To the Board of Education:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Kettering City School District, Montgomery County, (the District) as of and for the fiscal year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated December 20, 2021 wherein we noted the financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the District.

Internal Control Over Financial Reporting

As part of our financial statement audit, we considered the District's internal control over financial reporting (internal control) as a basis for designing audit procedures appropriate in the circumstances to the extent necessary to support our opinions on the financial statements, but not to the extent necessary to opine on the effectiveness of the District's internal control. Accordingly, we have not opined on it.

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

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

Compliance and Other Matters

As part of reasonably assuring whether the District's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the financial statements. However, opining on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

Purpose of this Report

This report only describes the scope of our internal control and compliance testing and our testing results, and does not opine on the effectiveness of the District's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this report is not suitable for any other purpose.



Keith Faber
Auditor of State
Columbus, Ohio

December 20, 2021

OHIO AUDITOR OF STATE KEITH FABER



88 East Broad Street
Columbus, Ohio 43215
ContactUs@ohioauditor.gov
(800) 282-0370

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

Kettering City School District
Montgomery County
580 Lincoln Park Boulevard
Suite 105
Kettering, Ohio 45429

To the Board of Education:

Report on Compliance for Each Major Federal Program

We have audited Kettering City School District's (the District) compliance with the applicable requirements described in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could directly and materially affect each of Kettering City School District's major federal programs for the fiscal year ended June 30, 2021. The *Summary of Auditor's Results* in the accompanying schedule of findings identifies each of the District's major federal programs.

Management's Responsibility

The District's Management is responsible for complying with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to opine on the District's compliance for each of the District's major federal programs based on our audit of the applicable compliance requirements referred to above. Our compliance audit followed auditing standards generally accepted in the United States of America; the standards for financial audits included in the Comptroller General of the United States' *Government Auditing Standards*; and the audit requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). These standards and the Uniform Guidance require us to plan and perform the audit to reasonably assure whether noncompliance with the applicable compliance requirements referred to above that could directly and materially affect a major federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe our audit provides a reasonable basis for our compliance opinion on each of the District's major programs. However, our audit does not provide a legal determination of the District's compliance.

Opinion on Each Major Federal Program

In our opinion, Kettering City School District complied, in all material respects with the compliance requirements referred to above that could directly and materially affect each of its major federal programs for the fiscal year ended June 30, 2021.

Report on Internal Control Over Compliance

The District's management is responsible for establishing and maintaining effective internal control over compliance with the applicable compliance requirements referred to above. In planning and performing our compliance audit, we considered the District's internal control over compliance with the applicable requirements that could directly and materially affect each major federal program, to determine our auditing procedures appropriate for opining on each major federal program's compliance and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not to the extent needed to opine on the effectiveness of internal control over compliance. Accordingly, we have not opined on the effectiveness of the District's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, when performing their assigned functions, to prevent, or to timely detect and correct, noncompliance with a federal program's applicable compliance requirement. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a federal program compliance requirement will not be prevented, or timely detected and corrected. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with federal program's applicable compliance requirement that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

This report only describes the scope of our internal control over compliance tests and the results of this testing based on Uniform Guidance requirements. Accordingly, this report is not suitable for any other purpose.

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

We have also audited the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Kettering City School District (the District) as of and for the fiscal year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements. We issued our unmodified report thereon dated December 20, 2021, wherein we noted the financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the District. We conducted our audit to opine on the District's basic financial statements as a whole. We have not performed any procedures to the audited financial statements subsequent to December 20, 2021. The accompanying schedule of expenditures of federal awards presents additional analysis required by the Uniform Guidance and is not a required part of the basic financial statements. The schedule is management's responsibility, and was derived from and relates directly to the underlying accounting and other records management used to prepare the basic financial statements. We subjected this schedule to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this schedule directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, this schedule is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.



Keith Faber
Auditor of State
Columbus, Ohio

February 8, 2022

This page intentionally left blank.

**KETTERING CITY SCHOOL DISTRICT
MONTGOMERY COUNTY**

**SCHEDULE OF FINDINGS
2 CFR § 200.515
JUNE 30, 2021**

1. SUMMARY OF AUDITOR'S RESULTS

| | | |
|---------------------|--|--|
| <i>(d)(1)(i)</i> | Type of Financial Statement Opinion | Unmodified |
| <i>(d)(1)(ii)</i> | Were there any material weaknesses in internal control reported at the financial statement level (GAGAS)? | No |
| <i>(d)(1)(ii)</i> | Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)? | No |
| <i>(d)(1)(iii)</i> | Was there any reported material noncompliance at the financial statement level (GAGAS)? | No |
| <i>(d)(1)(iv)</i> | Were there any material weaknesses in internal control reported for major federal programs? | No |
| <i>(d)(1)(iv)</i> | Were there any significant deficiencies in internal control reported for major federal programs? | No |
| <i>(d)(1)(v)</i> | Type of Major Programs' Compliance Opinion | Unmodified |
| <i>(d)(1)(vi)</i> | Are there any reportable findings under 2 CFR § 200.516(a)? | No |
| <i>(d)(1)(vii)</i> | Major Programs (list): | COVID-19 Coronavirus Relief Fund (AL# 21.019) Title I Grants to Local Educational Agencies (AL# 84.010) COVID-19 Education Stabilization Fund (AL# 84.425) |
| <i>(d)(1)(viii)</i> | Dollar Threshold: Type A/B Programs | Type A: > \$ 750,000 Type B: all others |
| <i>(d)(1)(ix)</i> | Low Risk Auditee under 2 CFR § 200.520? | No |

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

None.

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None.

This page intentionally left blank.

**Annual Comprehensive Financial Report
Fiscal Year Ended June 30, 2021**



**Kettering City School District
Montgomery County, Ohio**

THIS PAGE IS INTENTIONALLY LEFT BLANK



**Annual Comprehensive
Financial Report**

of the

Kettering City School District

Montgomery County, Ohio

for the

Fiscal Year Ended June 30, 2021

Prepared by:

Ms. Regina Samson
Treasurer

THIS PAGE IS INTENTIONALLY LEFT BLANK



**KETTERING CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

TABLE OF CONTENTS

I. INTRODUCTORY SECTION

| | |
|--|--------|
| A. Letter of Transmittal | v - xi |
| B. Principal Officials | xii |
| C. Organizational Chart | xiii |
| D. Government Finance Officers Association of the United States and Canada - Certificate of Achievement for Excellence in Financial Reporting | xiv |
| E. Association of School Business Officials International - Certificate of Excellence in Financial Reporting | xv |

II. FINANCIAL SECTION

| | |
|--|---------|
| A. Independent Auditor's Report | 1 - 3 |
| B. Management's Discussion and Analysis | 5 - 16 |
| C. Basic Financial Statements: | |
| Government-Wide Financial Statements: | |
| Statement of Net Position | 17 |
| Statement of Activities | 18 |
| Fund Financial Statements: | |
| Balance Sheet - Governmental Funds | 19 |
| Reconciliation of Total Governmental Fund Balances to Net Position of Governmental Activities | 20 |
| Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds | 21 |
| Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities | 22 |
| Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis) - General Fund | 23 |
| Notes to the Basic Financial Statements | 24 - 70 |
| D. Required Supplementary Information: | |
| Schedule of the District's Proportionate Share of the Net Pension Liability: | |
| School Employees Retirement System (SERS) of Ohio | 72 - 73 |
| State Teachers Retirement System (STRS) of Ohio | 74 - 75 |
| Schedule of District Pension Contributions: | |
| School Employees Retirement System (SERS) of Ohio | 76 - 77 |
| State Teachers Retirement System (STRS) of Ohio | 78 - 79 |
| Schedule of the District's Proportionate Share of the Net OPEB Liability/Asset: | |
| School Employees Retirement System (SERS) of Ohio | 80 - 81 |
| State Teachers Retirement System (STRS) of Ohio | 82 - 83 |
| Schedule of District OPEB Contributions: | |
| School Employees Retirement System (SERS) of Ohio | 84 - 85 |
| State Teachers Retirement System (STRS) of Ohio | 86 - 87 |
| Notes to the Required Supplementary Information | 88 - 89 |

**KETTERING CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

TABLE OF CONTENTS (CONTINUED)

| | |
|--|-----------|
| E. Combining and Individual Fund Statements and Schedules: | |
| Fund Descriptions - Governmental Funds | 93 - 95 |
| Combining Balance Sheet - Nonmajor Governmental Funds | 96 |
| Combining Statement of Revenues, Expenditures and Changes in | |
| Fund Balances - Nonmajor Governmental Funds | 97 |
| Combining Balance Sheet - Nonmajor Special Revenue Funds | 98 - 102 |
| Combining Statement of Revenues, Expenditures and Changes in | |
| Fund Balances - Nonmajor Special Revenue Funds | 104 - 108 |
| Combining Statement of Revenues, Expenditures and Changes in | |
| Fund Balances - Nonmajor Capital Projects Funds | 109 |
| Schedule of Revenues, Expenditures and Changes in Fund Balance - | |
| Budget and Actual (Non-GAAP Budgetary Basis): | |
| Major Governmental Funds: | |
| General Fund | 110 |
| Bond Retirement Fund | 111 |
| Nonmajor Governmental Funds: | |
| Nonmajor Special Revenue Funds: | |
| Food Service Fund | 112 |
| Special Trust Fund | 113 |
| Pathfinder/Preschool Fund | 114 |
| Athletic Fund | 115 |
| Auxiliary Services Fund | 116 |
| Public School Preschool Fund | 117 |
| Data Communications Fund | 118 |
| Other State Funds Fund | 119 |
| Supporting Effective Instruction Fund | 120 |
| IDEA Part B Fund | 121 |
| Carl D. Perkins Fund | 122 |
| Bilingual Education Fund | 123 |
| Title I Fund | 124 |
| Preschool Grant Fund | 125 |
| Other Federal Programs Fund | 126 |
| Vocational Education Enhancement Fund | 127 |
| Student Wellness and Success Fund | 128 |
| Student Managed Activity Fund | 129 |
| ESSER Fund | 130 |
| Coronavirus Relief Fund | 131 |
| Tournament Fund | 132 |
| Uniform School Supplies Fund | 133 |
| Rotary Special Services Fund | 134 |
| Public School Support Fund | 135 |
| Special Enterprise Fund | 136 |
| Rotary Fund | 137 |
| Employee Benefits Fund | 138 |
| Nonmajor Capital Projects Funds: | |
| Permanent Improvement Fund | 139 |
| Replacement Fund | 139 |
| Nonmajor Permanent Fund: | |
| Permanent Fund | 140 |

**KETTERING CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

**ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

TABLE OF CONTENTS (CONTINUED)

III. STATISTICAL SECTION

| | |
|--|-----------|
| A. Table of Contents - Statistical Section..... | 141 |
| B. Financial Trends: | |
| Net Position by Component - Last Ten Fiscal Years..... | 142 - 143 |
| Changes in Net Position - Last Ten Fiscal Years..... | 144 - 149 |
| Fund Balances, Governmental Funds - Last Ten Fiscal Years | 150 - 151 |
| Changes in Fund Balances, Governmental Funds - Last Ten Fiscal Years..... | 152 - 155 |
| C. Revenue Capacity: | |
| Assessed and Estimated Actual Values of Taxable Property - Last Ten Calendar Years..... | 156 - 157 |
| Property Tax Rates of Direct and Overlapping Governments - Last Ten Calendar Years..... | 158 - 159 |
| Principal Taxpayers - Real Estate and Public Utility | |
| Property Taxes - December 31, 2020 and December 31, 2011..... | 161 |
| Property Tax Levies and Collections - Last Ten Calendar Years | 162 - 163 |
| D. Debt Capacity: | |
| Ratio of Outstanding Debt by Type - Last Ten Fiscal Years..... | 164 - 165 |
| Ratios of General Bonded Debt Outstanding - Last Ten Fiscal Years..... | 166 - 167 |
| Computation of Direct and Overlapping Debt | |
| Attributable to Governmental Activities - June 30, 2021 | 169 |
| Debt Limitations - Last Ten Fiscal Years | 170 - 171 |
| E. Demographic and Economic Information | |
| Demographic and Economic Statistics - Last Ten Years..... | 172 - 173 |
| Principal Employers - December 31, 2020 and December 31, 2011 | 175 |
| F. Operating Information | |
| District Employees by Type - Last Ten Fiscal Years | 176 - 177 |
| Operating Indicators - Cost Per Pupil - Last Ten Fiscal Years | 178 - 179 |
| Operating Indicators by Function - Last Ten Fiscal Years | 180 - 181 |
| Operating Indicators - Teacher Base Salaries, Teachers by Education - Last Ten Fiscal Years..... | 182 - 183 |
| Capital Asset Statistics by Building - Last Ten Fiscal Years..... | 184 - 187 |
| Educational and Operational Statistics - Last Ten Fiscal Years | 188 - 189 |

THIS PAGE IS INTENTIONALLY LEFT BLANK

**KETTERING CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

Introductory Section

THIS PAGE IS INTENTIONALLY LEFT BLANK



KETTERING CITY SCHOOL DISTRICT

580 Lincoln Park Boulevard, Suite 105, Kettering Ohio 45429
www.ketteringschools.org



December 20, 2021

TO THE CITIZENS AND BOARD OF EDUCATION
OF THE KETTERING CITY SCHOOL DISTRICT:

We are pleased to present the twenty-seventh Annual Comprehensive Financial Report (ACFR) of the Kettering City School District (the District) for the fiscal year ended June 30, 2021. This report was prepared by the Treasurer's Office, and includes the unmodified opinion of our independent auditors, the Ohio Auditor of State. Responsibility for both the accuracy of the data, and the completeness and fairness of the presentation, including all disclosures, rests with the District. To the best of our knowledge and belief, the enclosed data are accurate in all material respects and are reported in a manner designed to present fairly the financial position and results of operations of the various funds of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included. The ACFR conforms to generally accepted accounting principles (GAAP) applicable to government entities.

The Management's Discussion and Analysis (MD&A) provides a narrative introduction, overview and analysis to accompany the basic financial statements. This Letter of Transmittal is designed to complement the MD&A and should be read in conjunction with it. The District's MD&A can be found immediately following the Independent Auditor's Report.

Copies of this report will be widely distributed throughout the District. A copy will be sent to all school buildings, the Chamber of Commerce, major taxpayers, the Public Library, Moody's and Standard and Poor's financial rating services, banks, and any other interested parties.

This report includes all funds of the District. The District provides a full range of traditional and non-traditional educational programs and services. These include elementary and secondary curriculum offerings at the general, college preparatory and vocational levels; a broad range of co-curricular and extracurricular activities; adult and community education offerings; special education programs and facilities and community recreation facilities.

In addition to providing these general activities, the District receives pass-through State funds, which are distributed to private and parochial schools located within the District boundaries. The private school served by the Kettering City School District is the Montessori Center of South Dayton. The parochial schools served by the Kettering City School District are St. Albert the Great Elementary School, St. Charles Borromeo Elementary School, Ascension Elementary School and Archbishop Alter High School. While these organizations share operational and service similarity with the District, each is a separate and distinct entity. Because of their independent nature, none of these organizations' financial statements are included in this report. The District has no component units.

HISTORY AND BACKGROUND

The 2021 school year marked the 180th year of existence for the Van Buren/Kettering City School District. Van Buren Township was established on June 26, 1841, through separation from Dayton. The township was at first divided into small one-room district schools (#1, #6, #9, #10, #11 and #12) and later into Carrmonte, Pasadena, and Fairmont elementary districts. Oakwood and Belmont were originally part of Van Buren Township. Oakwood formed its own district in 1926. Later, the Belmont area was annexed to Dayton.

**KETTERING CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

LETTER OF TRANSMITTAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Kettering City, the third largest public school district in the greater Dayton metropolitan area, lies south of Dayton and Oakwood, north of Centerville/Washington Township and west of Greene County. The City of Kettering and part of the City of Moraine fall under the jurisdiction of the school district.

Three names have been associated with the current Kettering City School District; Van Buren, Kettering and Moraine.

Van Buren Township was named for President Martin Van Buren. In 1803, Montgomery County was created, and four townships were formed. Dayton Township included the area now known as Kettering. Van Buren Township separated from Dayton in 1841 and remained a separate township with its own schools until 1952, when residents voted to become the Village of Kettering.

In 1954, Dayton proposed annexing the Delco facilities. The earlier annexation of Belmont did not sit well with Van Buren Township. Not wanting further erosion of the township, Van Buren countered, applied for, and was granted exempted village status, the last time such status was given in Ohio. Then Superintendent Dwight L. Barnes and Assistant Superintendent J. E. Prass spearheaded this move. The exempted village status precluded the proposed Delco annexation by Dayton and secured the area for Van Buren/Kettering.

A special census conducted in 1954-55 verified that the township had more than 10,000 residents, and in 1955, the township became the City of Kettering.

The City of Kettering and hence the Kettering City School District were named in honor of Charles F. Kettering, the noted inventor of the automobile self-starter and holder of more than 150 patents. Together with Edward A. Deeds, Mr. Kettering formed a partnership in 1909, known as the "Barn Gang" since they, and other engineers, worked in Deeds' barn. The partnership developed into the Dayton Engineering Laboratories Company (DELCO), with Deeds as President and Kettering as Vice-President. In 1916, DELCO was sold to General Motors. During World War I, Deeds and Kettering organized the Dayton Wright Airplane Company and invented "The Bug" a remote-controlled, unmanned aircraft. The war ended before "The Bug" could be used. Charles F. Kettering's other accomplishments included work with leaded gasoline, Freon refrigeration, diesel locomotion, and quick-drying car paint.

Kettering was a very civic-minded man, directing both his efforts and funds into the Sloan-Kettering Institute for Cancer Research, the Kettering Foundation, which works to strengthen the public role in government, educational and science policy, and the Miami Conservancy District, instrumental in flood control.

Moraine took its name from the pre-historic glacier, which deposited vast amounts of sand and gravel over the terrain. Because of concern over police and fire departments services, the west Moraine section voted to become a separate township in 1953. They became a village in 1957 and a city in 1965. Throughout this period, Moraine has retained its ties to the Kettering City School District.

The Kettering City School District currently has a population of about 64,369 and covers 21.3 square miles. The City of Moraine has 6,507 residents and encompasses 9.22 square miles of which approximately 2.9 are within the Kettering City School District.

The official opening enrollment of the District was 7,291 enrolled in eight elementary schools, two middle schools and one high school during the 2020-21 school year; enrollment increased to 7,329 students during fiscal year 2021. The District projects enrollment to remain stable. The District's school buildings range in age from 14 years to 72 years old. Other facilities operated by the District include a maintenance building, a transportation building, and the Central Office Building that had been a high school and junior high school previously. The Central Office Building also houses the District's alternative high school program. At the end of fiscal year 2019, central office functions moved to a leased space and the District is planning to vacate and ultimately demolish the Central Office Building due to the excessive cost of upkeep and renovation.

On September 15, 1998 the Kettering City School District Board of Education passed a resolution to change the name of the District from the Kettering-Moraine City School District to the Kettering City School District effective July 1, 1998.

**KETTERING CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

LETTER OF TRANSMITTAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

ORGANIZATION OF THE DISTRICT

The Board of Education of the Kettering City School District is a five member body politic and corporate, as defined by Section 3313.02, Ohio Revised Code. The Board serves as the taxing authority, contracting body, policy maker, and ensures that all other general laws of the State of Ohio are followed in the expenditure of the District's tax dollar, and approves the annual appropriation resolution and tax budget.

The Board members on June 30, 2021 were as follows:

Toby Henderson
Jennifer Kane
Mark Martin
Lori E. Parks
James T. Ambrose

The Superintendent is the chief executive officer of the District, responsible directly to the Board for all operations. L. Scott Inskeep was appointed as Superintendent effective September 1, 2014.

The Treasurer/CFO is the chief financial officer of the District, responsible directly to the Board for maintaining all financial records, issuing all payments, maintaining custody of all District funds and assets, and investing idle funds as specified by Ohio Law. Regina Samson was appointed Treasurer effective September 1, 2021.

ECONOMIC CONDITION AND OUTLOOK

Economic Condition and Outlook (Kettering)

The economic environment for Kettering's business community continued to be one of relative stability despite the challenges of the COVID-19 pandemic.

According to the City of Kettering, although the City has been negatively impacted by the decline in employment in the area, the overall effect was diminished due to the diversity of the employment base. Kettering's business base ranges from some major employers headquartered in Kettering to many midsize companies specializing in technology or professional services and smaller, family-owned businesses. Kettering's largest employers include Kettering Medical Center (KMC), Synchrony Financial, and Reynolds & Reynolds Co. KMC employs 3,570 people and recently completed construction on a new \$49 million state of the art comprehensive cancer care center on vacant land across the street from the main campus. KMC is the flagship facility of the Kettering Health Network (KHN). KHN broke ground in August 2020 on East Kettering Health Center, a \$5.6 million medical office building that will house more than 30 jobs. Reynolds & Reynolds Co., a Fortune 1000 company based in Dayton since 1866, continues to employ 1,350 people at its Miami Valley Research Park campus. Synchrony Financial chose to end its lease at the Kettering Business Park as the majority of employees now work from home. This was a direct result of the COVID-19 pandemic. The company had 1,900 employees at the Kettering location and vacated the building in September 2020.

In the area of new employment, in late 2017, the City completed the purchase of nearly 300 acres of unimproved land. The City plans to aggressively market the land remaining for development and work with existing tenants to explore expansion opportunities. Community Tissue Services (CTS) broke ground in 2018 for a 132,000 square foot expansion at its Miami Valley Research Park facility. The completed project in 2021 will create an additional 200 jobs. Tenneco plans to consolidate two national plants in its Kettering location and make significant reinvestment in the property bringing hundreds of new high paying jobs to the facility. In 2019, the City sold 14 acres of land and a largely vacant warehouse at the Kettering Business Park to a developer. The developer demolished the warehouse and constructed a 100,000 square foot distribution center for Amazon. The distribution center employs approximately 400 part-time employees. Finally, the City continues to implement the plan developed by the Wilmington Pike Improvement Committee to regenerate investment and spur economic development along the Wilmington Pike corridor.

**KETTERING CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

LETTER OF TRANSMITTAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Economic Condition and Outlook (Moraine)

According to the City of Moraine, the City’s local economy has shown improvement over the past several years.

During 2020, new investments totaling approximately \$80 million were made, primarily by Fuyao, Winsupply, Tyler Technologies and Kroger.

The City welcomed several new businesses in 2020, including Prestige Stone Creations, Warehouse Restaurant Equipment, Sunoco, and Goodman Supply to name a few. The City continues to play a vital role in the regional economy through ongoing residential developments, expanded commercial opportunities and through existing businesses.

The City of Moraine expects to see continued growth along the Dryden Road and Springboro Pike corridors. These two areas have been among the fastest growing revitalization quadrants in the entire Dayton Metropolitan area.

EMPLOYEE RELATIONS

The Board employs 1,128 full-time and part-time employees (including non-teaching personnel). Of the Board’s current employees, 656 are certificated by the Ohio Department of Education serving as classroom teachers, education specialists and administrators, all of whom have at least a bachelor’s degree.

Five hundred seventy-eight (578) of the Board’s certificated teachers and educational specialists are members of the Kettering Education Association (“KEA”), which is a labor organization affiliated with the Ohio Education Association. The current contract between the Board and the Association became effective on July 1, 2021 and expires on June 30, 2024.

Two hundred ninety-three (293) of the Board’s classified employees are members of the Ohio Association of Public School Employees (“OAPSE”) which is a labor organization affiliated with the American Federation of State, County and Municipal Employees (“AFSME”). The current contract between the Board and OAPSE became effective on August 1, 2021 and expires on July 31, 2023.

These agreements marked a continuation of the historical turn in labor relations between the District, KEA, and OAPSE. The collaborative interest-based bargaining approach that involves the exchange of ideas, concerns and mutual problem solving to improve the instruction of students and to address the needs of the District in a cooperative manner was used.

MAJOR INITIATIVES

For the Year...and the Future...

Our mission, in partnership with the family and community, is to guarantee a superior educational learning experience for all students by providing a positive and innovative learning environment, while responsibly utilizing resources.

The District remains diligently focused on implementation of its strategic plan. Despite challenges of location and interaction brought on by COVID-19, the District continues initiatives designed to meet our primary strategic initiatives:

- Enhance Academic Performance (RTI, PBIS & Quality Core Instruction).
- Portrait of a Kettering Graduate – Develop skills in Critical Thinking – Lifelong Learning – Communication – Global Citizenship – engaging collaboration.
- Integrate Facilities that will support optimal learning.
- Create a Social Emotional plan for the District.
- Continue to implement legislation from the government, while keeping the whole child at the forefront.

**KETTERING CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

LETTER OF TRANSMITTAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Preparing our students to be ready to meet the challenges of the world is a team effort that promotes collaboration, creativity, perseverance, and achievement. We are committed to giving our students the skills needed to be able to analyze and solve problems, communicate effectively, and think creatively. These skills will prepare our students to be life-long learners and allow our students to successfully compete in a global economy.

LONG-TERM FINANCIAL PLANNING

The Ohio Department of Education requires school districts to submit a five-year forecast in October and May each year. The forecast provides three years of historical financial data and five years of revenue and expenditure estimates. The forecast is a benchmark used by administrators and the Board of Education to determine the current and future costs of existing educational programs and sustainability of proposed educational initiatives.

The need for general permanent improvements is at the forefront of concerns. The recent passage of a new permanent improvement levy will allow the District to plan for the necessary repairs to its buildings and grounds. Building administrators are working closely together to prioritize and develop preventative maintenance plans and refresh schedules so resources are allocated appropriately. During fiscal year 2019 construction was completed on a new high school performing arts auditorium. During fiscal year 2021, construction was completed on various building improvements and additions.

FINANCIAL POLICIES IMPACTING THE FINANCIAL STATEMENTS

During fiscal year 2019, the District issued a total of \$15,620,000 in certificates of participation (COPS). During fiscal years 2020 and 2021, the District used the proceeds from these COPS for construction of a new high school addition, elementary classroom additions, and the addition of maintenance and warehouse space District-wide. These projects were completed during fiscal year 2021.

FINANCIAL INFORMATION

Internal Controls

The Treasurer/CFO of the District is responsible for establishing internal controls designed to ensure that the assets of the District are protected from loss, theft, or misuse, and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. The Management Team is responsible for assisting with the implementation of the established internal controls. Internal controls are designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of cost and benefit requires estimates and judgments by management. Management believes the internal controls adequately meet the objective.

Budgetary Controls

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 certificate of estimated resources and the appropriations resolution, all of which are prepared on the budgetary basis of accounting. The certificate of estimated resources and the appropriations resolution are subject to amendment throughout the year with the legal restriction that appropriations cannot exceed estimated resources, as certified. All funds, other than custodial funds, are legally required to be budgeted and appropriated. The primary level of budgetary control imposed by the District (the level at which expenditures cannot legally exceed the appropriated amount) is established at the fund level for all funds. Any budgetary modifications at these levels may only be made by resolution of the Board of Education. The District also maintains an encumbrance accounting system as one technique of accomplishing budgetary control. Encumbered amounts at year-end are carried forward to succeeding years and are not re-appropriated.

**KETTERING CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

LETTER OF TRANSMITTAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Independent Audit

The State of Ohio requires an annual audit by either the Auditor of State or by an independent public accounting firm. The Auditor of State performed the audit for the fiscal year ended June 30, 2021. The audit has been conducted in accordance with generally accepted auditing standards, generally accepted government auditing standards, and includes a review of internal controls and tests of compliance with Federal and State laws and regulations. The auditor's report on the District's basic financial statements, combining statements, and individual fund statements and schedules is included in the financial section of this Annual Comprehensive Financial Report.

In addition to the financial audit, a single audit was performed as required by the Single Audit Act Amendments of 1996 and the provisions of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). The single audit report is not included in the ACFR.

Awards

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Kettering City School District for its annual comprehensive financial report for the fiscal year ended June 30, 2020. This was the twenty-sixth consecutive year that the government has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized annual comprehensive financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

The Association of School Business Officials (ASBO) of the United States and Canada awarded a Certificate of Excellence in Financial Reporting to the Kettering City School District for its annual comprehensive financial report for the year ended June 30, 2020. This award certifies that an Annual Comprehensive Financial Report substantially conforms to the principles and standards of financial reporting as recommended and adopted by the Association of School Business Officials. This award is granted only after an extensive review of the report by an expert panel of certified public accountants and practicing school business officials.

A Certificate of Excellence is valid for a period of one year only. The Kettering City School District has received a Certificate of Excellence for twenty-six consecutive years. We believe our current report continues to meet the Certificate of Excellence Program's requirements, and we are submitting it to ASBO to determine its eligibility for another certificate.

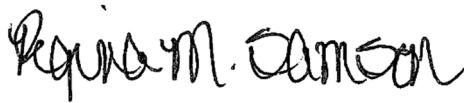
**KETTERING CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

LETTER OF TRANSMITTAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Acknowledgments

The preparation of this twenty-seventh Annual Comprehensive Financial Report would not have been possible without the cooperation and support of the entire staff of the Treasurer's Office. A special thanks to the administration and staff who help make our District sustainable and vibrant, the Montgomery County Auditor's Office, the Kettering City Finance Department, the Moraine City Finance Department, and the State Auditor's Office for their special support. Also, special thanks to Julian & Grube, Inc. and staff for assistance in the preparation of this financial report.

Sincerely,



Ms. Regina Samson, CFO
Treasurer



Mr. L. Scott Inskeep
Superintendent

**KETTERING CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

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

Elected Officials

President - Board of Education..... Mr. James T. Ambrose
Vice President - Board of Education Mr. Toby Henderson
Board of Education MemberMs. Lori E. Parks
Board of Education MemberMr. Mark Martin
Board of Education MemberMs. Jennifer Kane

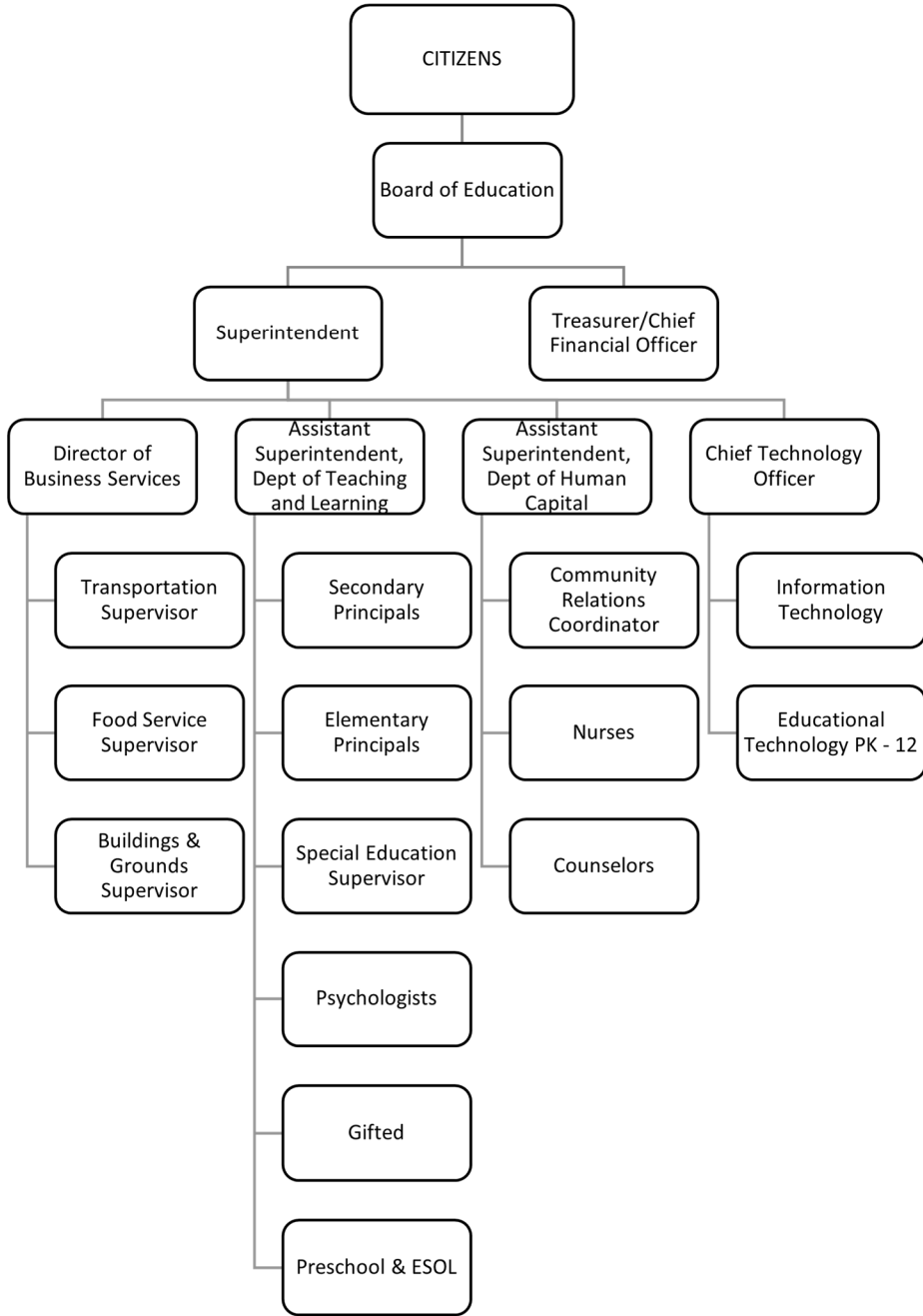
Appointed Officials

Superintendent..... Mr. L. Scott Inskeep
Treasurer/Chief Financial Officer..... Mr. Daniel Schall*
Assistant Superintendent of Teaching & Learning..... Mr. Dan Von Handorf
Assistant Superintendent of Human Capital..... Mr. Ken Miller
Director - Business Services.....Mr. Kenneth Lackey
Chief Technology Officer..... Mr. Chris Merritt

*Ms. Regina Samson became Treasurer/Chief Financial Officer effective September 1, 2021.

**KETTERING CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

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





Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Kettering City School District
Ohio**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2020

Christopher P. Morill

Executive Director/CEO



ASSOCIATION OF
SCHOOL BUSINESS OFFICIALS
INTERNATIONAL

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

Kettering City School District

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

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



W. Edward Chabal

W. Edward Chabal
President

David J. Lewis

David J. Lewis
Executive Director

THIS PAGE IS INTENTIONALLY LEFT BLANK

**KETTERING CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

Financial Section

THIS PAGE IS INTENTIONALLY LEFT BLANK



OHIO AUDITOR OF STATE KEITH FABER



88 East Broad Street
Columbus, Ohio 43215
ContactUs@ohioauditor.gov
(800) 282-0370

INDEPENDENT AUDITOR'S REPORT

Kettering City School District
Montgomery County
580 Lincoln Park Boulevard
Suite 105
Kettering, Ohio 45429

To the Board of Education:

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Kettering City School District, Montgomery County, Ohio (the District), as of and for the fiscal year ended June 30, 2021, 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, each major fund, and the aggregate remaining fund information of the Kettering City School District, as of June 30, 2021, and the respective changes in financial position thereof and the budgetary comparison for the General fund thereof for the fiscal year then ended in accordance with the accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 22 to the financial statements, the financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the District. We did not modify our opinion regarding this matter.

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 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 will also issue our report dated December 20, 2021, 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.



Keith Faber
Auditor of State
Columbus, Ohio

December 20, 2021

THIS PAGE IS INTENTIONALLY LEFT BLANK



**KETTERING CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

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

The management's discussion and analysis of the Kettering City School District's (the "District") financial performance provides an overall review of the District's financial activities for the fiscal year ended June 30, 2021. The intent of this discussion and analysis is to look at the District's financial performance as a whole; readers should also review the basic financial statements and the notes to the basic financial statements to enhance their understanding of the District's financial performance.

Financial Highlights

Key financial highlights for 2021 are as follows:

- The District's net position of governmental activities decreased \$3,374,079 which represents a 4.58% decrease from 2020's net position.
- General revenues accounted for \$110,809,905 in revenue or 85.06% of all revenues. Program specific revenues in the form of charges for services and sales, grants and contributions accounted for \$19,459,631 or 14.94% of total revenues of \$130,269,536.
- The District had \$133,643,615 in expenses related to governmental activities; \$19,459,631 of these expenses was offset by program specific charges for services and sales, grants or contributions. General revenues supporting governmental activities (primarily taxes and unrestricted grants and entitlements) of \$110,809,905 were not adequate to provide for these programs.
- The District's major governmental funds are the general fund and bond retirement fund. The general fund had \$104,379,773 in revenues and \$104,894,858 in expenditures and other financing uses. During fiscal year 2021, the general fund's fund balance decreased \$480,384 from a balance of \$1,618,486 to \$1,138,102.
- The bond retirement fund had \$7,593,168 in revenues and \$6,918,000 in expenditures. During fiscal year 2021, the bond retirement fund's fund balance increased by \$675,168 from a balance of \$4,876,330 to a balance of \$5,551,498.

Using these Basic Financial Statements

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader may 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 the reader how services were financed in the short-term, as well as what balances remain for future spending. The fund financial statements also present the District's most significant funds with all other, nonmajor funds presented in one aggregated column. In the case of the District, the general fund and bond retirement fund are the most significant funds and are the only funds considered major funds.

Reporting the District as a Whole

Statement of Net Position and the Statement of Activities

While this report contains the large number of funds utilized 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 the District perform financially during 2021?" The statement of net position and the 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 considers all of the current year's revenues and expenses, regardless of when cash is received or paid.

**KETTERING CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

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

These two statements report the District's net position and changes in net 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 the statement of activities, the governmental activities include the District's programs and services, including instruction, support services, operations and maintenance, pupil transportation, extracurricular activities, and operation of non-instructional services.

Reporting the District's Most Significant Funds

Fund Financial Statements

Fund financial reports provide detailed information about the District's major funds. The District uses many funds to account for a multitude of financial transactions during the year; however, these fund financial statements focus on the District's most significant funds. The District's major governmental funds are the general fund and bond retirement 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 the modified accrual basis of accounting, which measures cash and all other financial resources that 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 that it provides. Governmental fund information helps to determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs. The relationship between governmental activities (reported in the statement of net position and the statement of activities) and the governmental funds is reconciled in the basic financial statements.

Notes to the Basic Financial Statements

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

Required Supplementary Information

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

THIS SECTION IS INTENTIONALLY LEFT BLANK

**KETTERING CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

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

The District as a Whole

The statement of net position provides the perspective of the District as a whole. The table below provides a summary of the District's net position for June 30, 2021 and June 30, 2020.

| | Net Position | |
|--|------------------------------------|------------------------------------|
| | Governmental Activities 2021 | Governmental Activities 2020 |
| <u>Assets</u> | | |
| Current and other assets | \$ 112,710,163 | \$ 112,285,682 |
| Net OPEB asset | 7,439,155 | 6,939,171 |
| Capital assets, net | <u>130,047,667</u> | <u>129,595,647</u> |
| Total assets | <u>250,196,985</u> | <u>248,820,500</u> |
| <u>Deferred outflows of resources</u> | | |
| Unamortized deferred charges on debt refunding | 197,138 | 202,120 |
| Pension | 24,816,428 | 25,431,535 |
| OPEB | <u>4,071,106</u> | <u>3,285,053</u> |
| Total deferred outflows of resources | <u>29,084,672</u> | <u>28,918,708</u> |
| <u>Liabilities</u> | | |
| Current liabilities | 16,376,591 | 17,339,505 |
| Long-term liabilities: | | |
| Due within one year | 7,256,669 | 6,976,546 |
| Due in more than one year: | | |
| Net pension liability | 135,675,421 | 122,218,397 |
| Net OPEB liability | 11,017,109 | 12,748,907 |
| Other amounts | <u>88,596,754</u> | <u>94,664,247</u> |
| Total liabilities | <u>258,922,544</u> | <u>253,947,602</u> |
| <u>Deferred inflows of resources</u> | | |
| Property taxes levied for next fiscal year | 81,324,305 | 79,723,160 |
| Payment in lieu of taxes | | |
| levied for next fiscal year | 787,252 | 375,570 |
| Pension | 654,899 | 5,332,931 |
| OPEB | <u>14,692,628</u> | <u>12,085,837</u> |
| Total deferred inflows of resources | <u>97,459,084</u> | <u>97,517,498</u> |
| <u>Net position</u> | | |
| Net investment in capital assets | 44,647,261 | 39,455,395 |
| Restricted | 10,405,323 | 10,700,309 |
| Unrestricted (deficit) | <u>(132,152,555)</u> | <u>(123,881,596)</u> |
| Total net position | <u>\$ (77,099,971)</u> | <u>\$ (73,725,892)</u> |

**KETTERING CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

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

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

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

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

**KETTERING CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

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

Analysis of Net Position

Over time, net position can serve as a useful indicator of a government's financial position. At June 30, 2021, the District's liabilities and deferred inflows of resources exceeded assets and deferred outflows of resources by \$77,099,971.

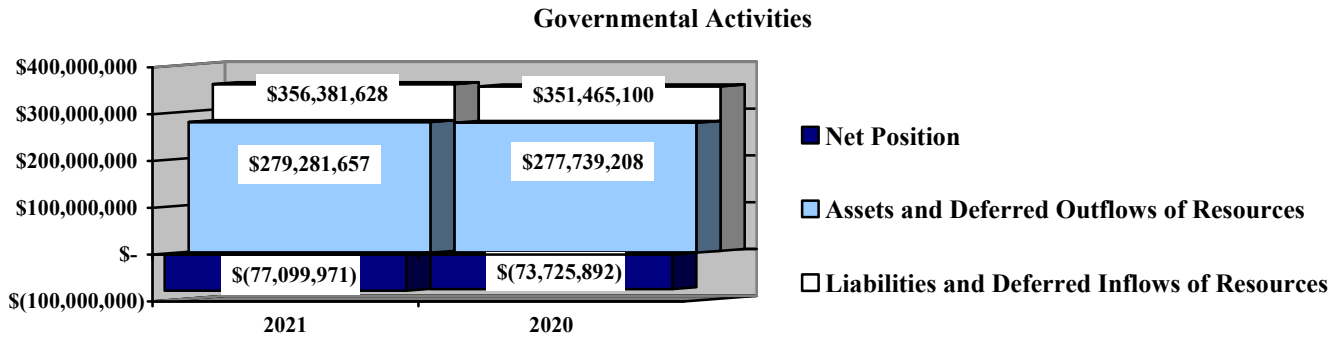
At year-end, capital assets represented 51.98% of total assets. Capital assets include land, construction in progress, buildings and improvements, furniture, fixtures and equipment, and vehicles. The District's net investment in capital assets at June 30, 2021 was \$44,647,261. These capital assets are used to provide services to students and community members and are not available for future spending. Although the District's net investment in capital assets is reported net of debt related to the acquisition of these assets, 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.

Current liabilities decreased because of a decrease in contracts payable. The District did not have any significant construction projects ongoing at fiscal year-end.

The net pension liability increased during fiscal year 2021, while the net OPEB liability decreased. These liabilities are outside of the control of the District. The District contributes its statutorily required contributions to the pension systems; however, it's the pension systems that collect, hold and distribute pensions and OPEB to District employees, not the District.

A portion of the District's net position, \$10,405,323, represents resources that are subject to external restriction on how they may be used. \$5,612,014 of the restricted balance was restricted for debt service. The remaining balance of unrestricted net position was a deficit of \$132,152,555.

The graph below illustrates the District's governmental activities assets plus deferred outflows, liabilities plus deferred inflows and net position at June 30, 2021 and 2020.



THIS SECTION IS INTENTIONALLY LEFT BLANK

**KETTERING CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

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

Governmental Activities

The table below shows the change in net position of the governmental activities for fiscal year 2021 and 2020.

| | Changes in Net Position - Governmental Activities | | |
|---|--|------------------------|--------------------------------|
| | <u>2021</u> | <u>2020</u> | <u>Increase (Decrease)</u> |
| <u>Revenues</u> | | | |
| Program revenues: | | | |
| Charges for services and sales | \$ 3,071,947 | \$ 5,045,508 | \$ (1,973,561) |
| Operating grants and contributions | 16,354,274 | 13,096,894 | 3,257,380 |
| Capital grants and contributions | 33,410 | - | 33,410 |
| General revenues: | | | |
| Property taxes | 85,761,498 | 81,747,046 | 4,014,452 |
| Payments in lieu of taxes | 745,552 | 332,258 | 413,294 |
| Grants and entitlements | 21,806,315 | 21,242,214 | 564,101 |
| Investment earnings | 24,625 | 719,427 | (694,802) |
| Miscellaneous | 2,471,915 | 725,179 | 1,746,736 |
| Total revenues | <u>130,269,536</u> | <u>122,908,526</u> | <u>\$ 7,361,010</u> |
| <u>Expenses</u> | | | |
| Program expenses: | | | |
| Instruction: | | | |
| Regular | 52,211,723 | 50,454,304 | \$ 1,757,419 |
| Special | 18,652,668 | 18,656,664 | (3,996) |
| Vocational | 3,438,231 | 3,257,367 | 180,864 |
| Adult/continuing | 238 | 1,139 | (901) |
| Other | 6,862,393 | 6,481,742 | 380,651 |
| Support services: | | | |
| Pupil | 10,769,806 | 10,964,179 | (194,373) |
| Instructional staff | 4,569,762 | 5,540,436 | (970,674) |
| Board of education | 41,027 | 65,153 | (24,126) |
| Administration | 8,079,615 | 8,164,194 | (84,579) |
| Fiscal | 2,745,430 | 3,011,199 | (265,769) |
| Business | 1,009,340 | 971,662 | 37,678 |
| Operations and maintenance | 9,054,638 | 10,041,325 | (986,687) |
| Pupil transportation | 5,071,672 | 5,323,731 | (252,059) |
| Central | 1,150,516 | 1,449,512 | (298,996) |
| Operation of non-instructional services | 5,226,344 | 6,700,173 | (1,473,829) |
| Extracurricular activities | 2,114,947 | 2,149,912 | (34,965) |
| Debt service: | | | |
| Interest and fiscal charges | 2,645,265 | 2,999,519 | (354,254) |
| Total expenses | <u>133,643,615</u> | <u>136,232,211</u> | <u>\$ (2,588,596)</u> |
| Change in net position | (3,374,079) | (13,323,685) | |
| Net position at beginning of year | (73,725,892) | (60,402,207) | |
| Net position at end of year | <u>\$ (77,099,971)</u> | <u>\$ (73,725,892)</u> | |

**KETTERING CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

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

Net position of the District's governmental activities decreased \$3,374,079. Total governmental expenses of \$133,643,615 were offset by program revenues of \$19,459,631 and general revenues of \$110,809,905. Program revenues supported 14.56% of the total governmental expenses.

The primary sources of revenue for governmental activities are derived from taxes, payments in lieu of taxes and grants and entitlements. These revenue sources represent 83.15% of total governmental revenue.

Overall, revenues of the governmental activities increased 5.99%. The largest components of this increase resulted from property taxes. This was due to an increase in the District's assessed valuation.

Operating grants and contributions increased due to additional federal grants for COVID-19 relief.

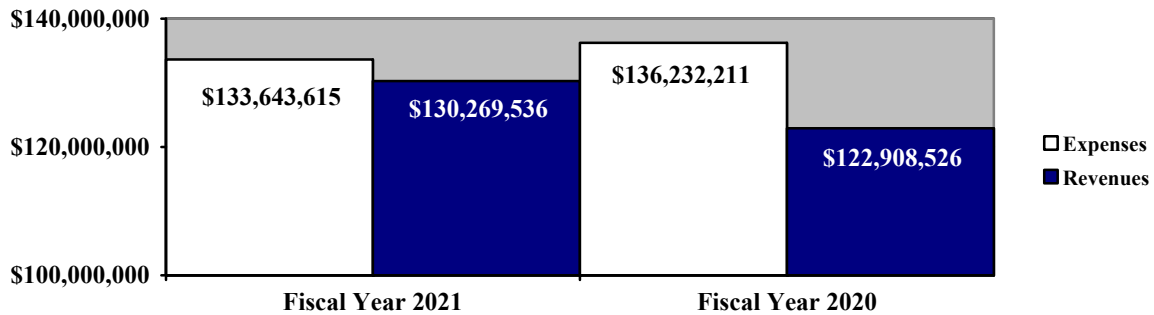
Miscellaneous revenue increased because of several dividends received from the Ohio Bureau of Workers' Compensation.

Overall, expenses of the governmental activities decreased \$2,588,596 or 1.90%. This decrease is due to less expenses for other non-instructional activities, particularly food service, which was related to the pandemic.

The largest expense of the District is for instructional programs. Instruction expenses totaled \$81,165,253 or 60.74% of total governmental expenses for fiscal year 2021.

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

Governmental Activities - Revenues and Expenses



THIS SECTION IS INTENTIONALLY LEFT BLANK

**KETTERING CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

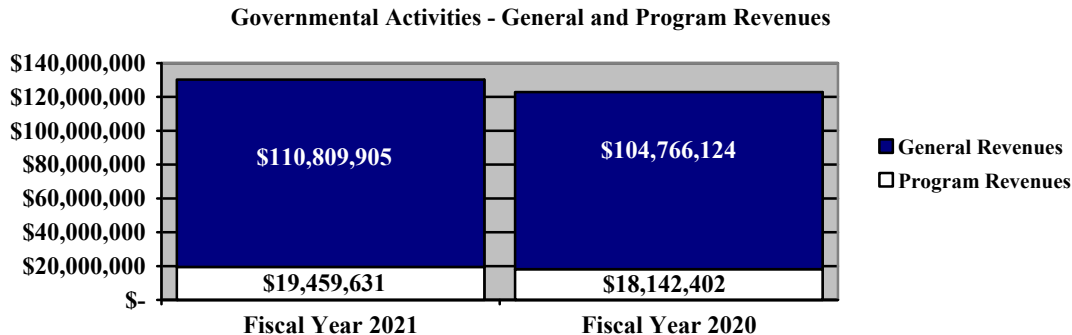
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(UNAUDITED)

The statement of activities shows the cost of program services and the charges for services and sales and grants and contributions 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 | | | | |
|---|--|--|--|--|
| <u>Program expenses</u> | <u>Total Cost of Services 2021</u> | <u>Net Cost of Services 2021</u> | <u>Total Cost of Services 2020</u> | <u>Net Cost of Services 2020</u> |
| Instruction: | | | | |
| Regular | \$ 52,211,723 | \$ 49,002,072 | \$ 50,454,304 | \$ 48,666,270 |
| Special | 18,652,668 | 12,286,167 | 18,656,664 | 12,659,947 |
| Vocational | 3,438,231 | 2,348,113 | 3,257,367 | 2,192,245 |
| Adult/continuing | 238 | 238 | 1,139 | 1,139 |
| Other | 6,862,393 | 6,729,502 | 6,481,742 | 6,481,742 |
| Support services: | | | | |
| Pupil | 10,769,806 | 9,150,824 | 10,964,179 | 9,074,906 |
| Instructional staff | 4,569,762 | 3,813,524 | 5,540,436 | 4,792,045 |
| Board of education | 41,027 | 41,027 | 65,153 | 65,153 |
| Administration | 8,079,615 | 7,607,415 | 8,164,194 | 7,817,818 |
| Fiscal | 2,745,430 | 2,745,430 | 3,011,199 | 3,011,199 |
| Business | 1,009,340 | 1,009,340 | 971,662 | 971,662 |
| Operations and maintenance | 9,054,638 | 8,427,022 | 10,041,325 | 9,994,403 |
| Pupil transportation | 5,071,672 | 4,718,013 | 5,323,731 | 4,988,663 |
| Central | 1,150,516 | 1,022,519 | 1,449,512 | 1,427,326 |
| Operation of non-instructional services | 5,226,344 | 843,738 | 6,700,173 | 1,327,415 |
| Extracurricular activities | 2,114,947 | 1,793,775 | 2,149,912 | 1,618,357 |
| Debt service: | | | | |
| Interest and fiscal charges | 2,645,265 | 2,645,265 | 2,999,519 | 2,999,519 |
| Total expenses | <u>\$ 133,643,615</u> | <u>\$ 114,183,984</u> | <u>\$ 136,232,211</u> | <u>\$ 118,089,809</u> |

The District's dependence upon tax and other general revenues for governmental activities is apparent, as 86.69% of instruction activities are supported through taxes and other general revenues. For all governmental activities, general revenue support is 85.44%. The District's taxpayers and grants and entitlements received from the State of Ohio that are not restricted in use are by far the primary support for District's students.

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



**KETTERING CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

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

The District's Funds

The District's governmental funds reported a combined fund balance of \$9,729,656, which is less than last year's total of \$11,532,109. The schedule below shows fund balances at June 30, 2021 and June 30, 2020 and the net changes in fund balances during fiscal year 2021.

| | Fund Balance June 30, 2021 | Fund Balance June 30, 2020 | Increase (Decrease) | Percentage Change |
|-----------------------------|-------------------------------|-------------------------------|------------------------|----------------------|
| General fund | \$ 1,138,102 | \$ 1,618,486 | \$ (480,384) | (29.68) % |
| Bond retirement fund | 5,551,498 | 4,876,330 | 675,168 | 13.85 % |
| Nonmajor governmental funds | 3,040,056 | 5,037,293 | (1,997,237) | (39.65) % |
| Total | <u>\$ 9,729,656</u> | <u>\$ 11,532,109</u> | <u>\$ (1,802,453)</u> | (15.63) % |

The bond retirement fund's fund balance is restricted for future payments of principal and interest on the District's general obligation bonds.

General Fund

Overall, revenues in the general fund increased 4.62%. The largest component of this increase was in taxes, which increased approximately \$2.66 million. Taxes increased due the increase in the District's assessed valuation. Intergovernmental revenue increased approximately \$535,000 during fiscal year 2021 due to the restoration of some cuts that State of Ohio had made to the State Foundation program at the beginning of the COVID-19 pandemic. Investment earnings decreased due to much lower interest rates on the District's investments. Other revenues increased due to several sizable dividends received from the Ohio Bureau of Workers' Compensation during fiscal year 2021.

The table that follows shows the revenues of the general fund for fiscal years 2021 and 2020.

| Revenues | 2021 Amount | 2020 Amount | Increase/ (Decrease) | Percentage Change |
|----------------------------|-----------------------|----------------------|-------------------------|----------------------|
| Taxes | \$ 73,858,297 | \$ 71,198,110 | \$ 2,660,187 | 3.74 % |
| Payment in lieu of taxes | 745,552 | 332,258 | 413,294 | 124.39 % |
| Tuition and fees | 1,889,997 | 1,964,131 | (74,134) | (3.77) % |
| Investment earnings | 86,154 | 518,847 | (432,693) | (83.40) % |
| Extracurricular activities | 123,640 | 213,515 | (89,875) | (42.09) % |
| Intergovernmental | 24,209,528 | 23,674,950 | 534,578 | 2.26 % |
| Other | 3,466,605 | 1,870,859 | 1,595,746 | 85.29 % |
| Total | <u>\$ 104,379,773</u> | <u>\$ 99,772,670</u> | <u>\$ 4,607,103</u> | 4.62 % |

THIS SECTION IS INTENTIONALLY LEFT BLANK

**KETTERING CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

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

The table that follows displays the expenditures of the general fund for fiscal years 2021 and 2020.

| Expenditures | 2021 Amount | 2020 Amount | Increase/ (Decrease) | Percentage Change |
|---|-----------------------|-----------------------|-------------------------|----------------------|
| Instruction: | | | | |
| Regular | \$ 43,626,090 | \$ 42,863,746 | \$ 762,344 | 1.78 % |
| Special | 14,527,561 | 14,578,885 | (51,324) | (0.35) % |
| Vocational | 2,871,161 | 2,805,804 | 65,357 | 2.33 % |
| Other | 6,725,274 | 6,482,106 | 243,168 | 3.75 % |
| Supporting services: | | | | |
| Pupil | 7,581,797 | 9,030,539 | (1,448,742) | (16.04) % |
| Instruction staff | 3,469,555 | 4,004,899 | (535,344) | (13.37) % |
| Board of education | 41,027 | 65,153 | (24,126) | (37.03) % |
| Administration | 6,673,259 | 6,720,474 | (47,215) | (0.70) % |
| Fiscal | 2,709,418 | 2,812,337 | (102,919) | (3.66) % |
| Business | 1,089,444 | 886,330 | 203,114 | 22.92 % |
| Operations and maintenance | 7,484,831 | 8,665,060 | (1,180,229) | (13.62) % |
| Pupil transportation | 4,419,486 | 4,500,786 | (81,300) | (1.81) % |
| Central | 1,083,417 | 1,265,311 | (181,894) | (14.38) % |
| Operation of non-instructional services | 510,090 | 586,658 | (76,568) | (13.05) % |
| Extracurricular activities | 1,435,476 | 1,347,708 | 87,768 | 6.51 % |
| Facilities acquisition and construction | 2,361 | 5,057 | (2,696) | (53.31) % |
| Debt service: | | | | |
| Principal retirement | 562,552 | 306,122 | 256,430 | 83.77 % |
| Interest & fiscal charges | 63,559 | 77,299 | (13,740) | (17.78) % |
| Total | \$ 104,876,358 | \$ 107,004,274 | \$ (2,127,916) | (1.99) % |

Expenditures of the general fund decreased \$2,127,916 or 1.99%. The main reason for this decrease was the ability of the District to utilize additional federal funds, which are recorded in special revenue funds, for expenditures that would typically be made from the general fund.

Bond Retirement Fund

In total, the bond retirement fund recognized \$7,593,168 in revenues and \$6,918,000 in expenditures during fiscal year 2021. During fiscal year 2021, the bond retirement fund's fund balance increased by \$675,168 from a balance of \$4,876,330 to a balance of \$5,551,498. The property taxes revenue of the bond retirement fund increased \$125,053, which is due to the increase in the District's assessed valuation.

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 the general fund, original budgeted revenues were \$96,806,287. Final budgeted revenues were increased \$6,764,940 from the original. The increase between the original budget and the final budget was due a combination of conservatism with the original budget and an increase in estimated property tax revenue as the increase in the District's assessed valuation became known. Actual revenues and other financing sources for fiscal year 2021 were \$103,135,902; this represents a \$435,325 decrease from final budgeted revenues.

**KETTERING CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

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

General fund original appropriations and other financing uses totaled \$105,277,910. Final appropriations and other financing uses were increased \$755,044 from the original. The actual budget basis expenditures and other financing uses for fiscal year 2021 totaled \$106,549,697, which is greater than the final budget appropriations by \$516,743.

Capital Assets and Debt Administration

Capital Assets

At the end of fiscal year 2021, the District had \$130,047,667 invested in land, construction in progress, buildings and improvements, furniture, fixtures and equipment, and vehicles. This entire amount is reported in the District's governmental activities. The following table shows the District's net capital asset balances for 2021 and 2020.

Capital Assets at June 30 (Net of Depreciation) - Governmental Activities

| | 2021 | 2020 |
|------------------------------------|----------------|----------------|
| Land | \$ 461,616 | \$ 461,616 |
| Construction in progress | 235,945 | 10,979,347 |
| Building and improvements | 123,908,404 | 113,367,111 |
| Furniture, fixtures, and equipment | 923,263 | 1,162,769 |
| Vehicles | 4,518,439 | 3,624,804 |
| Total | \$ 130,047,667 | \$ 129,595,647 |

The overall increase in capital assets of \$452,020 is due to capital asset additions of \$3,246,785 exceeding depreciation expense of \$2,794,765. See Note 11 to the basic financial statements for additional information on the District's capital assets.

Debt Administration

The following table summarizes the District's long-term debt outstanding at June 30, 2021 and 2020.

Outstanding Debt at June 30 - Governmental Activities

| | 2021 | 2020 |
|-------------------------------|---------------|---------------|
| General obligation bonds | \$ 50,655,000 | \$ 55,250,000 |
| Tax anticipation notes | 2,110,000 | 2,865,000 |
| Certificates of participation | 26,390,000 | 26,630,000 |
| Capital lease | - | 169,080 |
| Lease purchase obligation | 926,768 | - |
| Unamortized premiums | 5,515,776 | 6,383,960 |
| Total | \$ 85,597,544 | \$ 91,298,040 |

At June 30, 2021, the District had \$50,655,000 in general obligation bonds outstanding, all of which were current interest bonds. The capital appreciation bonds and associated accreted interest were fully retired in fiscal year 2021. The District also had \$2,110,000 in tax anticipation notes outstanding, \$26,390,000 in certificates of participation outstanding, and \$926,768 in lease purchase obligations outstanding. Of these obligations, \$6,038,449 is due within one year and \$79,559,095 is due in greater than one year. See Note 12 to the basic financial statements for additional information on the District's debt administration.

**KETTERING CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

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

Current Financial Related Activities

The District is financially sound, although not overly affluent. The District relies on property tax revenues and state foundation funds to provide the resources necessary to support and maintain educational programs

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, 580 Lincoln Park Blvd., Suite 105, Kettering, Ohio 45429.

**KETTERING CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

STATEMENT OF NET POSITION
JUNE 30, 2021

| | Governmental Activities |
|--|------------------------------------|
| Assets: | |
| Equity in pooled cash and investments | \$ 19,756,686 |
| Cash with fiscal agent | 848,617 |
| Receivables: | |
| Property taxes | 88,078,450 |
| Payment in lieu of taxes | 787,252 |
| Accounts | 37,959 |
| Accrued interest | 9,491 |
| Intergovernmental | 2,770,009 |
| Prepayments | 160,511 |
| Materials and supplies inventory | 121,600 |
| Inventory held for resale | 139,588 |
| Net OPEB asset | 7,439,155 |
| Capital assets: | |
| Nondepreciable capital assets | 697,561 |
| Depreciable capital assets, net | 129,350,106 |
| Capital assets, net | 130,047,667 |
| Total assets | 250,196,985 |
| Deferred outflows of resources: | |
| Unamortized deferred charges on debt refunding | 197,138 |
| Pension | 24,816,428 |
| OPEB | 4,071,106 |
| Total deferred outflows of resources | 29,084,672 |
| Liabilities: | |
| Accounts payable | 460,029 |
| Accrued wages and benefits payable | 13,277,331 |
| Intergovernmental payable | 266,804 |
| Pension and postemployment benefits payable | 2,039,412 |
| Accrued interest payable | 315,039 |
| Matured bonds payable | 17,976 |
| Long-term liabilities: | |
| Due within one year | 7,256,669 |
| Due in more than one year: | |
| Net pension liability | 135,675,421 |
| Net OPEB liability | 11,017,109 |
| Other amounts due in more than one year | 88,596,754 |
| Total liabilities | 258,922,544 |
| Deferred inflows of resources: | |
| Property taxes levied for the next fiscal year | 81,324,305 |
| Payment in lieu of taxes levied for the next fiscal year | 787,252 |
| Pension | 654,899 |
| OPEB | 14,692,628 |
| Total deferred inflows of resources | 97,459,084 |
| Net position: | |
| Net investment in capital assets | 44,647,261 |
| Restricted for: | |
| Capital projects | 3,782,066 |
| Permanent fund - expendable | 1,788 |
| Permanent fund - nonexpendable | 44,251 |
| Debt service | 5,612,014 |
| State funded programs | 62,540 |
| Federally funded programs | 58,739 |
| Food service operations | 209,503 |
| Student activities | 576,920 |
| Other purposes | 57,502 |
| Unrestricted (deficit) | (132,152,555) |
| Total net position | \$ (77,099,971) |

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**KETTERING CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

| | Expenses | Program Revenues | | | Net (Expense) |
|---|-----------------------|--------------------------------|------------------------------------|----------------------------------|-------------------------------------|
| | | Charges for Services and Sales | Operating Grants and Contributions | Capital Grants and Contributions | Revenue and Changes in Net Position |
| | | | | | Governmental Activities |
| Governmental activities: | | | | | |
| Instruction: | | | | | |
| Regular | \$ 52,211,723 | \$ 1,104,505 | \$ 2,105,146 | \$ - | \$ (49,002,072) |
| Special | 18,652,668 | 870,937 | 5,495,564 | - | (12,286,167) |
| Vocational | 3,438,231 | 1,305 | 1,088,813 | - | (2,348,113) |
| Adult/continuing | 238 | - | - | - | (238) |
| Other | 6,862,393 | - | 132,891 | - | (6,729,502) |
| Support services: | | | | | |
| Pupil | 10,769,806 | 304,624 | 1,314,358 | - | (9,150,824) |
| Instructional staff | 4,569,762 | 52,272 | 703,966 | - | (3,813,524) |
| Board of education | 41,027 | - | - | - | (41,027) |
| Administration | 8,079,615 | 8,637 | 463,563 | - | (7,607,415) |
| Fiscal | 2,745,430 | - | - | - | (2,745,430) |
| Business | 1,009,340 | - | - | - | (1,009,340) |
| Operations and maintenance | 9,054,638 | 64,111 | 563,505 | - | (8,427,022) |
| Pupil transportation | 5,071,672 | - | 320,249 | 33,410 | (4,718,013) |
| Central | 1,150,516 | - | 127,997 | - | (1,022,519) |
| Operation of non-instructional services: | | | | | |
| Other non-instructional services | 5,226,344 | 345,183 | 4,037,423 | - | (843,738) |
| Extracurricular activities | 2,114,947 | 320,373 | 799 | - | (1,793,775) |
| Interest and fiscal charges | 2,645,265 | - | - | - | (2,645,265) |
| Totals | \$ 133,643,615 | \$ 3,071,947 | \$ 16,354,274 | \$ 33,410 | (114,183,984) |
| General revenues: | | | | | |
| Property taxes levied for: | | | | | |
| General purposes | | | | | 74,844,270 |
| Debt service | | | | | 6,602,486 |
| Capital outlay | | | | | 4,314,742 |
| Payments in lieu of taxes | | | | | 745,552 |
| Grants and entitlements not restricted to specific programs | | | | | 21,806,315 |
| Investment earnings | | | | | 24,625 |
| Miscellaneous | | | | | 2,471,915 |
| Total general revenues | | | | | 110,809,905 |
| Change in net position | | | | | (3,374,079) |
| Net position at beginning of year | | | | | (73,725,892) |
| Net position at end of year | | | | | \$ (77,099,971) |

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**KETTERING CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2021

| | <u>General</u> | <u>Bond Retirement</u> | <u>Nonmajor Governmental Funds</u> | <u>Total Governmental Funds</u> |
|--|----------------------|----------------------------|--|---|
| Assets: | | | | |
| Equity in pooled cash and investments | \$ 10,697,987 | \$ 5,276,982 | \$ 3,781,717 | \$ 19,756,686 |
| Cash with fiscal agent | - | 17,976 | 830,641 | 848,617 |
| Receivables: | | | | |
| Property taxes | 78,176,995 | 5,855,333 | 4,046,122 | 88,078,450 |
| Payment in lieu of taxes | 787,252 | - | - | 787,252 |
| Accounts | 37,664 | - | 295 | 37,959 |
| Accrued interest | 9,491 | - | - | 9,491 |
| Interfund loans | 895,131 | - | - | 895,131 |
| Intergovernmental | 843,895 | - | 1,926,114 | 2,770,009 |
| Prepayments | 147,040 | - | 13,471 | 160,511 |
| Materials and supplies inventory | 121,600 | - | - | 121,600 |
| Inventory held for resale | - | - | 139,588 | 139,588 |
| Due from other funds | 522,969 | - | - | 522,969 |
| Total assets | <u>\$ 92,240,024</u> | <u>\$ 11,150,291</u> | <u>\$ 10,737,948</u> | <u>\$ 114,128,263</u> |
| Liabilities: | | | | |
| Accounts payable | \$ 267,399 | \$ - | \$ 192,630 | \$ 460,029 |
| Accrued wages and benefits payable | 12,372,424 | - | 904,907 | 13,277,331 |
| Compensated absences payable | 289,548 | - | 76,960 | 366,508 |
| Intergovernmental payable | 237,671 | - | 29,133 | 266,804 |
| Pension and postemployment benefits payable | 1,828,785 | - | 210,627 | 2,039,412 |
| Interfund loans payable | - | - | 895,131 | 895,131 |
| Due to other funds | - | - | 522,969 | 522,969 |
| Matured bonds payable | - | 17,976 | - | 17,976 |
| Total liabilities | <u>14,995,827</u> | <u>17,976</u> | <u>2,832,357</u> | <u>17,846,160</u> |
| Deferred inflows of resources: | | | | |
| Property taxes levied for the next fiscal year | 72,264,746 | 5,339,045 | 3,720,514 | 81,324,305 |
| Payment in lieu of taxes levied for the next fiscal year | 787,252 | - | - | 787,252 |
| Delinquent property tax revenue not available | 2,920,438 | 241,772 | 149,388 | 3,311,598 |
| Intergovernmental revenue not available | 133,659 | - | 995,633 | 1,129,292 |
| Total deferred inflows of resources | <u>76,106,095</u> | <u>5,580,817</u> | <u>4,865,535</u> | <u>86,552,447</u> |
| Fund balances: | | | | |
| Nonspendable | 268,640 | - | 57,722 | 326,362 |
| Restricted | - | 5,551,498 | 4,708,061 | 10,259,559 |
| Assigned | 869,462 | - | - | 869,462 |
| Unassigned (deficit) | - | - | (1,725,727) | (1,725,727) |
| Total fund balances | <u>1,138,102</u> | <u>5,551,498</u> | <u>3,040,056</u> | <u>9,729,656</u> |
| Total liabilities, deferred inflows and fund balances | <u>\$ 92,240,024</u> | <u>\$ 11,150,291</u> | <u>\$ 10,737,948</u> | <u>\$ 114,128,263</u> |

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**KETTERING CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO
NET POSITION OF GOVERNMENTAL ACTIVITIES
JUNE 30, 2021

| | | | |
|---|----|---------------|------------------------|
| Total governmental fund balances | | \$ | 9,729,656 |
| <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. | | | 130,047,667 |
| Other long-term assets are not available to pay for current-period expenditures and therefore are deferred inflows in the funds. | | | |
| Property taxes receivable | \$ | 3,311,598 | |
| Intergovernmental receivable | | 1,129,292 | |
| Total | | | 4,440,890 |
| Unamortized premiums on bonds issued are not recognized in the funds. | | | (5,515,776) |
| Unamortized amounts on refundings are not recognized in the funds. | | | 197,138 |
| Accrued interest payable is not due and payable in the current period and therefore is not reported in the funds. | | | (315,039) |
| The net pension/OPEB assets & liabilities are not due and payable in the current period; therefore, the assets, liabilities and related deferred inflows/outflows are not reported in governmental funds. | | | |
| Deferred outflows - pension | | 24,816,428 | |
| Deferred inflows - pension | | (654,899) | |
| Net pension liability | | (135,675,421) | |
| Deferred outflows - OPEB | | 4,071,106 | |
| Deferred inflows - OPEB | | (14,692,628) | |
| Net OPEB asset | | 7,439,155 | |
| Net OPEB liability | | (11,017,109) | |
| Total | | | (125,713,368) |
| Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds. | | | |
| General obligation bonds | | (50,655,000) | |
| Lease purchase obligation | | (926,768) | |
| Compensated absences | | (9,889,371) | |
| Certificates of participation | | (26,390,000) | |
| Tax anticipation notes | | (2,110,000) | |
| Total | | | (89,971,139) |
| Net position of governmental activities | | | \$ (77,099,971) |

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**KETTERING CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

| | <u>General</u> | <u>Bond Retirement</u> | <u>Nonmajor Governmental Funds</u> | <u>Total Governmental Funds</u> |
|---|---------------------|----------------------------|--|---|
| Revenues: | | | | |
| Property taxes | \$ 73,858,297 | \$ 6,515,744 | \$ 4,260,336 | \$ 84,634,377 |
| Intergovernmental | 24,209,528 | 1,034,580 | 12,180,900 | 37,425,008 |
| Investment earnings | 86,154 | - | (61,228) | 24,926 |
| Tuition and fees | 1,889,997 | - | 412,494 | 2,302,491 |
| Extracurricular | 123,640 | - | 247,534 | 371,174 |
| Rental income | 64,111 | - | - | 64,111 |
| Charges for services | 271,467 | - | 9,201 | 280,668 |
| Contributions and donations | 41,259 | - | 16,836 | 58,095 |
| Payment in lieu of taxes | 745,552 | - | - | 745,552 |
| Miscellaneous | 3,089,768 | 42,844 | 142,710 | 3,275,322 |
| Total revenues | <u>104,379,773</u> | <u>7,593,168</u> | <u>17,208,783</u> | <u>129,181,724</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Instruction: | | | | |
| Regular | 43,626,090 | - | 3,101,829 | 46,727,919 |
| Special | 14,527,561 | - | 2,564,610 | 17,092,171 |
| Vocational | 2,871,161 | - | 202,351 | 3,073,512 |
| Adult/continuing | - | - | 238 | 238 |
| Other | 6,725,274 | - | 132,891 | 6,858,165 |
| Support services: | | | | |
| Pupil | 7,581,797 | - | 2,343,366 | 9,925,163 |
| Instructional staff | 3,469,555 | - | 722,713 | 4,192,268 |
| Board of education | 41,027 | - | - | 41,027 |
| Administration | 6,673,259 | - | 484,852 | 7,158,111 |
| Fiscal | 2,709,418 | 94,600 | 57,839 | 2,861,857 |
| Business | 1,089,444 | - | - | 1,089,444 |
| Operations and maintenance | 7,484,831 | - | 1,532,829 | 9,017,660 |
| Pupil transportation | 4,419,486 | - | 41,700 | 4,461,186 |
| Central | 1,083,417 | - | 74,209 | 1,157,626 |
| Operation of non-instructional services: | | | | |
| Other non-instructional services | 510,090 | - | 4,462,752 | 4,972,842 |
| Extracurricular activities | 1,435,476 | - | 275,500 | 1,710,976 |
| Facilities acquisition and construction | 2,361 | - | 1,261,545 | 1,263,906 |
| Capital outlay | - | - | 1,170,240 | 1,170,240 |
| Debt service: | | | | |
| Principal retirement | 562,552 | 4,004,986 | 995,000 | 5,562,538 |
| Interest and fiscal charges | 63,559 | 2,378,400 | 1,065,606 | 3,507,565 |
| Accreted interest on capital appreciation bonds | - | 440,014 | - | 440,014 |
| Total expenditures | <u>104,876,358</u> | <u>6,918,000</u> | <u>20,490,070</u> | <u>132,284,428</u> |
| Excess of revenues over (under) expenditures | <u>(496,585)</u> | <u>675,168</u> | <u>(3,281,287)</u> | <u>(3,102,704)</u> |
| Other financing sources (uses): | | | | |
| Transfers in | - | - | 18,500 | 18,500 |
| Transfers (out) | (18,500) | - | - | (18,500) |
| Lease purchase transaction | - | - | 1,170,240 | 1,170,240 |
| Total other financing sources (uses) | <u>(18,500)</u> | <u>-</u> | <u>1,188,740</u> | <u>1,170,240</u> |
| Net change in fund balances | (515,085) | 675,168 | (2,092,547) | (1,932,464) |
| Fund balances at beginning of year | 1,618,486 | 4,876,330 | 5,037,293 | 11,532,109 |
| Change in reserve for inventory | 34,701 | - | 95,310 | 130,011 |
| Fund balances at end of year | <u>\$ 1,138,102</u> | <u>\$ 5,551,498</u> | <u>\$ 3,040,056</u> | <u>\$ 9,729,656</u> |

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**KETTERING CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

| | | |
|---|--------------------|----------------------------------|
| Net change in fund balances - total governmental funds | \$ | (1,932,464) |
| <i>Amounts reported for governmental activities in the statement of activities are different because:</i> | | |
| Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. | | |
| Capital asset additions | \$ 3,246,785 | |
| Current year depreciation | <u>(2,794,765)</u> | |
| Total | | 452,020 |
| Governmental funds report expenditures for inventory when purchased. However, in the statement of activities, they are reported as an expense when consumed. | | |
| | | 130,011 |
| Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. | | |
| Property taxes | 1,127,121 | |
| Intergovernmental | <u>25,026</u> | |
| Total | | 1,152,147 |
| Repayment of bond, note, lease and COP principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities on the statement of net position. | | |
| | | 6,002,552 |
| Issuance lease purchase obligations are recorded as other financing sources in the funds; however, in the statement of activities, they are not reported as other financing sources as they increase liabilities on the statement of net position. | | |
| | | (1,170,240) |
| In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due. The following items resulted in additional interest being reported in the statement of activities: | | |
| Increase in accrued interest payable | (902) | |
| Amortization of bond premiums | 868,184 | |
| Amortization of deferred charges | <u>(4,982)</u> | |
| Total | | 862,300 |
| Contractually required contributions are reported as expenditures in governmental funds; however, the statement of net position reports these amounts as deferred outflows. | | |
| Pension | 9,589,252 | |
| OPEB | <u>315,391</u> | |
| Total | | 9,904,643 |
| Except for amounts reported as deferred inflows/outflows, changes in the net pension/OPEB liability/asset are reported as pension/OPEB expense in the statement of activities. | | |
| Pension | (18,983,351) | |
| OPEB | <u>95,653</u> | |
| Total | | (18,887,698) |
| 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. | | |
| | | <u>112,650</u> |
| Change in net position of governmental activities | \$ | <u><u>(3,374,079)</u></u> |

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**KETTERING CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

| | <u>Budgeted Amounts</u> | | <u>Actual</u> | <u>Variance with Final Budget Positive (Negative)</u> |
|---|-------------------------|---------------------|---------------------|---|
| | <u>Original</u> | <u>Final</u> | | |
| Revenues: | | | | |
| Property taxes | \$ 68,832,876 | \$ 73,643,000 | \$ 72,167,279 | \$ (1,475,721) |
| Intergovernmental | 24,267,392 | 25,963,227 | 24,003,241 | (1,959,986) |
| Investment earnings | - | - | 57,839 | 57,839 |
| Tuition and fees | - | - | 1,687,279 | 1,687,279 |
| Extracurricular | - | - | 53,519 | 53,519 |
| Rental income | - | - | 67,167 | 67,167 |
| Charges for services | - | - | 49,521 | 49,521 |
| Contributions and donations | - | - | 738 | 738 |
| Payment in lieu of taxes | - | - | 745,552 | 745,552 |
| Miscellaneous | 3,706,019 | 3,965,000 | 962,264 | (3,002,736) |
| Total revenues | <u>96,806,287</u> | <u>103,571,227</u> | <u>99,794,399</u> | <u>(3,776,828)</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Instruction: | | | | |
| Regular | 42,142,986 | 41,821,156 | 43,691,908 | (1,870,752) |
| Special | 14,291,914 | 14,298,647 | 14,433,222 | (134,575) |
| Vocational | 2,863,684 | 2,937,065 | 2,925,287 | 11,778 |
| Other | 6,616,824 | 6,867,168 | 6,859,149 | 8,019 |
| Support services: | | | | |
| Pupil | 8,714,548 | 8,382,768 | 7,402,067 | 980,701 |
| Instructional staff | 4,097,984 | 4,182,775 | 3,495,839 | 686,936 |
| Board of education | 71,595 | 88,592 | 52,501 | 36,091 |
| Administration | 6,561,589 | 6,640,751 | 6,993,188 | (352,437) |
| Fiscal | 2,731,422 | 3,300,715 | 2,968,319 | 332,396 |
| Business | 1,120,816 | 1,170,704 | 1,174,486 | (3,782) |
| Operations and maintenance | 8,679,438 | 8,617,905 | 7,940,839 | 677,066 |
| Pupil transportation | 4,538,260 | 4,700,413 | 4,724,187 | (23,774) |
| Central | 1,271,797 | 1,422,423 | 1,296,354 | 126,069 |
| Operation of non-instructional services: | | | | |
| Other non-instructional services | 88,169 | 89,916 | 130,153 | (40,237) |
| Extracurricular activities | 1,262,322 | 1,284,218 | 1,322,222 | (38,004) |
| Facilities acquisition and construction | 5,423 | 5,500 | 6,115 | (615) |
| Debt service: | | | | |
| Principal | 147,908 | 150,000 | 150,000 | - |
| Interest and fiscal charges | 52,989 | 53,738 | 53,738 | - |
| Total expenditures | <u>105,259,668</u> | <u>106,014,454</u> | <u>105,619,574</u> | <u>394,880</u> |
| Excess of expenditures over revenues | <u>(8,453,381)</u> | <u>(2,443,227)</u> | <u>(5,825,175)</u> | <u>(3,381,948)</u> |
| Other financing sources (uses): | | | | |
| Refund of prior year's expenditures | - | - | 2,169,859 | 2,169,859 |
| Refund of prior year's receipts | - | - | (16,492) | (16,492) |
| Transfers (out) | (18,242) | (18,500) | (18,500) | - |
| Advances in | - | - | 1,136,838 | 1,136,838 |
| Advances (out) | - | - | (895,131) | (895,131) |
| Sale of assets | - | - | 34,806 | 34,806 |
| Total other financing sources (uses) | <u>(18,242)</u> | <u>(18,500)</u> | <u>2,411,380</u> | <u>2,429,880</u> |
| Net change in fund balance | <u>(8,471,623)</u> | <u>(2,461,727)</u> | <u>(3,413,795)</u> | <u>(952,068)</u> |
| Fund balance at beginning of year | 10,973,677 | 10,973,677 | 10,973,677 | - |
| Prior year encumbrances appropriated | 1,428,687 | 1,428,687 | 1,428,687 | - |
| Fund balance at end of year | <u>\$ 3,930,741</u> | <u>\$ 9,940,637</u> | <u>\$ 8,988,569</u> | <u>\$ (952,068)</u> |

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**KETTERING CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

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

NOTE 1 - DESCRIPTION OF THE SCHOOL DISTRICT

The Kettering City School District (the "District") was originally chartered in 1841 by the Ohio State Legislature. In 1853 State laws were enacted to create local Boards of Education. Today, 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.

The District operates under a locally elected five-member Board form of government and provides educational services in accordance with the constitution and laws of the State of Ohio and as required by federal agencies. This Board controls the District's instructional and support facilities staffed by 472 classified personnel and 656 certificated teaching and administrative personnel to provide services to students and other community members. The District currently operates one early education center, eight elementary schools, two middle schools (grades 6-8), and one comprehensive high school (grades 9-12).

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 accompanying basic financial statements comply with the provisions of Governmental Accounting Standards Board (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 student instruction (regular, special education, vocational, adult/continuing, and other), student guidance, extracurricular activities, food service, pupil transportation, and care and upkeep of grounds and buildings.

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).

**KETTERING CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

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

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

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

JOINTLY GOVERNED ORGANIZATIONS

Metropolitan Educational Technology Association (META) Solutions - The District is a participant in META Solutions which is a computer consortium that resulted from the mergers between Tri-Rivers Educational Computer Association (TRECA), Metropolitan Educational Council (MEC), Metropolitan Dayton Educational Cooperative Association (MDECA), Southeastern Ohio Valley Voluntary Education Cooperative (SEOVEC), and South Central Ohio Computer Association (SCOCA). META Solutions develops, implements and supports the technology and instructional needs of schools in a cost-effective manner. META Solutions provides instructional, core, technology and purchasing services for its member districts. The Board of Directors consists of the Superintendents from eleven of the member districts. During fiscal year 2021, the District paid META Solutions \$422,312 for services. Financial information can be obtained from Ashley Widby, who serves as Chief Financial Officer, 100 Executive Drive, Marion, Ohio 43302.

Shared Resources Center Regional Council of Governments - The District participates in the Shared Resources Center Regional Council of Governments (Council), a jointly governed organization consisting of educational entities within Montgomery County. The purpose of the Council is to provide cost effective services to its members and to other entities, enhance and facilitate relationships between stakeholders in the public and private sector, and collaborate on research and development for innovations in education and local government. The Council is governed by a Governing Board, consisting of one individual from each of the seven original members, including the District. The degree of control exercised by any participating educational entity is limited to its representation on the Governing Board. During fiscal year 2021, the District paid the Shared Resources Center \$558,651 for services. Financial information can be obtained from the Montgomery County Educational Service Center, 200 South Keowee Street, Dayton, Ohio 45402.

PUBLIC ENTITY RISK POOLS

Southwestern Ohio Educational Purchasing Council - The Southwestern Ohio Educational Purchasing Council (SOEPC) is a purchasing council made up of over 139 schools in 18 counties. The purpose of the council is to obtain prices for quality merchandise and services commonly used by schools. All members are obligated to pay all fees, charges, or other assessments as established by the SOEPC. Each member has one voting representative. Title to any and all equipment, furniture and supplies purchased by the SOEPC is held in trust for the members. Any member withdrawing from the SOEPC shall forfeit its claim to any and all SOEPC assets. One year prior notice is necessary for withdrawal from the group. During this time, the withdrawing member is liable for all member obligations. During fiscal year 2021, the District made no payments to the SOEPC for membership. To obtain financial information, write to the Southwestern Ohio Educational Purchasing Council, Ken Swink, Director, 303 Corporate Center Drive Suite 208, Vandalia, Ohio 45377.

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

**KETTERING CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

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

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

B. Fund Accounting

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

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 plus deferred outflows of resources and liabilities plus deferred inflows of resources is reported as fund balance. The following are the District's major governmental funds:

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

Bond retirement fund - This fund is used for the accumulation of resources that are restricted, committed, or assigned for payment of general obligation bond principal and interest from governmental resources.

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.

PROPRIETARY FUNDS

Proprietary funds are used to account for the District's ongoing activities which are similar to those often found in the private sector. The District has no proprietary 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 custodial 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 therefore not available to support the District's own programs. The District has no trust funds. Custodial funds are used to report fiduciary activities that are not required to be reported in a trust fund. The District has no fiduciary funds.

C. Basis of Presentation and Measurement Focus

Government-Wide Financial Statements - The statement of net position and the statement of activities display information about the District as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. Interfund services provided and used are not eliminated in the process of consolidation.

**KETTERING CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

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

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

The government-wide statement of activities presents a comparison between direct expenses and program revenues for each function or program of the District's governmental activities. Direct expenses are those that are specifically associated with a service, program or department and are therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the 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 which are not classified as program revenues are presented as general revenues of the District.

The government-wide statements are prepared using the economic resources measurement focus. All assets, deferred outflows of resources, 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 fund type. Each major fund is presented in a separate column, and all nonmajor funds are aggregated into one column.

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

D. Basis of Accounting

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

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

Nonexchange transactions, in which the District receives value without directly giving equal value in return, include property taxes, payment in lieu of 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 5). Revenue from payment in lieu of taxes, 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.

**KETTERING CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

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

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

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at fiscal year-end: property taxes, interest, transportation fees, tuition, rental income, grants, student fees, and other local revenues.

Deferred Outflows of Resources and Deferred Inflows of Resources - In addition to assets, the government-wide statement of net position will report a separate section for deferred outflows of resources. Deferred outflows of resources, represents a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. For the District, see Notes 14 and 15 for deferred outflows of resources related the District's net pension liability and net OPEB liability/asset, respectively. In addition, deferred outflows of resources include a deferred charge on debt refunding. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

In addition to liabilities, both the government-wide statement of net position and the governmental fund financial statements report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. For the District, deferred inflows of resources include property taxes, payments in lieu of taxes and unavailable revenue. Property taxes and payments in lieu of taxes represent amounts for which there is an enforceable legal claim as of June 30, 2021, but which were levied to finance fiscal year 2022 operations. These amounts have been recorded as a deferred inflow of resources on both the government-wide statement of net position and the governmental fund financial statements. Unavailable revenue is reported only on the governmental funds balance sheet, and represents receivables which will not be collected within the available period. For the District unavailable revenue includes, but is not limited to, delinquent property taxes and intergovernmental grants. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available.

See Notes 14 and 15 for deferred inflows of resources related to the District's net pension liability and net OPEB liability/asset, respectively. This deferred inflow of resources is only reported on the government-wide statement of net position.

Expenses/Expenditures - On the accrual basis of accounting, expenses are recognized at the time they are incurred. The fair value of donated commodities used during the year is reported in the statement of revenues, expenditures and changes in fund balances as an expenditure with a corresponding amount reported as intergovernmental revenue.

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

E. 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.

All funds are legally required to be budgeted and appropriated; however, only governmental funds are required to be reported. The primary level of budgetary control is at the fund level for all funds of the District. Supplemental budgetary modifications at or above this level may only be made by resolution of the Board of Education.

**KETTERING CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

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

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

1. Tax Budget - 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 express purpose of this budget document is to reflect the need for existing (or increased) tax rates. By no later than January 20, the Board-adopted budget is filed with the County Budget Commission for rate determination. Montgomery County has waived this requirement for the District.
2. Estimated Resources - Prior to April 1, the Board accepts by formal resolution, the tax rates as determined by the County 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 the total contemplated expenditures from any fund during the ensuing fiscal year will not exceed the amount available as stated in the certificate of estimated resources. The revised budget then serves as the basis for the annual appropriations measure. On or about July 1, the certificate of estimated resources is amended to include any unencumbered fund balances from the preceding year. The certificate may be further amended during the year if a new source of revenue is identified or actual receipts exceed current estimates. The amounts reported as the final budgeted amount on the budgetary statement reflect the amounts in the final amended official certificate of estimated resources issued during fiscal year 2021.
3. Appropriations - A temporary appropriation measure to control expenditures may be passed on or about July 1 of each year for the period July 1 through September 30. An annual appropriation resolution must be passed by October 1 of each year for the period July 1 through June 30. The appropriation resolution establishes spending controls at the fund level. The appropriation resolution may be amended during the year as additional information becomes available, provided that total fund appropriations do not exceed the current estimated resources as certified. The allocation of appropriations among departments and objects within a fund may be modified during the year by management. During the year, several supplemental appropriations were necessary to budget the use of contingency funds. Administrative control is maintained through the establishment of more detailed line-item budgets. The budgetary figures which appear in the statement of revenues, expenditures, and changes in fund balance - budget and actual are provided on the financial statement basis to provide a comparison of actual results to the final budget, including all amendments and modifications.
4. Encumbrances - As part of formal budgetary control, purchase orders, contracts and other commitments for expenditures are encumbered and recorded as the equivalent of expenditures in order to reserve that portion of the applicable appropriation and to determine and maintain legal compliance. However, on the GAAP basis of accounting, encumbrances do not constitute expenditures or liabilities.
5. Lapsing of Appropriations - At the close of each fiscal year, the unencumbered balance of each appropriation reverts to the respective fund from which it was appropriated and becomes subject to future appropriations. The encumbered appropriation balance is carried forward to the subsequent fiscal year and need not be re-appropriated.
6. Budgetary Basis of Accounting - The District's budgetary process accounts for certain transactions on a basis other than generally accepted accounting principles (GAAP). The major differences between the budgetary basis and the GAAP basis lie in the manner in which revenues and expenditures are recorded. Under the budgetary basis, revenues and expenditures are recognized on a cash basis. Utilizing the cash basis, revenues are recorded when received in cash and expenditures when paid. Under the GAAP basis, revenues and expenditures are recorded on the modified accrual basis of accounting. Encumbrances are recorded as the equivalent of expenditures (budgetary basis) as opposed to a restricted, committed, or assigned designation of fund balance (GAAP basis).

F. Cash and Investments

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

**KETTERING CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

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

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

During fiscal year 2021, the District's investments included, commercial paper, U.S. Treasury notes, U.S. Treasury bills, U.S. government money market mutual funds, and the State Treasury Asset Reserve of Ohio (STAR Ohio). Except for non-participating investment contracts, investments are reported at fair value, which is based on quoted market prices. Nonparticipating investment contracts, such as nonnegotiable certificates of deposit, are reported at cost.

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

For fiscal year 2021, there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, notice must be given 24 hours in advance of all deposits and withdrawals exceeding \$100 million. STAR Ohio reserves the right to limit the transaction to \$250 million, requiring the excess amount to be transacted the following business day(s), but only to the \$250 million limit. All accounts of the participant will be combined for these purposes.

Under existing Ohio statutes, the Board of Education has, by resolution, specified the funds to receive an allocation of interest earnings. Interest revenue credited to the general fund during fiscal year 2021 totaled \$86,154, which includes \$32,559 assigned from other District funds.

For presentation on the financial statements, investments of the cash management pool and investments with an original maturity 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 investments at year end is provided in Note 4.

G. Inventory

On government-wide financial statements, material and supplies inventory is presented at cost, inventory held for resale is presented at the lower of cost or market and donated commodities are presented at their fair value. Inventories are recorded on a first-in, first-out basis and are expensed when used. Inventories are accounted for using the purchase method on the fund statements and using the consumption method on the government wide financial statements.

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

H. Capital Assets

General capital assets are those assets specifically related to governmental activities. 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.

The original costs of governmental activities capital assets have been determined by identifying historical costs. In cases where information supporting original cost was not obtainable, estimated historical costs were developed. For certain capital assets, the estimates are determined by indexing estimated current costs to the estimated year of acquisition.

**KETTERING CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

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

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

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their acquisition values as of the date received. The District maintains a capitalization threshold of \$2,500. 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 life are not.

All capital assets except land and construction in progress are depreciated. Depreciation is computed using the straight-line method over the following estimated useful lives:

| <u>Description</u> | <u>Estimated Lives</u> |
|---|------------------------|
| Buildings and improvements | 80 years |
| Furniture, fixtures, and equipment and vehicles | 5 - 20 years |

I. Accrued Liabilities and Long-Term Obligations

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

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources are reported as obligations of the funds; however, claims and judgments and compensated absences that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are due for payment during the current year. Bonds, notes, certificates of participation, lease purchase agreement and capital leases are recognized as a liability on the fund financial statements when due. Net pension/OPEB liability should be recognized in the governmental funds to the extent that benefit payments are due and payable and the pension/OPEB plan's fiduciary net position is not sufficient for payment of those benefits.

J. Issuance Costs, Premiums and Discounts, and Accounting Gain or Loss

On both the government-wide financial statements and the fund financial statements, issuance costs are recognized in the period in which they are incurred.

On the government-wide financial statements, bond and note premiums and discounts are amortized over the term of the bonds and notes using the straight-line method, which approximates the effective interest method. Premiums are presented as an addition to the face amount of the bonds, notes and certificates of participation and discounts are presented as a reduction to the face amount of the bonds, notes and certificates of participation. On the governmental fund financial statements, premiums and discounts are recognized in the period in which these items are incurred. The reconciliation between the face value of bonds, notes and certificates of participation and the amount reported on the statement of net position is presented in Note 12.

For current and advance refundings resulting in the defeasance of debt reported in the government-wide financial statements, the difference between the reacquisition price and the net carrying amount of the refunded debt is amortized as a component of interest expense. This accounting gain or loss is amortized over the remaining term of the old debt or the term of the new debt, whichever is shorter, and is presented on the statement of net position as a deferred inflow of resources or a deferred outflow of resources.

**KETTERING CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

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

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

K. Compensated Absences

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. The District records a liability for accumulated unused vacation time when earned for all employees with more than one year of service. A liability for sick leave is accrued using the vesting method; i.e., the liability is based on the sick leave accumulated at June 30, 2021, by those employees who are currently eligible to receive termination (severance) payments, as well as those employees expected to become eligible in the future. For purposes of establishing a liability for sick leave for employees expected to become eligible to retire in the future, all employees with at least 5 years of service were considered expected to become eligible to retire in accordance with GASB Statement No. 16.

The total liability for vacation and sick leave payments has been calculated using pay rates in effect at June 30, 2021 and reduced to the maximum payment allowed by labor contract and/or statute, plus any applicable additional salary related payments.

Compensated absences accumulated by governmental fund type employees are reported as an expense when earned in the government-wide financial statements. For governmental fund financial statements, compensated absences are recognized as a liability and expenditure to the extent payments come due each period upon the occurrence of employee resignations and retirements. These amounts are recorded in the fund from which the employees who have accumulated leave are paid. The noncurrent portion of the liability is not recorded.

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

L. 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. These classifications are as follows:

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

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

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

**KETTERING CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

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

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

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 committed. The Board of Education has by resolution authorized the treasurer to assign fund balance. The Board of Education may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

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.

M. Net Position

Net position represents the difference between assets and deferred outflows and liabilities and deferred inflows. The net position component "net investment in capital assets," consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction or improvement of those assets or related debt also should be included in this component of net position. Net position is reported as restricted when there are limitations imposed on its use either through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. The amount restricted for other purposes represents amounts restricted for a special trust.

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

N. Pensions/Other Postemployment Benefits (OPEB)

For purposes of measuring the net pension/OPEB liability, net OPEB asset, deferred outflows of resources and deferred inflows of resources related pensions/OPEB, and pension/OPEB expense, information about the fiduciary net position of the pension/OPEB plans and additions to/deductions from their fiduciary net position have been determined on the same basis as they are reported by the pension/OPEB plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. The pension/OPEB plans report investments at fair value.

O. 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 the fiscal year end, because prepayments are not available to finance future governmental fund expenditures, the fund balance is nonspendable on the fund financial statements by an amount equal to the carrying value of the assets.

**KETTERING CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

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

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

P. Interfund Balances

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

Q. 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 the governmental funds and as an adjustment to net position following nonoperating revenues/expenses in the proprietary funds. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements. Interfund activity between governmental funds is eliminated in the statement of activities.

R. Private/Parochial Schools

The Archbishop Alter High School, Ascension Elementary School, Montessori Center of South Dayton, St. Albert the Great Elementary School, and St. Charles Borromeo Elementary School are private and parochial schools that operate within the District’s boundaries. Current State legislation provides funding to these private and parochial schools. Funds are received and disbursed on behalf of the private and parochial schools by the Treasurer of the District, as directed by these institutions. The fiduciary responsibility of the District for these monies is reflected in a nonmajor governmental fund for financial reporting purposes.

S. Estimates

The preparation of the financial statements in conformity with generally accepted accounting principles requires that management make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

T. 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. Neither type of transaction occurred during fiscal year 2021.

U. Fair Value

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

**KETTERING CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

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

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE

A. Change in Accounting Principles

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

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

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

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

B. Deficit Fund Balances

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

| <u>Nonmajor funds</u> | <u>Deficit</u> |
|----------------------------------|----------------|
| Pathfinder/preschool | \$ 881,401 |
| Auxiliary services | 51,178 |
| Public school preschool | 19,104 |
| Vocational education enhancement | 34 |
| Other state funds | 1,129 |
| ESSER | 138,621 |
| IDEA part B | 235,614 |
| Bilingual education | 11,584 |
| Title I | 337,936 |
| Preschool grant | 19,842 |
| Supporting effective instruction | 4,064 |
| Other federal programs | 13,066 |

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.

**KETTERING CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

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

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 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 five years from the date of deposit or by savings or deposit accounts including passbook accounts.

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

1. United States Treasury Notes, Bills, Bonds, or any other obligation or security issued by the United States Treasury or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including, but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, and Government National Mortgage Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio, and with certain limitations including a requirement for maturity within ten years from the date of settlement, bonds and other obligations of political subdivisions of the State of Ohio, if training requirements have been met;
5. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
6. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made on through eligible institutions;
7. The State Treasurer's investment pool, the State Treasury Asset Reserve of Ohio (STAR Ohio); and
8. Certain banker's acceptance and commercial paper notes for a period not to exceed one hundred eighty days and two hundred seventy days, respectively, from the purchase date in an amount not to exceed forty percent of the interim monies available for investment at any one time if training requirements have been met.

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

**KETTERING CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

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

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

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

A. Cash with Fiscal Agent

At June 30, 2021, \$17,976 was on deposit in the District’s debt service clearing account. This amount is not part of the District’s internal investment pool and has been excluded from the total amount of deposits reported below. The balance of this account is reported on the financial statements as “cash with fiscal agent”.

At June 30, 2021, \$830,641 was on deposit in the District’s Certificates of Participation (COPS) payment accounts. This amount is not part of the District’s internal investment pool and has been excluded from the total amount of deposits reported below. The balances of these accounts are reported on the financial statements as “cash with fiscal agent”.

B. Deposits with Financial Institutions

At June 30, 2021, the carrying amount of all District deposits was \$1,788,373. Based on the criteria described in GASB Statement No. 40, “*Deposits and Investment Risk Disclosures*”, as of June 30, 2021, \$1,597,420 of the District’s bank balance of \$1,847,420 was exposed to custodial risk as discussed below, while \$250,000 was covered by the FDIC.

Custodial credit risk is the risk that, in the event of bank failure, the District will not be able to recover deposits or collateral securities that are in the possession of an outside party. The District has no deposit policy for custodial credit risk beyond the requirements of State statute. Ohio law requires that deposits either be insured or protected by (1) eligible securities pledged to the District’s and deposited with a qualified trustee by the financial institution as security for repayment whose fair value at all times shall be at least 105 percent of the deposits being secured, or (2) participation in the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution. OPCS requires the total fair value of the securities pledged to be 102 percent of the deposits being secured or a rate set by the Treasurer of State. For 2021, the District’s financial institutions were approved for a reduced collateral rate of 60 percent through the OPCS. Although all statutory requirements for the deposit of money had been followed, noncompliance with Federal requirements could potentially subject the District to a successful claim by the FDIC.

C. Investments

The District’s investments at June 30, 2021, were as follows:

| Measurement/ Investment type | Measurement value | Investment maturity | | | | |
|---------------------------------------|----------------------|----------------------|-------------------|--------------------|--------------------|---------------------------|
| | | 6 months or less | 7 to 12 months | 13 to 18 months | 19 to 24 months | Greater than 24 months |
| <i>Fair value:</i> | | | | | | |
| U.S. Treasury bills | \$ 599,998 | \$ 599,998 | \$ - | \$ - | \$ - | \$ - |
| U.S. Treasury notes | 3,036,467 | 2,188,030 | - | - | 399,000 | 449,437 |
| Commercial paper | 2,329,114 | 1,929,610 | 399,504 | - | - | - |
| U.S. Government money market funds | 538,974 | 538,974 | - | - | - | - |
| <i>Net Asset Value per Share:</i> | | | | | | |
| STAR Ohio | 11,463,160 | 11,463,160 | - | - | - | - |
| Total | <u>\$ 17,967,713</u> | <u>\$ 16,719,772</u> | <u>\$ 399,504</u> | <u>\$ -</u> | <u>\$ 399,000</u> | <u>\$ 449,437</u> |

**KETTERING CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

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

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

At June 30, 2021, the weighted average yield to maturity of the District's investments is 0.16 years.

The District's investments in U.S. Government money market mutual funds are valued using quoted market prices in active markets (Level 1 inputs). The District's investments in commercial paper and U.S. Treasury notes and bills are valued using quoted prices in markets that are not considered to be active, dealer quotations or alternative pricing sources for similar assets or liabilities for which all significant inputs are observable, either directly or indirectly (Level 2 inputs).

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

Credit Risk: STAR Ohio and the U.S. government money market carry ratings of AAAM by Standard & Poor's. Ohio law requires that STAR Ohio maintain the highest rating provided by at least one nationally recognized standard rating service. The District's U.S. Treasury notes were rated Aaa by Moody's Investor Services and AA+ by Standard and Poor's. The District's investments in commercial paper and U.S. Treasury bills were rated P-1 by Moody's Investor Services and A-1 or A-1+ by Standard and Poor's. The District has no investment policy that would further limit its investment choices.

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's commercial paper, and U.S. Treasury notes and bills are exposed to custodial credit risk in that they are uninsured, unregistered, and held by the counterparty's trust department or agent, but not in the District's name. The District has no investment policy dealing with investment custodial risk beyond the requirements of State statute.

Concentration of Credit Risk: The District places no limit on the amount that may be invested in any one issuer. The following table includes the percentage of each investment type held by the District at June 30, 2021:

| <u>Measurement/ Investment type</u> | <u>Measurement value</u> | <u>% of total</u> |
|---|------------------------------|-------------------|
| <i>Fair value:</i> | | |
| U.S. Treasury bills | \$ 599,998 | 3.34 |
| U.S. Treasury notes | 3,036,467 | 16.90 |
| Commercial paper | 2,329,114 | 12.96 |
| U.S. Government money market funds | 538,974 | 3.00 |
| <i>Net Asset Value per Share:</i> | | |
| STAR Ohio | <u>11,463,160</u> | <u>63.80</u> |
| Total | <u>\$ 17,967,713</u> | <u>100.00</u> |

THIS SECTION IS INTENTIONALLY LEFT BLANK

**KETTERING CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

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

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

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

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

| | |
|---|----------------------|
| <u>Cash and investments per note</u> | |
| Carrying amount of deposits | \$ 1,788,373 |
| Investments | 17,967,713 |
| Cash with fiscal agent | 848,617 |
| Cash on hand | <u>600</u> |
| Total | <u>\$ 20,605,303</u> |
| <u>Cash and investments per statement of net position</u> | |
| Governmental activities | <u>\$ 20,605,303</u> |

NOTE 5 - PROPERTY TAXES

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

Property taxes include amounts levied against all real property and public utility property. Real property tax revenues received in calendar year 2021 represent the collection of calendar year 2020 taxes. Real property taxes received in calendar year 2020 were levied after April 1, 2020, on the assessed values as of January 1, 2020, the lien date. Assessed values for real property taxes are established by State statute at 35 percent of appraised fair value. Real property taxes are payable annually or semiannually. If paid annually, payment is due December 31; if paid semiannually, the first payment is due December 31, with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established. Public utility property tax revenues received in calendar year 2021 represent the collection of calendar year 2020 taxes. Public utility real and personal property taxes received in calendar year 2021 became a lien on December 31, 2019, were levied after April 1, 2020, and are collected with real property taxes. Public utility real property is assessed at 35 percent of true value; public utility tangible personal property is currently assessed at varying percentages of true value.

The District receives property taxes from Montgomery and Greene Counties. The County Auditors periodically advance to the District their portion of the taxes collected. Second-half real property tax payments collected by the County by June 30, 2021, are available to finance fiscal year 2021 operations. The amount available as an advance at June 30, 2021 was \$2,991,811 in the general fund, \$274,516 in the bond retirement fund and \$176,220 in the permanent improvement fund (a nonmajor governmental fund). This amount is recorded as revenue. The amount available for advance at June 30, 2020 was \$1,300,793 in the general fund, \$116,476 in the bond retirement fund and \$71,433 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, 2021 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.

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.

**KETTERING CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

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

NOTE 5 - PROPERTY TAXES - (Continued)

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

| | 2020 Second Half Collections | | 2021 First Half Collections | |
|---|---------------------------------|----------------|--------------------------------|----------------|
| | <u>Amount</u> | <u>Percent</u> | <u>Amount</u> | <u>Percent</u> |
| Agricultural/residential and other real estate | \$ 1,209,787,720 | 89.35 | \$ 1,392,588,360 | 90.36 |
| Public utility personal | <u>144,268,050</u> | <u>10.65</u> | <u>148,554,650</u> | <u>9.64</u> |
| Total | <u>\$ 1,354,055,770</u> | <u>100.00</u> | <u>\$ 1,541,143,010</u> | <u>100.00</u> |
| Tax rate per \$1,000 of assessed valuation | \$ 91.03 | | \$ 90.50 | |

NOTE 6 - PAYMENT IN LIEU OF TAXES

The District has entered into tax incremental financing agreements with local companies. These companies were granted reductions or exemptions from property tax obligations to encourage economic development in the area; however, as part of these agreements, the companies make payments in lieu of taxes to the District to compensate the District for its portion of the reduction in property tax receipts. On the governmental fund financial statements, payment in lieu of taxes receipts totaled \$745,552 in the general fund during fiscal year 2021.

NOTE 7 - RECEIVABLES

Receivables at June 30, 2021 consisted of property taxes, payments in lieu of taxes, accounts, accrued interest, 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 | \$ 88,078,450 |
| Payments in lieu of taxes | 787,252 |
| Accounts | 37,959 |
| Accrued interest | 9,491 |
| Intergovernmental | <u>2,770,009</u> |
| Total | <u>\$ 91,683,161</u> |

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

**KETTERING CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

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

NOTE 8 - INTERFUND TRANSFERS

Following is a summary of transfers in and out for all funds at June 30, 2021:

| <u>Fund</u> | <u>Transfers in</u> | <u>Transfers out</u> |
|-----------------------------|---------------------|----------------------|
| General fund | \$ - | \$ 18,500 |
| Nonmajor governmental funds | 18,500 | - |
| Total | <u>\$ 18,500</u> | <u>\$ 18,500</u> |

Transfers are used to 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 to 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 on the statement of activities.

NOTE 9 - INTERFUND BALANCES

A. Interfund balances at June 30, 2021, as reported on the fund statements, consist of the following due to/from other funds:

| <u>Due to</u> | <u>Due from</u> | <u>Amount</u> |
|---------------|-----------------------------|-------------------|
| General fund | Nonmajor governmental funds | <u>\$ 522,969</u> |

The primary purpose of the interfund loans due to the general fund is to cover negative cash balances in the public school preschool fund, the vocational education enhancement fund, the IDEA Part B fund, bilingual educational fund, Title I fund, preschool grant fund, improving teacher quality fund and other Federal programs fund, all nonmajor governmental funds. These negative cash balances are allowable under Ohio Revised Code Section 3315.20. The interfund balance will be repaid once the anticipated revenues are received.

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

| <u>Receivable fund</u> | <u>Payable fund</u> | <u>Amount</u> |
|------------------------|-----------------------------|-------------------|
| General fund | Nonmajor governmental funds | <u>\$ 895,131</u> |

The primary purpose of the interfund balance is to cover costs in various funds where revenues were not received by June 30. The interfund balance will be repaid once the anticipated revenues are received. The interfund balance is expected to be repaid within one year.

Interfund balances between governmental funds are eliminated on the government-wide financial statements.

**KETTERING CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

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

NOTE 10 - CAPITAL LEASES - LESSEE DISCLOSURE

During fiscal year 2017, the District entered into a capitalized lease for copier equipment. Capital lease payments have been reclassified and are reflected as debt service expenditures in the financial statements for the governmental funds. These expenditures are reported as function expenditures on the budgetary statements.

Capital assets consisting of equipment have been capitalized in the amount of \$729,093. This amount represents the present value of the minimum lease payments at the time of acquisition. A corresponding liability is recorded in the government-wide financial statements. Principal payments in fiscal year 2021 totaled \$169,080 paid by the general fund. Accumulated depreciation as of June 30, 2021 was \$729,093 leaving a current book value of \$0. The District's capital lease obligation was completely retired during fiscal year 2021.

NOTE 11 - CAPITAL ASSETS

Capital asset activity for fiscal year 2021 is as follows:

| Governmental activities: | Balance June 30, 2020 | Additions | Deductions | Balance June 30, 2021 |
|--|--------------------------|----------------------|------------------------|--------------------------|
| <i>Capital assets not being depreciated:</i> | | | | |
| Land | \$ 461,616 | \$ - | \$ - | \$ 461,616 |
| Construction in progress | <u>10,979,347</u> | <u>1,865,035</u> | <u>(12,608,437)</u> | <u>235,945</u> |
| Total capital assets not being depreciated | <u>11,440,963</u> | <u>1,865,035</u> | <u>(12,608,437)</u> | <u>697,561</u> |
| <i>Capital assets being depreciated:</i> | | | | |
| Building and improvements | 156,837,266 | 12,657,737 | - | 169,495,003 |
| Furniture, fixtures, and equipment | 6,266,352 | 85,570 | - | 6,351,922 |
| Vehicles | <u>6,127,452</u> | <u>1,246,880</u> | <u>(60,324)</u> | <u>7,314,008</u> |
| Total capital assets being depreciated | <u>169,231,070</u> | <u>13,990,187</u> | <u>(60,324)</u> | <u>183,160,933</u> |
| <i>Less: accumulated depreciation:</i> | | | | |
| Building and improvements | (43,470,155) | (2,116,444) | - | (45,586,599) |
| Furniture, fixtures, and equipment | (5,103,583) | (325,076) | - | (5,428,659) |
| Vehicles | <u>(2,502,648)</u> | <u>(353,245)</u> | <u>60,324</u> | <u>(2,795,569)</u> |
| Total accumulated depreciation | <u>(51,076,386)</u> | <u>(2,794,765)</u> | <u>60,324</u> | <u>(53,810,827)</u> |
| Governmental activities capital assets, net | <u>\$ 129,595,647</u> | <u>\$ 13,060,457</u> | <u>\$ (12,608,437)</u> | <u>\$ 130,047,667</u> |

**KETTERING CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

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

NOTE 11 - CAPITAL ASSETS - (Continued)

Depreciation expense was charged to governmental functions as follows:

| | |
|---|---------------------|
| Instruction: | |
| Regular | \$ 1,368,503 |
| Special | 48,477 |
| Vocational | 108,154 |
| Support services: | |
| Pupil | 6,059 |
| Instructional staff | 76,336 |
| Administration | 335,928 |
| Fiscal | 525 |
| Business | 3,238 |
| Operations and maintenance | 123,247 |
| Pupil transportation | 330,216 |
| Central | 1,812 |
| Operation of non-instructional services | 164,424 |
| Extracurricular activities | <u>227,846</u> |
| Total depreciation expense | <u>\$ 2,794,765</u> |

THIS SECTION IS INTENTIONALLY LEFT BLANK

**KETTERING CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

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

NOTE 12 - LONG-TERM OBLIGATIONS

A. The activity of the long-term obligations of the District's governmental activities for the fiscal year ended June 30, 2021, is as follows:

| | Balance June 30, 2020 | Additions | Deductions | Balance June 30, 2021 | Amount Due Within One Year |
|---|--------------------------|----------------------|-----------------------|--------------------------|----------------------------------|
| Governmental activities: | | | | | |
| General obligation bonds: | | | | | |
| 2007 school improvement refunding | \$ 16,205,000 | \$ - | \$ - | \$ 16,205,000 | \$ - |
| 2012 school improvement refunding | 4,645,000 | - | (120,000) | 4,525,000 | 20,000 |
| 2012 taxable school improvement refunding | 2,580,000 | - | (1,040,000) | 1,540,000 | 1,065,000 |
| 2013 energy conservation | 1,550,000 | - | (150,000) | 1,400,000 | 155,000 |
| 2016 school improvement refunding | 8,255,000 | - | - | 8,255,000 | - |
| 2017 school improvement refunding | 22,015,000 | - | (3,285,000) | 18,730,000 | 3,555,000 |
| Total general obligation bonds | <u>55,250,000</u> | <u>-</u> | <u>(4,595,000)</u> | <u>50,655,000</u> | <u>4,795,000</u> |
| Tax anticipation notes: | | | | | |
| 2016A tax anticipation note | 1,035,000 | - | (515,000) | 520,000 | 520,000 |
| 2016B tax anticipation note | 1,830,000 | - | (240,000) | 1,590,000 | 250,000 |
| Total tax anticipation notes | <u>2,865,000</u> | <u>-</u> | <u>(755,000)</u> | <u>2,110,000</u> | <u>770,000</u> |
| Certificates of participation: | | | | | |
| 2017 certificates of participation | 11,010,000 | - | (240,000) | 10,770,000 | 250,000 |
| 2019 certificates of participation | 15,620,000 | - | - | 15,620,000 | - |
| Total certificates of participation | <u>26,630,000</u> | <u>-</u> | <u>(240,000)</u> | <u>26,390,000</u> | <u>250,000</u> |
| Compensated absences | 10,342,753 | 886,650 | (973,524) | 10,255,879 | 1,218,220 |
| Capital lease obligation | 169,080 | - | (169,080) | - | - |
| Lease purchase agreement - direct borrowing | - | 1,170,240 | (243,472) | 926,768 | 223,449 |
| Net pension liability | 122,218,397 | 13,457,024 | - | 135,675,421 | - |
| Net OPEB liability | 12,748,907 | - | (1,731,798) | 11,017,109 | - |
| Total governmental activities long-term debt | <u>\$ 230,224,137</u> | <u>\$ 15,513,914</u> | <u>\$ (8,707,874)</u> | 237,030,177 | <u>\$ 7,256,669</u> |
| Add: Unamortized premiums | | | | <u>5,515,776</u> | |
| Total long-term liabilities reported on the statement of net position | | | | <u>\$ 242,545,953</u> | |

B. Compensated Absences

Compensated absences will be paid from the fund from which employees' salaries are paid. These include the general fund and the following nonmajor governmental funds: the food service fund, the pathfinder/preschool fund, the auxiliary services fund, the other State grants fund, the IDEA Part B fund, the preschool grant fund, other Federal programs fund, supporting effective instruction fund, and the Title I fund.

**KETTERING CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

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

NOTE 12 - LONG-TERM OBLIGATIONS - (Continued)

C. Net Pension Liability

The District's net pension liability is described in Note 14. The District pays obligations related to employee compensation from the fund benefitting from their service, which, for the District, is primarily the general fund.

D. Net OPEB Liability/Asset

The District's net OPEB liability/asset is described in Note 15. The District pays obligations related to employee compensation from the fund benefitting from their service, which, for the District, is primarily the general fund.

E. Capital Lease Obligation

The District's capital lease obligation is described in Note 10.

F. Tax Anticipation Notes

2016A tax anticipation notes - On August 17, 2016, the District issued \$2,500,000 in 2016A tax anticipation notes to finance various permanent improvements. The notes are payable only from the receipts of the 3.4 mill permanent improvement property tax levy approved by District voters on March 15, 2016. The notes bear interest rates ranging from 1.25% to 3.00% with interest payments due on June 1 and December 1 of each year until final maturity at December 1, 2021. Debt service payments are made from the permanent improvement fund (a nonmajor governmental fund).

2016B tax anticipation notes - On August 17, 2016, the District issued \$2,500,000 in 2016B tax anticipation notes to finance various permanent improvements. The notes are payable only from the receipts of the 3.4 mill permanent improvement property tax levy approved by District voters on March 15, 2016. The notes bear interest rates ranging from 1.25% to 4.00% with interest payments due on June 1 and December 1 of each year until final maturity at December 1, 2026. Debt service payments are made from the permanent improvement fund (a nonmajor governmental fund).

G. Certificates of Participation

2017 certificates of participation - On August 15, 2017, the District issued \$11,530,000 in certificates of participation (COPs) for the purpose of construction, renovating and improving District facilities, including, but not limited to, the demolition of existing auditorium space and the construction of a new 950 seat auditorium at Kettering Fairmont High School. The COPs were issued for a thirty-year period with final maturity in fiscal year 2047. The COPs were issued through a series of lease agreements and trust indentures in accordance with Ohio Revised Code Section 3313.375. In accordance with the lease terms, the project assets are leased to the Ohio School Building Leasing Corporation, and then subleased back to the District. The COPs were issued through a series of annual leases with the initial lease beginning on August 15, 2017 and expiring on June 30, 2018. The lease may be renewed for successive one-year terms each beginning on July 1 and terminating on June 30, except that the final renewal period will terminate on December 1, 2046. Renewals of the lease are subject to annual appropriations. To satisfy the trustee agreements, the District is required to make annual base rent payments, subject to the lease terms and appropriations, semi-annually. The base rent includes an interest component of 2.00-4.00 percent. The District has the option to purchase the renovations on any lease payment date by paying the amount necessary to defease the indenture. The COPs will be paid from property taxes from the permanent improvement fund (a nonmajor governmental fund).

**KETTERING CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

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

NOTE 12 - LONG-TERM OBLIGATIONS - (Continued)

2019 certificates of participation - On April 16, 2019, the District issued \$15,620,000 in certificates of participation (COPs) for the purpose of construction, renovating and improving District facilities, including, but not limited to, elementary classroom additions, an addition at Kettering Fairmont High School, and the addition of maintenance and warehouse space. The COPs were issued for a thirty-year period with final maturity in fiscal year 2049. The COPs were issued through a series of lease agreements and trust indentures in accordance with Ohio Revised Code Section 3313.375. In accordance with the lease terms, the project assets are leased to the Ohio School Building Leasing Corporation, and then subleased back to the District. The COPs were issued through a series of annual leases with the initial lease beginning on April 16, 2019 and expiring on June 30, 2019. The lease may be renewed for successive one-year terms each beginning on July 1 and terminating on June 30, except that the final renewal period will terminate on December 1, 2048. Renewals of the lease are subject to annual appropriations. To satisfy the trustee agreements, the District is required to make annual base rent payments, subject to the lease terms and appropriations, semi-annually. The base rent includes an interest component of 3.125-5.00 percent. The District has the option to purchase the renovations on any lease payment date by paying the amount necessary to defease the indenture. The COPs will be paid from property taxes from the permanent improvement fund (a nonmajor governmental fund).

H. General Obligation Bonds

At June 30, 2021, the District had six outstanding general obligation bond issuances. These bonds were used to finance the construction and/or renovation of the District's buildings, to finance renovations to reduce the District's energy consumption, and to advance refund previous issuances. These general obligation bonds are direct obligations of the District for which its full faith, credit, and resources are pledged and payable from taxes levied on all taxable property in the District. Payments of principal and interest related to these bonds are recorded as expenditures of the bond retirement fund, except for the 2013 energy conservation bonds, which are paid from the general fund.

The following is a schedule of activity of the District's general obligation bonds:

| | Balance 6/30/20 | Additions | Reductions | Balance 6/30/21 |
|---|--------------------|-----------|----------------|--------------------|
| General obligation bonds: | | | | |
| 2007 school improvement refunding | | | | |
| Current interest bonds | \$ 16,205,000 | \$ - | \$ - | \$ 16,205,000 |
| 2012 school improvement refunding | | | | |
| Current interest bonds | 4,645,000 | - | (120,000) | 4,525,000 |
| 2012 taxable school improvement refunding | | | | |
| Current interest bonds | 2,040,000 | - | (500,000) | 1,540,000 |
| Capital appreciation bonds | 99,986 | - | (99,986) | - |
| Accreted interest | 440,014 | - | (440,014) | - |
| Total 2012 taxable school improvement refunding | 2,580,000 | - | (1,040,000) | 1,540,000 |
| 2013 energy conservation bonds | | | | |
| Current interest bonds | 1,550,000 | - | (150,000) | 1,400,000 |
| 2016 school improvement refunding | | | | |
| Current interest bonds | 8,255,000 | - | - | 8,255,000 |
| 2017 school improvement refunding | | | | |
| Current interest bonds | 22,015,000 | - | (3,285,000) | 18,730,000 |
| Total general obligation bonds | \$ 55,250,000 | \$ - | \$ (4,595,000) | \$ 50,655,000 |

**KETTERING CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

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

NOTE 12 - LONG-TERM OBLIGATIONS - (Continued)

2007 school improvement refunding - On March 8, 2007, the District issued 2007 school improvement refunding general obligation bonds to advance refund a portion of the District's 2003 school improvement general obligation bonds (principal \$45,960,000) and a portion of the District's 2004 school improvement general obligation bonds (principal \$11,400,000). The issuance proceeds of \$57,359,996 were used to purchase securities which were placed in an irrevocable trust to provide resources for all future debt service payments on the refunded debt. This refunded debt, the outstanding balance of which totaled \$38,025,000 at June 30, 2021, is considered defeased (in-substance) and, accordingly, has been removed from the statement of net position.

The original issue was comprised of current interest serial refunding bonds, par value \$27,775,000, current interest term refunding bonds, par value \$29,450,000, and capital appreciation refunding bonds, par value \$134,996. Interest payments on the current interest serial refunding bonds are due on June 1 and December 1 of each year until final maturity at December 1, 2022; current interest serial refunding bonds maturing through December 1, 2015 bear an interest rate of 4.0%, current interest serial refunding bonds maturing December 1, 2016 and 2017 bear an interest rate of 5.0%, and current interest serial refunding bonds maturing on December 1, 2018 through 2022 bear an interest rate of 4.75%. The current interest refunding term bonds mature on December 1, 2025 and December 1, 2031 and bear interest rates of 4.25% and 5.25%, respectively. Debt service payments are made from the bond retirement fund.

The capital appreciation refunding bonds matured on December 1, 2014 at a redemption price equal to 100% of the principal, plus accrued interest to the redemption date at a stated approximate yield to maturity of 4.05%. The accreted value at maturity for the capital appreciation bonds was \$460,000.

On March 7, 2017, the District issued \$30,815,000 (2017 school improvement refunding) to advance refund the callable portion of the bonds. This refunded debt is considered defeased (in-substance) and accordingly, has been removed from the statement of net position.

2012 school improvement refunding - On October 10, 2012, the District issued 2012 school improvement refunding general obligation bonds to advance refund an \$8,095,000 portion of the District's 2003 school improvement general obligation bonds. The issuance proceeds of \$8,094,954 were used to purchase securities which were placed in an irrevocable trust to provide resources for all future debt service payments on the refunded debt. This refunded debt, the outstanding balance of which totaled \$4,530,000 at June 30, 2021, is considered defeased (in-substance) and, accordingly, has been removed from the statement of net position.

The issue is comprised of current interest serial refunding bonds, par value \$7,740,000, and capital appreciation refunding bonds, par value \$354,954. Interest rates on the current interest serial refunding bonds range from 2.0% to 4.0% with interest payments due on June 1 and December 1 of each year until final maturity at December 1, 2030. Debt service payments are made from the bond retirement fund.

The capital appreciation refunding bonds matured on December 1, 2014 at a redemption price equal to 100% of the principal, plus accrued interest to the redemption date at a stated approximate yield to maturity of 0.83%. The accreted value at maturity for the capital appreciation bonds was \$550,000.

The reacquisition price exceeded the net carrying amount of the old debt by \$63,192. This amount is being netted against the new debt and amortized over the remaining life of the refunded debt.

**KETTERING CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

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

NOTE 12 - LONG-TERM OBLIGATIONS - (Continued)

2012 taxable school improvement refunding - On November 27, 2012, the District issued 2012 taxable school improvement refunding general obligation bonds to advance refund a \$6,885,000 portion of the District's 2005 school improvement refunding general obligation bonds. The issuance proceeds of \$6,884,986 were used to purchase securities which were placed in an irrevocable trust to provide resources for all future debt service payments on the refunded debt. This refunded debt, the balance of which totaled \$1,590,000, at June 30, 2021, is considered defeased (in-substance) and, accordingly, has been removed from the statement of net position.

The issue is comprised of current interest serial refunding bonds, par value \$6,785,000, and capital appreciation refunding bonds, par value \$99,986. Interest payments on the current interest serial refunding bonds are due on June 1 and December 1 of each year until final maturity at December 1, 2022; current interest serial refunding bonds maturing through December 1, 2013 and 2014 bore interest rates of 0.7% and 0.8%, respectively, and current interest serial refunding bonds maturing December 1, 2015 through 2022 bear an interest rate of 3.0%. Debt service payments are made from the bond retirement fund.

The capital appreciation refunding bonds matured on December 1, 2020 at a redemption price equal to 100% of the principal, plus accrued interest to the redemption date at a stated approximate yield to maturity of 2.7%. The accreted value at maturity for the capital appreciation bonds was \$540,000.

The reacquisition price exceeded the net carrying amount of the old debt by \$535,868. This amount is being netted against the new debt and amortized over the remaining life of the refunded debt.

2013 energy conservation - On November 7, 2013, the District issued \$2,410,000 in 2013 Energy Conservation general obligation bonds to finance the cost of energy conservation measures undertaken throughout the District. The bonds bear interest rates ranging from 1.25% to 4.00% with a final maturity on December 1, 2028. These bonds are retired from the general fund.

2016 school improvement refunding - On September 6, 2016, the District issued 2016 school improvement refunding general obligation bonds to advance refund the District's 2006 school improvement general obligation bonds. The issuance proceeds of \$9,487,185 were used to purchase securities which were placed in an irrevocable trust to provide resources for all future debt service payments on the refunded debt. This refunded debt, the outstanding balance of which totaled \$9,220,000 at June 30, 2021, is considered defeased (in-substance) and, accordingly, has been removed from the statement of net position.

The issue is comprised of current interest refunding bonds, par value \$8,375,000. The interest rate on the current interest refunding bonds is 4.0% with interest payments due on June 1 and December 1 of each year until final maturity at December 1, 2030. Debt service payments are made from the bond retirement fund.

The reacquisition price exceeded the net carrying amount of the old debt by \$917,774. This amount is being netted against the new debt and amortized over the remaining life of the refunded debt.

2017 school improvement refunding - On March 7, 2017, the District issued 2017 school improvement refunding general obligation bonds to advance refund a portion of the District's 2007 school improvement general obligation bonds. The issuance proceeds of \$35,197,862 were used to purchase securities which were placed in an irrevocable trust to provide resources for all future debt service payments on the refunded debt. This refunded debt, the outstanding balance of which totaled \$21,135,000 at June 30, 2021, is considered defeased (in-substance) and, accordingly, has been removed from the statement of net position.

**KETTERING CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

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

NOTE 12 - LONG-TERM OBLIGATIONS - (Continued)

The issue is comprised of current interest refunding bonds, par value \$30,815,000. Interest rates on the current interest refunding bonds range from 4.25% to 5.00% with interest payments due on June 1 and December 1 of each year until final maturity at December 1, 2025. Debt service payments are made from the bond retirement fund.

The net carrying amount of the old debt exceeded the reacquisition price by \$1,029,847. This amount is being netted against the new debt and amortized over the remaining life of the refunded debt.

I. Lease Purchase Agreement

Lease purchase agreement - On August 15, 2020, the District entered into a lease purchase agreement for \$1,170,240 with Santander Bank for the purchase of 12 new school buses. The agreement bears an interest rate of 2.42%. Annual payments are due each September 15th in the calendar years 2020-2024. Payments are made from the general fund. Lease purchase payments have been reclassified and shown as debt service expenditures in the general fund. These expenditures for the buses will be reflected as function expenditures on a budgetary basis.

This agreement is considered a direct borrowing with terms negotiated between the District and Santander Bank and are not offered for public sale. In the event of default, Santander Bank may (1) declare the full amount of the then unpaid loan to be immediately due and payable and/or require the District to pay any fines, penalties, interest or late charges associated with the default or (2) take possession of the buses without demand or notice.

J. Debt Service Requirements

The following is a summary of the future debt service requirements to maturity for the District’s general obligation bonds, certificates of participation, tax anticipation notes and lease purchase agreement:

| Year Ended | Current Interest Serial/Term Bonds | | | Lease Purchase Agreement | | |
|-------------|------------------------------------|----------------------|----------------------|--------------------------|------------------|-------------------|
| | Principal | Interest | Total | Principal | Interest | Total |
| 2022 | \$ 4,795,000 | \$ 2,232,638 | \$ 7,027,638 | \$ 223,449 | \$ 22,428 | \$ 245,877 |
| 2023 | 4,380,000 | 2,026,981 | 6,406,981 | 228,857 | 17,020 | 245,877 |
| 2024 | 4,085,000 | 1,832,550 | 5,917,550 | 234,395 | 11,482 | 245,877 |
| 2025 | 4,285,000 | 1,632,450 | 5,917,450 | 240,067 | 5,810 | 245,877 |
| 2026 | 4,490,000 | 1,416,737 | 5,906,737 | - | - | - |
| 2027 - 2031 | 27,725,000 | 3,331,750 | 31,056,750 | - | - | - |
| 2032 | 895,000 | 23,494 | 918,494 | - | - | - |
| Total | <u>\$ 50,655,000</u> | <u>\$ 12,496,600</u> | <u>\$ 63,151,600</u> | <u>\$ 926,768</u> | <u>\$ 56,740</u> | <u>\$ 983,508</u> |

THIS SECTION IS INTENTIONALLY LEFT BLANK

**KETTERING CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

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

NOTE 12 - LONG-TERM OBLIGATIONS - (Continued)

| Year Ended | Certificates of Participation | | | Tax Anticipation Notes | | |
|-------------|-------------------------------|----------------------|----------------------|------------------------|-------------------|---------------------|
| | Principal | Interest | Total | Principal | Interest | Total |
| 2022 | \$ 250,000 | \$ 1,001,894 | \$ 1,251,894 | \$ 770,000 | \$ 35,700 | \$ 805,700 |
| 2023 | 570,000 | 985,493 | 1,555,493 | 260,000 | 23,875 | 283,875 |
| 2024 | 595,000 | 962,194 | 1,557,194 | 260,000 | 19,000 | 279,000 |
| 2025 | 630,000 | 935,944 | 1,565,944 | 265,000 | 13,750 | 278,750 |
| 2026 | 645,000 | 906,943 | 1,551,943 | 275,000 | 8,350 | 283,350 |
| 2027 - 2031 | 3,710,000 | 4,053,369 | 7,763,369 | 280,000 | 2,800 | 282,800 |
| 2032 - 2036 | 4,630,000 | 3,154,863 | 7,784,863 | - | - | - |
| 2037 - 2041 | 5,520,000 | 2,222,565 | 7,742,565 | - | - | - |
| 2042 - 2046 | 6,610,000 | 1,142,370 | 7,752,370 | - | - | - |
| 2047 - 2049 | 3,230,000 | 145,678 | 3,375,678 | - | - | - |
| Total | <u>\$ 26,390,000</u> | <u>\$ 15,511,313</u> | <u>\$ 41,901,313</u> | <u>\$ 2,110,000</u> | <u>\$ 103,475</u> | <u>\$ 2,213,475</u> |

J. Legal Debt Margin

The Ohio Revised Code provides that voted net general obligation debt of the District shall never exceed 9% of the total assessed valuation of the District. The code further provides that unvoted indebtedness shall not exceed 1/10 of 1% of the property valuation of the District. The code additionally states that unvoted indebtedness related to energy conservation debt shall not exceed 9/10 of 1% of the property valuation of the District. The assessed valuation used in determining the District's legal debt margin has been modified by House Bill 530 which became effective March 30, 2006. In accordance with House Bill 530, the assessed valuation used in the District's legal debt margin calculation excluded tangible personal property used in business, telephone or telegraph property, interexchange telecommunications company property, and personal property owned or leased by a railroad company and used in railroad operations. The effects of these debt limitations at June 30, 2021, are a voted debt margin of \$94,999,369 (including available funds of \$5,551,498), an unvoted debt margin of \$1,541,143, and an energy conservation debt margin of \$12,470,287.

NOTE 13 - RISK MANAGEMENT

A. Property and Liability Insurance

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. During fiscal year 2021, the District contracted with Ohio Casualty through Brower Insurance Agency for general liability insurance with a \$1,000,000 per occurrence limit and a \$2,000,000 aggregate. Property is protected by Ohio Casualty through Brower Insurance Agency and holds a \$5,000 occurrence deductible.

The District's vehicles are insured under a policy by Ohio Casualty through Brower Insurance Agency which carries a \$500 deductible and a \$1,000,000 combined single limit on any accident.

The District has earthquake (\$5,000,000 limit) and flood (\$1,000,000 limit) insurance with Ohio Casualty through Brower Insurance Agency. The District also has a \$10,000,000 limit umbrella policy with Ohio Casualty through Brower Insurance Agency.

Settled claims have not exceeded insurance coverage during the last three years, and there have been no significant reductions in insurance coverage during the fiscal year.

**KETTERING CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

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

NOTE 13 - RISK MANAGEMENT - (Continued)

B. Workers' Compensation

The District pays the Ohio Bureau of Workers' Compensation a premium based on a rate per \$100 of salaries. This rate is calculated based on accident history and administrative costs.

C. Employee Benefits

The District provides life insurance and accidental death and dismemberment insurance to most employees through Sun Life Insurance Company.

Effective January 1, 2016, the District joined the Southwestern Ohio Educational Purchasing Cooperative Employee Benefit Plan to provide health and dental benefits to employees.

NOTE 14 - DEFINED BENEFIT PENSION PLANS

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

Net Pension Liability/Net OPEB Liability/Asset

Pensions and OPEB are a component of exchange transactions—between an employer and its employees—of salaries and benefits for employee services. Pensions/OPEB are provided to an employee—on a deferred-payment basis—as part of the total compensation package offered by an employer for employee services each financial period.

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

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

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

The remainder of this note includes the required pension disclosures. See Note 15 for the required OPEB disclosures.

**KETTERING CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

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

NOTE 14 - DEFINED BENEFIT PENSION PLANS - (Continued)

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

Plan Description - School Employees Retirement System (SERS)

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

Age and service requirements for retirement are as follows:

| | Eligible to Retire on or before August 1, 2017 * | Eligible to Retire after August 1, 2017 |
|------------------------------|---|--|
| Full benefits | Any age with 30 years of service credit | Age 67 with 10 years of service credit; or Age 57 with 30 years of service credit |
| Actuarially reduced benefits | Age 60 with 5 years of service credit; or Age 55 with 25 years of service credit | Age 62 with 10 years of service credit; or Age 60 with 25 years of service credit |

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

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

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

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

The District’s contractually required contribution to SERS was \$2,350,996 for fiscal year 2021. Of this amount, \$423,960 is reported as pension and postemployment benefits payable.

**KETTERING CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

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

NOTE 14 - DEFINED BENEFIT PENSION PLANS - (Continued)

Plan Description - State Teachers Retirement System (STRS)

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

New members have a choice of three retirement plans: a Defined Benefit (DB) Plan, a Defined Contribution (DC) Plan and a Combined (CO) Plan. Benefits are established by Ohio Revised Code Chapter 3307. The DB Plan offers an annual retirement allowance based on final average salary multiplied by a percentage that varies based on years of service. Effective August 1, 2015, the calculation will be 2.2% of final average salary for the five highest years of earnings multiplied by all years of service. Effective July 1, 2017, the cost-of-living adjustment was reduced to zero. Members are eligible to retire at age 60 with five years of qualifying service credit, or age 55 with 28 years of service, or 30 years of service regardless of age. Eligibility changes will be phased in until August 1, 2026, when retirement eligibility for unreduced benefits will be five years of service credit and age 65, or 35 years of service credit and at least age 60.

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

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

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

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

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

The District's contractually required contribution to STRS was \$7,238,256 for fiscal year 2021. Of this amount, \$1,196,072 is reported as pension and postemployment benefits payable.

**KETTERING CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

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

NOTE 14 - DEFINED BENEFIT PENSION PLANS - (Continued)

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

The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on the District's share of contributions to the pension plan relative to the projected contributions of all participating entities.

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

| | <u>SERS</u> | <u>STRS</u> | <u>Total</u> |
|--|--------------------|--------------------|----------------|
| Proportion of the net pension liability prior measurement date | 0.49414210% | 0.41897141% | |
| Proportion of the net pension liability current measurement date | <u>0.50280470%</u> | <u>0.42328066%</u> | |
| Change in proportionate share | <u>0.00866260%</u> | <u>0.00430925%</u> | |
| Proportionate share of the net pension liability | \$ 33,256,562 | \$ 102,418,859 | \$ 135,675,421 |
| Pension expense | \$ 4,575,400 | \$ 14,407,951 | \$ 18,983,351 |

At June 30, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

| | <u>SERS</u> | <u>STRS</u> | <u>Total</u> |
|--|---------------------|----------------------|----------------------|
| Deferred outflows of resources | | | |
| Differences between expected and actual experience | \$ 64,599 | \$ 229,804 | \$ 294,403 |
| Net difference between projected and actual earnings on pension plan investments | 2,111,120 | 4,980,643 | 7,091,763 |
| Changes of assumptions | - | 5,497,913 | 5,497,913 |
| Difference between employer contributions and proportionate share of contributions/change in proportionate share | 369,511 | 1,973,586 | 2,343,097 |
| Contributions subsequent to the measurement date | <u>2,350,996</u> | <u>7,238,256</u> | <u>9,589,252</u> |
| Total deferred outflows of resources | <u>\$ 4,896,226</u> | <u>\$ 19,920,202</u> | <u>\$ 24,816,428</u> |
| Deferred inflows of resources | | | |
| Differences between expected and actual experience | <u>\$ -</u> | <u>\$ 654,899</u> | <u>\$ 654,899</u> |
| Total deferred inflows of resources | <u>\$ -</u> | <u>\$ 654,899</u> | <u>\$ 654,899</u> |

**KETTERING CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

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

NOTE 14 - DEFINED BENEFIT PENSION PLANS - (Continued)

\$9,589,252 reported as deferred outflows of resources related to pension resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the fiscal year ending June 30, 2022.

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

| Fiscal Year Ending June 30: | SERS | STRS | Total |
|-----------------------------|--------------|---------------|---------------|
| 2022 | \$ 267,021 | \$ 4,287,396 | \$ 4,554,417 |
| 2023 | 737,289 | 2,282,809 | 3,020,098 |
| 2024 | 879,960 | 3,063,463 | 3,943,423 |
| 2025 | 660,960 | 2,393,379 | 3,054,339 |
| Total | \$ 2,545,230 | \$ 12,027,047 | \$ 14,572,277 |

Actuarial Assumptions - SERS

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

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

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

Key methods and assumptions used in calculating the total pension liability in the latest actuarial valuation, prepared as of June 30, 2020, are presented below:

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

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

**KETTERING CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

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

NOTE 14 - DEFINED BENEFIT PENSION PLANS - (Continued)

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

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

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

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

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

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

| | 1% Decrease | Current Discount Rate | 1% Increase |
|--|---------------|--------------------------|---------------|
| District's proportionate share of the net pension liability | \$ 45,557,429 | \$ 33,256,562 | \$ 22,935,901 |

**KETTERING CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

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

NOTE 14 - DEFINED BENEFIT PENSION PLANS - (Continued)

Actuarial Assumptions - STRS

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results used in the July 1, 2020, actuarial valuation are presented below:

| | July 1, 2020 |
|--------------------------------------|---|
| Inflation | 2.50% |
| Projected salary increases | 12.50% at age 20 to 2.50% at age 65 |
| Investment rate of return | 7.45%, net of investment expenses, including inflation |
| Discount rate of return | 7.45% |
| Payroll increases | 3.00% |
| Cost-of-living adjustments (COLA) | 0.00% |

For the July 1, 2020, actuarial valuation, post-retirement mortality rates for healthy retirees are based on the RP-2014 Annuitant Mortality Table with 50% of rates through age 69, 70% of rates between ages 70 and 79, 90% of rates between ages 80 and 84, and 100% of rates thereafter, projected forward generationally using mortality improvement scale MP-2016. Post-retirement disabled mortality rates are based on the RP-2014 Disabled Mortality Table with 90% of rates for males and 100% of rates for females, projected forward generationally using mortality improvement scale MP-2016. Pre-retirement mortality rates are based on RP-2014 Employee Mortality Table, projected forward generationally using mortality improvement scale MP-2016.

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

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

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

**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.

**KETTERING CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

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

NOTE 14 - DEFINED BENEFIT PENSION PLANS - (Continued)

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

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

| | 1% Decrease | Current Discount Rate | 1% Increase |
|--|----------------|--------------------------|---------------|
| District's proportionate share of the net pension liability | \$ 145,826,624 | \$ 102,418,859 | \$ 65,634,393 |

NOTE 15 - DEFINED BENEFIT OPEB PLANS

Net OPEB Liability/Asset

See Note 14 for a description of the net OPEB liability (asset).

Plan Description - School Employees Retirement System (SERS)

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

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

**KETTERING CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

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

NOTE 15 - DEFINED BENEFIT OPEB PLANS - (Continued)

Funding Policy - State statute permits SERS to fund the health care benefits through employer contributions. Each year, after the allocation for statutorily required pensions and benefits, the Retirement Board may allocate the remainder of the employer contribution of 14% of covered payroll to the Health Care Fund in accordance with the funding policy. For the fiscal year ended June 30, 2021, SERS did not allocate any employer contributions to post-employment health care. An additional health care surcharge on employers is collected for employees earning less than an actuarially determined minimum compensation amount, pro-rated if less than a full year of service credit was earned. For fiscal year 2021, this amount was \$23,000. Statutes provide that no employer shall pay a health care surcharge greater than 2% of that employer's SERS-covered payroll; nor may SERS collect in aggregate more than 1.5% of the total statewide SERS-covered payroll for the health care surcharge. For fiscal year 2021, the District's surcharge obligation was \$315,391.

The surcharge added to the allocated portion of the 14% employer contribution rate is the total amount assigned to the Health Care Fund. The District's contractually required contribution to SERS was \$315,391 for fiscal year 2021. Of this amount, \$315,391 is reported as pension and postemployment benefits payable.

Plan Description - State Teachers Retirement System (STRS)

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

Funding Policy - Ohio Revised Code Chapter 3307 authorizes STRS to offer the Plan and gives the Retirement Board discretionary authority over how much, if any, of the health care costs will be absorbed by STRS. Active employee members do not contribute to the Health Care Plan. Nearly all health care plan enrollees, for the most recent year, pay a portion of the health care costs in the form of a monthly premium. Under Ohio law, funding for post-employment health care may be deducted from employer contributions, currently 14% of covered payroll. For the fiscal year ended June 30, 2021, STRS did not allocate any employer contributions to post-employment health care.

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

The net OPEB liability/asset was measured as of June 30, 2020, and the total OPEB liability/asset used to calculate the net OPEB liability/asset was determined by an actuarial valuation as of that date. The District's proportion of the net OPEB liability/asset was based on the District's share of contributions to the respective retirement systems relative to the contributions of all participating entities.

THIS SECTION IS INTENTIONALLY LEFT BLANK

**KETTERING CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

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

NOTE 15 - DEFINED BENEFIT OPEB PLANS - (Continued)

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

| | <u>SERS</u> | <u>STRS</u> | <u>Total</u> |
|---|---------------------|--------------------|----------------|
| Proportion of the net OPEB liability/asset prior measurement date | 0.50695720% | 0.41897141% | |
| Proportion of the net OPEB liability/asset current measurement date | <u>0.50692360%</u> | <u>0.42328066%</u> | |
| Change in proportionate share | <u>-0.00003360%</u> | <u>0.00430925%</u> | |
| Proportionate share of the net OPEB liability | \$ 11,017,109 | \$ - | \$ 11,017,109 |
| Proportionate share of the net OPEB (asset) | \$ - | \$ (7,439,155) | \$ (7,439,155) |
| OPEB expense | \$ 225,566 | \$ (321,219) | \$ (95,653) |

At June 30, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

| | <u>SERS</u> | <u>STRS</u> | <u>Total</u> |
|---|---------------------|---------------------|----------------------|
| Deferred outflows of resources | | | |
| Differences between expected and actual experience | \$ 144,699 | \$ 476,669 | \$ 621,368 |
| Net difference between projected and actual earnings on OPEB plan investments | 124,140 | 260,718 | 384,858 |
| Changes of assumptions | 1,878,034 | 122,800 | 2,000,834 |
| Difference between employer contributions and proportionate share of contributions/ change in proportionate share | 293,786 | 454,869 | 748,655 |
| Contributions subsequent to the measurement date | <u>315,391</u> | <u>-</u> | <u>315,391</u> |
| Total deferred outflows of resources | <u>\$ 2,756,050</u> | <u>\$ 1,315,056</u> | <u>\$ 4,071,106</u> |
| Deferred inflows of resources | | | |
| Differences between expected and actual experience | \$ 5,602,969 | \$ 1,481,776 | \$ 7,084,745 |
| Changes of assumptions | 277,494 | 7,065,951 | 7,343,445 |
| Difference between employer contributions and proportionate share of contributions/ change in proportionate share | <u>264,438</u> | <u>-</u> | <u>264,438</u> |
| Total deferred inflows of resources | <u>\$ 6,144,901</u> | <u>\$ 8,547,727</u> | <u>\$ 14,692,628</u> |

**KETTERING CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

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

NOTE 15 - DEFINED BENEFIT OPEB PLANS - (Continued)

\$315,391 reported as deferred outflows of resources related to OPEB resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability/asset in the fiscal year ending June 30, 2022.

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

| | SERS | STRS | Total |
|-----------------------------|-----------------------|-----------------------|-----------------------|
| Fiscal Year Ending June 30: | | | |
| 2022 | \$ (749,155) | \$ (1,799,890) | \$ (2,549,045) |
| 2023 | (740,175) | (1,623,418) | (2,363,593) |
| 2024 | (741,635) | (1,561,518) | (2,303,153) |
| 2025 | (706,460) | (1,555,136) | (2,261,596) |
| 2026 | (555,303) | (334,240) | (889,543) |
| Thereafter | (211,514) | (358,469) | (569,983) |
| Total | <u>\$ (3,704,242)</u> | <u>\$ (7,232,671)</u> | <u>\$(10,936,913)</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.

THIS SECTION IS INTENTIONALLY LEFT BLANK

**KETTERING CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

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

NOTE 15 - DEFINED BENEFIT OPEB PLANS - (Continued)

Key methods and assumptions used in calculating the total OPEB liability in the latest actuarial valuation date of June 30, 2020 are presented below:

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

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

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

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

**KETTERING CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

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

NOTE 15 - DEFINED BENEFIT OPEB PLANS - (Continued)

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

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

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

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

| | 1% Decrease | Current Discount Rate | 1% Increase |
|---|---------------|--------------------------|---------------|
| District's proportionate share of the net OPEB liability | \$ 13,484,668 | \$ 11,017,109 | \$ 9,055,404 |
| | 1% Decrease | Current Trend Rate | 1% Increase |
| District's proportionate share of the net OPEB liability | \$ 8,675,135 | \$ 11,017,109 | \$ 14,148,927 |

**KETTERING CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

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

NOTE 15 - DEFINED BENEFIT OPEB PLANS - (Continued)

Actuarial Assumptions - STRS

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

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

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

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

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

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

Benefit Term Changes Since the Prior Measurement Date - There was no change to the claims costs process. Claim curves were updated to reflect the projected fiscal year end 2021 premium based on June 30, 2020 enrollment distribution. The non-Medicare subsidy percentage was increased effective January 1, 2021 from 1.984% to 2.055% per year of service. The non-Medicare frozen subsidy base premium was increased effective January 1, 2021. The Medicare subsidy percentages were adjusted effective January 1, 2021 to 2.1% for the AMA Medicare plan. The Medicare Part B monthly reimbursement elimination date was postponed indefinitely.

**KETTERING CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

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

NOTE 15 - DEFINED BENEFIT OPEB PLANS - (Continued)

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

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

Sensitivity of the District's Proportionate Share of the Net OPEB Asset to Changes in the Discount and Health Care Cost Trend Rate - The following table represents the net OPEB asset as of June 30, 2020, calculated using the current period discount rate assumption of 7.45%, as well as what the net OPEB asset would be if it were calculated using a discount rate that is one percentage point lower (6.45%) or one percentage point higher (8.45%) than the current assumption. Also shown is the net OPEB asset as if it were calculated using health care cost trend rates that are one percentage point lower or one percentage point higher than the current health care cost trend rates.

| | 1% Decrease | Current Discount Rate | 1% Increase |
|--|---|--------------------------|--------------|
| | District's proportionate share of the net OPEB asset | \$ 6,472,545 | \$ 7,439,155 |

| | 1% Decrease | Current Trend Rate | 1% Increase |
|--|---|-----------------------|--------------|
| | District's proportionate share of the net OPEB asset | \$ 8,208,373 | \$ 7,439,155 |

**KETTERING CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

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

NOTE 16 - CONTINGENCIES

A. Grants

The District receives financial assistance from federal and state 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 general fund or other applicable funds; however, in the opinion of management, any such disallowed claims will not have a material, adverse effect on the overall financial condition of the District at June 30, 2021.

B. Litigation

The District is not a party to any legal proceedings which seek damages or injunctive relief generally incidental to its operations and pending projects as of June 30, 2021.

C. Foundation Funding

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 2021 are finalized. As a result, the District had a receivable of \$26,426. This amount is not reported on the financial statements.

THIS SECTION IS INTENTIONALLY LEFT BLANK

**KETTERING CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

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

NOTE 17 - FUND BALANCE

Fund balance is classified as nonspendable, restricted, committed, assigned and/or unassigned based primarily on the extent to which the District is bound to observe constraints imposed upon the use of resources in the governmental funds. Constraints placed on the fund balances for the governmental funds are presented below:

| <u>Fund balance</u> | <u>General</u> | <u>Bond Retirement</u> | <u>Nonmajor Governmental Funds</u> | <u>Total Governmental Funds</u> |
|----------------------------------|---------------------|----------------------------|--|---|
| Nonspendable: | | | | |
| Materials and supplies inventory | \$ 121,600 | \$ - | \$ - | \$ 121,600 |
| Prepayments | 147,040 | - | 13,471 | 160,511 |
| Endowments | - | - | 44,251 | 44,251 |
| Total nonspendable | <u>268,640</u> | <u>-</u> | <u>57,722</u> | <u>326,362</u> |
| Restricted: | | | | |
| Food service operations | - | - | 306,342 | 306,342 |
| Endowments | - | - | 1,788 | 1,788 |
| Capital improvements | - | - | 3,744,641 | 3,744,641 |
| State funded programs | - | - | 20,703 | 20,703 |
| Federally funded programs | - | - | 169 | 169 |
| Extracurricular activities | - | - | 576,916 | 576,916 |
| Debt service | - | 5,551,498 | - | 5,551,498 |
| Other purposes | - | - | 57,502 | 57,502 |
| Total restricted | <u>-</u> | <u>5,551,498</u> | <u>4,708,061</u> | <u>10,259,559</u> |
| Assigned: | | | | |
| Student instruction | 150,680 | - | - | 150,680 |
| Student and staff support | 319,424 | - | - | 319,424 |
| Subsequent year appropriations | 99,915 | - | - | 99,915 |
| Other purposes | 299,443 | - | - | 299,443 |
| Total assigned | <u>869,462</u> | <u>-</u> | <u>-</u> | <u>869,462</u> |
| Unassigned (deficit) | <u>-</u> | <u>-</u> | <u>(1,725,727)</u> | <u>(1,725,727)</u> |
| Total fund balances | <u>\$ 1,138,102</u> | <u>\$ 5,551,498</u> | <u>\$ 3,040,056</u> | <u>\$ 9,729,656</u> |

**KETTERING CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

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

NOTE 18 - BUDGETARY BASIS OF ACCOUNTING

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

The statement of revenues, 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:

Revenues and other financing sources are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis);

Expenditures and other financing uses are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis);

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 an assigned or committed portion of available fund balance for outstanding encumbrances not already recognized as an account payable (GAAP basis);

Advances-in and advances-out are operating transactions (budget basis) as opposed to balance sheet transactions (GAAP basis); and,

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

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

Net Change in Fund Balance

| | <u>General fund</u> |
|---|---------------------|
| Budget basis | \$ (3,413,795) |
| Net adjustment for revenue accruals | 4,221,242 |
| Net adjustment for expenditure accruals | 115,524 |
| Net adjustment for other sources | (2,429,880) |
| Funds budgeted elsewhere | (414,987) |
| Adjustment for encumbrances | <u>1,406,811</u> |
| GAAP basis | <u>\$ (515,085)</u> |

Certain funds that are legally budgeted in separate special revenue funds are considered part of the general fund on a GAAP basis. These include the uniform school supplies fund, the rotary special services fund, the rotary fund, the employee benefits fund, the public school support fund, and the special enterprise fund.

**KETTERING CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

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

NOTE 19 - 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.

During fiscal years 1998, 2003, 2014, 2017, 2018 and 2019 the District issued \$136,563,000 in capital related school improvement bonds, tax anticipation notes and certificates of participation. These proceeds may be used to reduce capital acquisition to zero in future years. The District is responsible for tracking the amount of the bond and note proceeds that may be used as an offset in future periods, which was \$136,563,000 at June 30, 2021.

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

| | <u>Capital Improvements</u> |
|---|---------------------------------|
| Set-aside balance June 30, 2020 | \$ - |
| Current year set-aside requirement | 1,372,674 |
| Current year offsets | <u>(4,258,815)</u> |
| Total | <u>\$ (2,886,141)</u> |
| Balance carried forward to fiscal year 2022 | <u><u>\$ -</u></u> |

Although the District had offsets and qualifying disbursements during the year that reduced the capital improvements set-aside amount to below zero, the excess of current year offsets and qualifying disbursements over the set-aside requirement may not be used to reduce the set-aside requirements of future years. This negative amount is therefore not presented as being carried forward to the next fiscal year.

NOTE 20 - OTHER COMMITMENTS

The District utilizes encumbrance accounting as part of its budgetary controls. To the extent of available balances, 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 fund | \$ 1,273,673 |
| Nonmajor governmental funds | <u>1,406,872</u> |
| Total | <u><u>\$ 2,680,545</u></u> |

**KETTERING CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

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

NOTE 21 - TAX ABATEMENTS ENTERED INTO BY OTHER GOVERNMENTS

The City of Kettering and the City of Moraine provide tax abatements through two programs - Enterprise Zone Agreements and Community Reinvestment Area (CRA) Agreements. Under the agreements, various businesses receive the abatement of property taxes to bring jobs and economic development to the Cities. The agreement affects the property tax receipts collected and distributed to the District. Under the agreements, the District property taxes were reduced by \$686,028 during fiscal year 2021.

NOTE 22 - COVID-19

The United States and the State of Ohio declared a state of emergency in March of 2020 due to the COVID-19 pandemic. Ohio's state of emergency ended in June of 2021 while the national state of emergency continues. During fiscal year 2021, the District received Coronavirus Aid, Relief, and Economic Security (CARES) Act funding. Additional funding has been made available through the Consolidated Appropriations Act, 2021, passed by Congress on December 21, 2020 and/or the American Rescue Plan Act, passed by Congress on March 11, 2021.

NOTE 23 - SUBSEQUENT EVENT

For fiscal year 2022, District foundation funding received from the State of Ohio will be funded using a direct funding model. Under this new model, community school, STEM school, scholarship, and open enrollment funding will be directly funded by the State of Ohio to the respective educating schools. For fiscal year 2021 and prior, the amounts related to students who were residents of the District were funded to the District who, in turn, made the payment to the educating school. For fiscal year 2021, the District reported \$2,575,606 in revenues and expenditures/expenses related to these programs. This new funding system calculates a unique base cost and a unique "per-pupil local capacity amount" for each District. The District's state core foundation funding is then calculated. Any change in funding will be subject to a phase in percentage of 16.67 percent for fiscal year 2022 and 33.33 percent for fiscal year 2023.

REQUIRED SUPPLEMENTARY INFORMATION

**KETTERING CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

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

LAST EIGHT FISCAL YEARS

| | <u>2021</u> | <u>2020</u> | <u>2019</u> | <u>2018</u> |
|--|---------------|---------------|---------------|---------------|
| District's proportion of the net pension liability | 0.50280470% | 0.49414210% | 0.48352280% | 0.48805030% |
| District's proportionate share of the net pension liability | \$ 33,256,562 | \$ 29,565,388 | \$ 27,692,246 | \$ 29,159,927 |
| District's covered payroll | \$ 17,141,329 | \$ 16,468,741 | \$ 16,559,852 | \$ 16,069,043 |
| District's proportionate share of the net pension liability as a percentage of its covered payroll | 194.01% | 179.52% | 167.23% | 181.47% |
| Plan fiduciary net position as a percentage of the total pension liability | 68.55% | 70.85% | 71.36% | 69.50% |

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

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

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

| <u>2017</u> | <u>2016</u> | <u>2015</u> | <u>2014</u> |
|---------------|---------------|---------------|---------------|
| 0.45672770% | 0.44773630% | 0.44716700% | 0.44716700% |
| \$ 33,428,253 | \$ 25,548,267 | \$ 22,630,867 | \$ 26,591,586 |
| \$ 14,184,264 | \$ 13,479,203 | \$ 12,993,795 | \$ 12,799,552 |
| 235.67% | 189.54% | 174.17% | 207.75% |
| 62.98% | 69.16% | 71.70% | 65.52% |

**KETTERING CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

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

LAST EIGHT FISCAL YEARS

| | <u>2021</u> | <u>2020</u> | <u>2019</u> | <u>2018</u> |
|--|----------------|---------------|---------------|---------------|
| District's proportion of the net pension liability | 0.42328066% | 0.41897141% | 0.41472513% | 0.40071326% |
| District's proportionate share of the net pension liability | \$ 102,418,859 | \$ 92,653,009 | \$ 91,188,744 | \$ 95,190,294 |
| District's covered payroll | \$ 51,181,814 | \$ 49,274,693 | \$ 45,012,714 | \$ 44,517,714 |
| District's proportionate share of the net pension liability as a percentage of its covered payroll | 200.11% | 188.03% | 202.58% | 213.83% |
| Plan fiduciary net position as a percentage of the total pension liability | 75.48% | 77.40% | 77.30% | 75.30% |

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

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

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

| <u>2017</u> | <u>2016</u> | <u>2015</u> | <u>2014</u> |
|----------------|----------------|---------------|----------------|
| 0.39654290% | 0.38661187% | 0.38412297% | 0.38412297% |
| \$ 132,734,862 | \$ 106,848,213 | \$ 93,432,000 | \$ 111,295,587 |
| \$ 41,518,136 | \$ 41,120,979 | \$ 39,246,754 | \$ 40,155,177 |
| 319.70% | 259.84% | 238.06% | 277.16% |
| 66.80% | 72.10% | 74.70% | 69.30% |

**KETTERING CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

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

| | LAST TEN FISCAL YEARS | | | |
|--|-----------------------|--------------------|--------------------|--------------------|
| | <u>2021</u> | <u>2020</u> | <u>2019</u> | <u>2018</u> |
| Contractually required contribution | \$ 2,350,996 | \$ 2,399,786 | \$ 2,223,280 | \$ 2,235,580 |
| Contributions in relation to the contractually required contribution | <u>(2,350,996)</u> | <u>(2,399,786)</u> | <u>(2,223,280)</u> | <u>(2,235,580)</u> |
| Contribution deficiency (excess) | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |
| District's covered payroll | \$ 16,792,829 | \$ 17,141,329 | \$ 16,468,741 | \$ 16,559,852 |
| Contributions as a percentage of covered payroll | 14.00% | 14.00% | 13.50% | 13.50% |

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

| <u>2017</u> | <u>2016</u> | <u>2015</u> | <u>2014</u> | <u>2013</u> | <u>2012</u> |
|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| \$ 2,249,666 | \$ 1,985,797 | \$ 1,776,559 | \$ 1,800,940 | \$ 1,771,458 | \$ 1,731,214 |
| <u>(2,249,666)</u> | <u>(1,985,797)</u> | <u>(1,776,559)</u> | <u>(1,800,940)</u> | <u>(1,771,458)</u> | <u>(1,731,214)</u> |
| <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |
| \$ 16,069,043 | \$ 14,184,264 | \$ 13,479,203 | \$ 12,993,795 | \$ 12,799,552 | \$ 12,871,480 |
| 14.00% | 14.00% | 13.18% | 13.86% | 13.84% | 13.45% |

**KETTERING CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

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

| | LAST TEN FISCAL YEARS | | | |
|--|-----------------------|--------------------|--------------------|--------------------|
| | <u>2021</u> | <u>2020</u> | <u>2019</u> | <u>2018</u> |
| Contractually required contribution | \$ 7,238,256 | \$ 7,165,454 | \$ 6,898,457 | \$ 6,301,780 |
| Contributions in relation to the contractually required contribution | <u>(7,238,256)</u> | <u>(7,165,454)</u> | <u>(6,898,457)</u> | <u>(6,301,780)</u> |
| Contribution deficiency (excess) | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |
| District's covered payroll | \$ 51,701,829 | \$ 51,181,814 | \$ 49,274,693 | \$ 45,012,714 |
| Contributions as a percentage of covered payroll | 14.00% | 14.00% | 14.00% | 14.00% |

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

| <u>2017</u> | <u>2016</u> | <u>2015</u> | <u>2014</u> | <u>2013</u> | <u>2012</u> |
|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| \$ 6,232,480 | \$ 5,812,539 | \$ 5,756,937 | \$ 5,102,078 | \$ 5,220,173 | \$ 5,379,603 |
| <u>(6,232,480)</u> | <u>(5,812,539)</u> | <u>(5,756,937)</u> | <u>(5,102,078)</u> | <u>(5,220,173)</u> | <u>(5,379,603)</u> |
| <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |
| \$ 44,517,714 | \$ 41,518,136 | \$ 41,120,979 | \$ 39,246,754 | \$ 40,155,177 | \$ 41,381,562 |
| 14.00% | 14.00% | 14.00% | 13.00% | 13.00% | 13.00% |

**KETTERING CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

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

LAST FIVE FISCAL YEARS

| | <u>2021</u> | <u>2020</u> | <u>2019</u> | <u>2018</u> |
|---|---------------|---------------|---------------|---------------|
| District's proportion of the net OPEB liability | 0.50692360% | 0.50695720% | 0.49200370% | 0.49591960% |
| District's proportionate share of the net OPEB liability | \$ 11,017,109 | \$ 12,748,907 | \$ 13,649,512 | \$ 13,309,179 |
| District's covered payroll | \$ 17,141,329 | \$ 16,468,741 | \$ 16,559,852 | \$ 16,069,043 |
| District's proportionate share of the net OPEB liability as a percentage of its covered payroll | 64.27% | 77.41% | 82.43% | 82.82% |
| Plan fiduciary net position as a percentage of the total OPEB liability | 18.17% | 15.57% | 13.57% | 12.46% |

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

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

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

2017

0.46324459%

\$ 13,204,184

\$ 14,184,264

93.09%

11.49%

**KETTERING CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

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

LAST FIVE FISCAL YEARS

| | <u>2021</u> | <u>2020</u> | <u>2019</u> | <u>2018</u> |
|---|----------------|----------------|----------------|---------------|
| District's proportion of the net OPEB liability/(asset) | 0.42328066% | 0.41897141% | 0.41472513% | 0.40071326% |
| District's proportionate share of the net OPEB liability/(asset) | \$ (7,439,155) | \$ (6,939,171) | \$ (6,664,209) | \$ 15,634,353 |
| District's covered payroll | \$ 51,181,814 | \$ 49,274,693 | \$ 45,012,714 | \$ 44,517,714 |
| District's proportionate share of the net OPEB liability/(asset) as a percentage of its covered payroll | -14.53% | -14.08% | -14.81% | 35.12% |
| Plan fiduciary net position as a percentage of the total OPEB liability/(asset) | 182.10% | 174.70% | 176.00% | 47.10% |

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

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

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

2017

0.39654290%

\$ 21,207,217

\$ 41,518,136

51.08%

37.33%

**KETTERING CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

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

| | LAST TEN FISCAL YEARS | | | |
|--|-----------------------|------------------|------------------|------------------|
| | <u>2021</u> | <u>2020</u> | <u>2019</u> | <u>2018</u> |
| Contractually required contribution | \$ 315,391 | \$ 255,488 | \$ 394,393 | \$ 355,128 |
| Contributions in relation to the contractually required contribution | <u>(315,391)</u> | <u>(255,488)</u> | <u>(394,393)</u> | <u>(355,128)</u> |
| Contribution deficiency (excess) | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |
| District's covered payroll | \$ 16,792,829 | \$ 17,141,329 | \$ 16,468,741 | \$ 16,559,852 |
| Contributions as a percentage of covered payroll | 1.88% | 1.49% | 2.39% | 2.14% |

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

| <u>2017</u> | <u>2016</u> | <u>2015</u> | <u>2014</u> | <u>2013</u> | <u>2012</u> |
|------------------|------------------|------------------|------------------|------------------|-----------------|
| \$ 273,347 | \$ 236,125 | \$ 338,924 | \$ 240,548 | \$ 210,577 | \$ 71,161 |
| <u>(273,347)</u> | <u>(236,125)</u> | <u>(338,924)</u> | <u>(240,548)</u> | <u>(210,577)</u> | <u>(71,161)</u> |
| <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |
| \$ 16,069,043 | \$ 14,184,264 | \$ 13,479,203 | \$ 12,993,795 | \$ 12,799,552 | \$ 12,871,480 |
| 1.70% | 1.66% | 2.51% | 1.85% | 1.65% | 0.55% |

**KETTERING CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

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

| | LAST TEN FISCAL YEARS | | | |
|--|-----------------------|---------------|---------------|---------------|
| | <u>2021</u> | <u>2020</u> | <u>2019</u> | <u>2018</u> |
| Contractually required contribution | \$ - | \$ - | \$ - | \$ - |
| Contributions in relation to the contractually required contribution | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Contribution deficiency (excess) | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |
| District's covered payroll | \$ 51,701,829 | \$ 51,181,814 | \$ 49,274,693 | \$ 45,012,714 |
| Contributions as a percentage of covered payroll | 0.00% | 0.00% | 0.00% | 0.00% |

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

| <u>2017</u> | <u>2016</u> | <u>2015</u> | <u>2014</u> | <u>2013</u> | <u>2012</u> |
|---------------|---------------|---------------|---------------|---------------|---------------|
| \$ - | \$ - | \$ - | \$ 403,737 | \$ 401,552 | \$ 413,816 |
| - | - | - | (403,737) | (401,552) | (413,816) |
| <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |
| \$ 44,517,714 | \$ 41,518,136 | \$ 41,120,979 | \$ 39,246,754 | \$ 40,155,177 | \$ 41,381,562 |
| 0.00% | 0.00% | 0.00% | 1.00% | 1.00% | 1.00% |

**KETTERING CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

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

PENSION

SCHOOL EMPLOYEES RETIREMENT SYSTEM (SERS) OF OHIO

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

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

STATE TEACHERS RETIREMENT SYSTEM (STRS) OF OHIO

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

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

OTHER POSTEMPLOYMENT BENEFITS (OPEB)

SCHOOL EMPLOYEES RETIREMENT SYSTEM (SERS) OF OHIO

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

(Continued)

**KETTERING CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

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

OTHER POSTEMPLOYMENT BENEFITS (OPEB) (Continued)

Changes in assumptions: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2017. For fiscal year 2018, the following changes of assumptions affected the total OPEB liability since the prior measurement date: (a) assumed rate of inflation was reduced from 3.25% to 3.00%, (b) payroll growth assumption was reduced from 4.00% to 3.50%, (c) assumed real wage growth was reduced from 0.75% to 0.50%, (d) rates of withdrawal, retirement, and disability were updated to reflect recent experience, (e) mortality among active members was updated to the following: RP-2014 Blue Collar Mortality Table with fully generational projection and a five-year age set-back for both males and females, (f) mortality among service retired members and beneficiaries was updated to the following: RP-2014 Blue Collar Mortality Table with fully generational projection with Scale BB, 120% of male rates, and 110% of female rates, (g) mortality among disabled members was updated to the following: RP-2000 Disabled Mortality Table, 90% for male rates and 100% for female rates, set back five years is used for the period after disability retirement, (h) the municipal bond index rate increased from 2.92% to 3.56% and (i) the single equivalent interest rate, net of plan investment expense, including price inflation increased from 2.98% to 3.63%. For fiscal year 2019, the following changes of assumptions affected the total OPEB liability since the prior measurement date: (a) the discount rate increased from 3.63% to 3.70%, (b) the health care cost trend rates for Medicare were changed from a range of 5.50%-5.00% to a range of 5.375%-4.75% and Pre-Medicare were changed from a range of 7.50%-5.00% to a range of 7.25%-4.75%, (c) the municipal bond index rate increased from 3.56% to 3.62% and (d) the single equivalent interest rate, net of plan investment expense, including price inflation increased from 3.63% to 3.70%. For fiscal year 2020, the following changes of assumptions affected the total OPEB liability since the prior measurement date: (a) the discount rate decreased from 3.70% to 3.22%, (b) the health care cost trend rates for Medicare were changed from a range of 5.375%-4.75% to a range of 5.25%-4.75% and Pre-Medicare were changed from a range of 7.25%-4.75% to a range of 7.00%-4.75%, (c) the municipal bond index rate decreased from 3.62% to 3.13% and (d) the single equivalent interest rate, net of plan investment expense, including price inflation decreased from 3.70% to 3.22%. For fiscal year 2021, the following changes of assumptions affected the total OPEB liability since the prior measurement date: (a) the discount rate decreased from 3.22% to 2.63% and (b) the municipal bond index rate decreased from 3.13% to 2.45%.

STATE TEACHERS RETIREMENT SYSTEM (STRS) OF OHIO

Changes in benefit terms: There were no changes in benefit terms from the amounts previously reported for fiscal year 2017. For fiscal year 2018, STRS reduced the subsidy multiplier for non-Medicare benefit recipients from 2.1% to 1.9% per year of service. Medicare Part B premium reimbursements were discontinued for certain survivors and beneficiaries and all remaining Medicare Part B premium reimbursements will be discontinued beginning January 2019. For fiscal year 2019, STRS increased the subsidy multiplier for non-Medicare benefit recipients from 1.9% to 1.944% per year of service effective January 1, 2019. The non-Medicare frozen subsidy base premium was increased January 1, 2019 and all remaining Medicare Part B premium reimbursements will be discontinued beginning January 1, 2020. For fiscal year 2020, STRS increased the subsidy percentage from 1.944% to 1.984% effective January 1, 2020. The Medicare subsidy percentages were adjusted effective January 1, 2021 to 2.1% for the Medicare plan. The Medicare Part B monthly reimbursement elimination date was postponed to January 1, 2021. For fiscal year 2021, the non-Medicare subsidy percentage was increased effective January 1, 2021 from 1.984% to 2.055% per year of service. The non-Medicare frozen subsidy base premium was increased effective January 1, 2021. The Medicare subsidy percentages were adjusted effective January 1, 2021 to 2.1% for the AMA Medicare plan. The Medicare Part B monthly reimbursement elimination date was postponed indefinitely.

Changes in assumptions: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2017. For fiscal year 2018, the following changes of assumptions affected the total OPEB liability since the prior measurement date: (a) the discount rate was increased from 3.26% to 4.13% based on the methodology defined under GASB Statement No. 74, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans (OPEB), (b) the long term expected rate of return was reduced from 7.75% to 7.45%, (c) valuation year per capita health care costs were updated, and the salary scale was modified, (d) the percentage of future retirees electing each option was updated based on current data and the percentage of future disabled retirees and terminated vested participants electing health coverage were decreased and (e) the assumed mortality, disability, retirement, withdrawal and future health care cost trend rates were modified along with the portion of rebated prescription drug costs. For fiscal year 2019, the following changes of assumptions affected the total OPEB liability/asset since the prior measurement date: (a) the discount rate was increased from the blended rate of 4.13% to the long-term expected rate of return of 7.45% based on the methodology defined under GASB Statement No. 74, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans (OPEB) and (b) decrease in health care cost trend rates from 6.00%-11.00% initial; 4.50% ultimate down to Medical Pre-Medicare 6.00% and Medicare 5.00% initial; 4.00% ultimate and Prescription Drug Pre-Medicare 8.00% and Medicare (5.23%) initial; 4.00% ultimate. For fiscal year 2020, health care cost trend rates were changed to the following: medical pre-Medicare from 6.00% initial - 4.00% ultimate down to 5.87% initial - 4.00% ultimate; medical Medicare from 5.00% initial - 4.00% ultimate down to 4.93% initial - 4.00% ultimate; prescription drug pre-Medicare from 8.00% initial - 4.00% ultimate down to 7.73% initial - 4.00% ultimate and (5.23%) initial - 4.00% ultimate up to 9.62% initial - 4.00% ultimate. For fiscal year 2021, health care cost trend rates were changed to the following: medical pre-Medicare from 5.87% initial - 4.00% ultimate down to 5.00% initial - 4.00% ultimate; medical Medicare from 4.93% initial - 4.00% ultimate down to 9.62% initial - 4.00% ultimate up to 11.87% initial - 4.00% ultimate.

THIS PAGE IS INTENTIONALLY LEFT BLANK



*Combining and Individual Fund
Statements and Schedules*

The following combining statements and schedules include the major and nonmajor governmental funds.

KETTERING CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO



THIS PAGE IS INTENTIONALLY LEFT BLANK

**KETTERING CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

FUND DESCRIPTIONS - GOVERNMENTAL FUNDS

Major Funds

General Fund

The general fund is the general operating fund of the District and is used to account for and report all financial resources not accounted for and reported in another fund. The general fund balance is available to the District for any purpose provided it is expended or transferred according to the general laws of Ohio. The general fund's activities include, but are not limited to, instruction, support services, operations and maintenance, pupil transportation, and operation of non-instructional services.

Bond Retirement Fund

The bond retirement fund is used to account for the accumulation of resources that are restricted, committed, or assigned for the payment of general obligation bond principal and interest from governmental resources.

Nonmajor Special Revenue Funds

The special revenue funds are used to account for the proceeds of specific revenue sources (other than amounts relating to expendable or nonexpendable trusts, or amounts restricted, committed, or assigned to expenditure for the purposes of debt service or capital projects) that are legally restricted to expenditure for specified purposes or committed for specified purposes by formal resolution by the Board of Education. The title of each special revenue fund is descriptive of the activities accounted for therein. The nonmajor special revenue funds are as follows:

Food Service Fund

This fund accounts for the financial transactions related to the food service operations of the District.

Special Trust Fund

This fund accounts for assets held in a trustee capacity to support District programs.

Pathfinder/Preschool Fund

This fund accounts for receipts and expenditures in conjunction with preschool activities.

Athletic Fund

This fund accounts for revenues supporting athletic and other extracurricular activities managed by the District.

Auxiliary Services Fund

This fund accounts for funds which provide services and materials to pupils attending non-public schools within the District.

Public School Preschool Fund

This fund accounts for programs for early childhood education for disadvantaged children between four and five years of age.

Data Communications Fund

This fund is used to account for monies received for the maintenance of the Ohio Educational Computer Network connections.

Other State Funds Fund

This fund accounts for State monies to provide support and education to parents of children with disabilities, to provide the opportunity for parents to participate in regularly scheduled support groups, and to provide for the use of the productivity improvement challenge program to expand, enhance and upgrade career programming for students in southern Montgomery County school districts.

Adult Basic Education Fund

This fund accounts for federal monies used to provide programs in reading, writing and math competency for adults that do not have a high school diploma.

Supporting Effective Instruction Fund

This fund accounts for transactions to strengthen instruction in science, mathematics, modern foreign languages, English, the arts, and computer learning.

**KETTERING CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

FUND DESCRIPTIONS - GOVERNMENTAL FUNDS

Nonmajor Special Revenue Funds (Continued)

Individuals with Disabilities Education Act, Part B (IDEA Part B) Fund

This fund accounts for federal funds to assist schools in the identification of handicapped children, development of procedural safeguards, implementation of least restrictive alternative service patterns, and provision of full education opportunities to handicapped children at the preschool, elementary, and secondary levels. This fund was previously reported as the Education for Economic Security Act (ESSA Title VI-B) Fund.

Carl D. Perkins Fund

This fund accounts for the provision of funds to boards of education, teacher training institutions, and the state administering agency for cooperating in development of vocational education programs in the following categories: post-secondary, adult, disadvantaged and handicapped persons, exemplary programs, cooperative education, construction of area vocational schools, research, advisory committees, and work-study projects, including sex equity grants. Funds are administered by the Ohio Department of Education, Division of Vocational and Career Education.

Bilingual Education Fund

This fund accounts for the provision of funds to develop and carry out elementary and secondary school programs, including activities at the pre-school level, to meet the educational needs of children of limited English proficiency.

Title I Fund

This fund accounts for federal monies used to assist the District in meeting the special needs of educationally deprived children.

Preschool Grant Fund

This fund is provided to account for the District's preschool grant activities.

Other Federal Programs Fund

This fund accounts for the activities of systemic grants, classrooms reduction grant, America Reads program, and school to work program.

Vocational Education Enhancement Fund

This fund accounts for funds used to expand or upgrade the District's vocational education programs.

Student Wellness and Success Fund

This fund accounts for state monies that are restricted for specific purposes related to student wellness, including mental health services, services for homeless youth, services for child welfare involved youth, community liaisons, physical health care services, mentoring programs, family engagement and support services, city connects programming, professional development regarding the provision of trauma informed care, and professional development regarding cultural competence.

Student Managed Activity 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. This fund typically includes those student activities which consist of a student body, student president, student treasurer, and faculty advisor.

Elementary and Secondary School Emergency Relief (ESSER) Fund

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

Coronavirus Relief Fund

This fund accounts for federal grants used to cover necessary expenditures incurred due to the public health emergency with respect to COVID-19.

(Continued)

**KETTERING CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

FUND DESCRIPTIONS - GOVERNMENTAL FUNDS

Nonmajor Special Revenue Funds (Continued)

Tournament Fund

This fund accounts for various monies held on behalf of student athletic programs.

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

Uniform School Supplies Fund

This fund accounts for the purchase and sale of school supplies for use in the District. Profits derived from such sales are used for school purposes or activities connected with the school.

Rotary Special Services Fund

This fund is provided to account for income and expenses made in connection with goods and services provided by the District.

Public School Support Fund

This fund supports the various needs of the school such as supplies and equipment for use in the school, and for support and recognition of school activities as deemed appropriate by the building principal.

Special Enterprise Fund

This fund accounts for the financial transactions related to morning and afternoon supervision child care program. This fund also accounts for building rental revenue associated with Trent Arena.

Rotary Fund

This fund accounts for deposits to be utilized for background checks on prospective employees.

Employee Benefits Fund

This fund accounts for the premiums received and the claims costs paid by the District for employee health and dental/vision insurance.

Nonmajor Capital Projects Funds

The capital projects funds are used to account for the financial resources to be used for the acquisition or construction of major capital facilities, other than those financed by proprietary or trust funds.

Permanent Improvement Fund

This fund is provided to account for all transactions related to the acquiring, constructing, or improving of such permanent improvements as are authorized by Chapter 5705 of the Ohio Revised Code.

Replacement Fund

This fund is provided to account for monies used in the rebuilding, restoration or improvement of property which has been totally or partially destroyed due to any cause.

Nonmajor Permanent Fund

The permanent fund is used to account for the financial resources that are legally restricted in that only the earnings, not the principal, may be used to support the District's programs.

Permanent Fund

This fund is used to account for money, securities, or lands which have been set aside as an investment for public school purposes. The income from such a fund may be expended, but the principal must remain intact.

**KETTERING CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2021

| | Nonmajor Special Revenue Funds | Nonmajor Capital Projects Fund | Nonmajor Permanent Fund | Total Nonmajor Governmental Funds |
|--|---|---|--|--|
| Assets: | | | | |
| Equity in pooled cash and investments | \$ 860,298 | \$ 2,875,380 | \$ 46,039 | \$ 3,781,717 |
| Cash with fiscal agent | - | 830,641 | - | 830,641 |
| Receivables: | | | | |
| Property taxes | - | 4,046,122 | - | 4,046,122 |
| Accounts | 295 | - | - | 295 |
| Intergovernmental | 1,926,114 | - | - | 1,926,114 |
| Prepayments | 13,471 | - | - | 13,471 |
| Inventory held for resale | 139,588 | - | - | 139,588 |
| Total assets | <u>\$ 2,939,766</u> | <u>\$ 7,752,143</u> | <u>\$ 46,039</u> | <u>\$ 10,737,948</u> |
| Liabilities: | | | | |
| Accounts payable | \$ 55,030 | \$ 137,600 | \$ - | \$ 192,630 |
| Accrued wages and benefits payable | 904,907 | - | - | 904,907 |
| Compensated absences payable | 76,960 | - | - | 76,960 |
| Interfund loans payable | 895,131 | - | - | 895,131 |
| Intergovernmental payable | 29,133 | - | - | 29,133 |
| Pension and postemployment benefits payable | 210,627 | - | - | 210,627 |
| Due to other funds | 522,969 | - | - | 522,969 |
| Total liabilities | <u>2,694,757</u> | <u>137,600</u> | <u>-</u> | <u>2,832,357</u> |
| Deferred inflows of resources: | | | | |
| Property taxes levied for the next fiscal year | - | 3,720,514 | - | 3,720,514 |
| Delinquent property tax revenue not available | - | 149,388 | - | 149,388 |
| Intergovernmental revenue not available | 995,633 | - | - | 995,633 |
| Total deferred inflows of resources | <u>995,633</u> | <u>3,869,902</u> | <u>-</u> | <u>4,865,535</u> |
| Fund balances: | | | | |
| Nonspendable | 13,471 | - | 44,251 | 57,722 |
| Restricted | 961,632 | 3,744,641 | 1,788 | 4,708,061 |
| Unassigned (deficit) | (1,725,727) | - | - | (1,725,727) |
| Total fund balances (deficit) | <u>(750,624)</u> | <u>3,744,641</u> | <u>46,039</u> | <u>3,040,056</u> |
| Total liabilities, deferred inflows of resources, and fund balances | <u>\$ 2,939,766</u> | <u>\$ 7,752,143</u> | <u>\$ 46,039</u> | <u>\$ 10,737,948</u> |

**KETTERING CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

| | Nonmajor Special Revenue Funds | Nonmajor Capital Projects Funds | Nonmajor Permanent Fund | Total Nonmajor Governmental Funds |
|---|---|--|--|--|
| Revenues: | | | | |
| Property taxes | \$ - | \$ 4,260,336 | \$ - | \$ 4,260,336 |
| Intergovernmental | 12,077,634 | 103,266 | - | 12,180,900 |
| Investment earnings | 806 | (62,131) | 97 | (61,228) |
| Tuition and fees | 412,494 | - | - | 412,494 |
| Extracurricular | 247,534 | - | - | 247,534 |
| Charges for services | 9,201 | - | - | 9,201 |
| Contributions and donations | 16,836 | - | - | 16,836 |
| Miscellaneous | 88,896 | 53,814 | - | 142,710 |
| Total revenues | 12,853,401 | 4,355,285 | 97 | 17,208,783 |
| Expenditures: | | | | |
| Current: | | | | |
| Instruction: | | | | |
| Regular | 2,254,977 | 846,852 | - | 3,101,829 |
| Special | 2,564,610 | - | - | 2,564,610 |
| Vocational | 202,351 | - | - | 202,351 |
| Adult/continuing | 238 | - | - | 238 |
| Other | 132,891 | - | - | 132,891 |
| Support services: | | | | |
| Pupil | 2,343,366 | - | - | 2,343,366 |
| Instructional staff | 722,539 | - | 174 | 722,713 |
| Administration | 461,384 | 23,468 | - | 484,852 |
| Fiscal | - | 57,839 | - | 57,839 |
| Operations and maintenance | 584,078 | 948,751 | - | 1,532,829 |
| Pupil transportation | 34,110 | 7,590 | - | 41,700 |
| Central | 73,434 | 775 | - | 74,209 |
| Operation of non-instructional services | 4,462,752 | - | - | 4,462,752 |
| Extracurricular activities | 270,350 | 5,150 | - | 275,500 |
| Facilities acquisition and construction | - | 1,261,545 | - | 1,261,545 |
| Capital outlay | - | 1,170,240 | - | 1,170,240 |
| Debt service: | | | | |
| Principal retirement | - | 995,000 | - | 995,000 |
| Interest and fiscal charges | - | 1,065,606 | - | 1,065,606 |
| Total expenditures | 14,107,080 | 6,382,816 | 174 | 20,490,070 |
| Excess of expenditures over revenues | (1,253,679) | (2,027,531) | (77) | (3,281,287) |
| Other financing sources: | | | | |
| Transfers in | 18,500 | - | - | 18,500 |
| Lease purchase transaction | - | 1,170,240 | - | 1,170,240 |
| Total other financing sources | 18,500 | 1,170,240 | - | 1,188,740 |
| Net change in fund balances | (1,235,179) | (857,291) | (77) | (2,092,547) |
| Fund balances at beginning of year | 389,245 | 4,601,932 | 46,116 | 5,037,293 |
| Change in reserve for inventory | 95,310 | - | - | 95,310 |
| Fund balances (deficit) at end of year | \$ (750,624) | \$ 3,744,641 | \$ 46,039 | \$ 3,040,056 |

**KETTERING CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2021

| | <u>Food Service</u> | <u>Special Trust</u> | <u>Pathfinder/ Preschool</u> | <u>Athletic</u> |
|--|-------------------------|--------------------------|----------------------------------|-------------------|
| Assets: | | | | |
| Equity in pooled cash and investments | \$ 52,618 | \$ 57,486 | \$ - | \$ 502,036 |
| Receivables: | | | | |
| Accounts | 295 | - | - | - |
| Intergovernmental | 453,394 | - | - | - |
| Prepayments | 1,306 | - | 6,056 | 4 |
| Inventory held for resale | 139,588 | - | - | - |
| Total assets | <u>\$ 647,201</u> | <u>\$ 57,486</u> | <u>\$ 6,056</u> | <u>\$ 502,040</u> |
| Liabilities: | | | | |
| Accounts payable | \$ 13,702 | \$ - | \$ - | \$ - |
| Accrued wages and benefits payable | 238,380 | - | 21,752 | - |
| Compensated absences payable | - | - | 35,116 | - |
| Interfund loans payable | - | - | 762,240 | - |
| Intergovernmental payable | 2,910 | - | 260 | - |
| Pension and postemployment benefits payable | 84,561 | - | 27,445 | - |
| Due to other funds | - | - | 40,644 | - |
| Total liabilities | <u>339,553</u> | <u>-</u> | <u>887,457</u> | <u>-</u> |
| Deferred inflows of resources: | | | | |
| Intergovernmental revenue not available | - | - | - | - |
| Total deferred inflows of resources | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Fund balances: | | | | |
| Nonspendable | 1,306 | - | 6,056 | 4 |
| Restricted | 306,342 | 57,486 | - | 502,036 |
| Unassigned (deficit) | - | - | (887,457) | - |
| Total fund balances (deficit) | <u>307,648</u> | <u>57,486</u> | <u>(881,401)</u> | <u>502,040</u> |
| Total liabilities, deferred inflows of resources, and fund balances | <u>\$ 647,201</u> | <u>\$ 57,486</u> | <u>\$ 6,056</u> | <u>\$ 502,040</u> |

| Auxiliary Services | Public School Preschool | Data Communications | Other State Funds | Supporting Effective Instruction | IDEA Part B |
|-------------------------------|------------------------------------|--------------------------------|------------------------------|---|--------------------|
| \$ 152,559 | \$ - | \$ 15,226 | \$ - | \$ - | \$ - |
| - | - | - | - | - | - |
| - | 67,432 | - | 6,181 | 79,361 | 475,889 |
| 779 | 106 | - | 10 | 79 | 3,592 |
| - | - | - | - | - | - |
| <u>\$ 153,338</u> | <u>\$ 67,538</u> | <u>\$ 15,226</u> | <u>\$ 6,191</u> | <u>\$ 79,440</u> | <u>\$ 479,481</u> |
| \$ 37,256 | \$ - | \$ - | \$ - | \$ - | \$ - |
| 120,388 | 17,016 | - | 815 | 2,154 | 176,854 |
| 31,781 | - | - | - | - | - |
| - | - | - | - | - | - |
| 1,627 | 233 | - | - | 27 | 19,632 |
| 13,464 | 1,961 | - | 325 | 1,961 | 36,940 |
| - | 8,368 | - | 1,884 | 46,898 | 146,454 |
| <u>204,516</u> | <u>27,578</u> | <u>-</u> | <u>3,024</u> | <u>51,040</u> | <u>379,880</u> |
| - | 59,064 | - | 4,296 | 32,464 | 335,215 |
| - | 59,064 | - | 4,296 | 32,464 | 335,215 |
| 779 | 106 | - | 10 | 79 | 3,592 |
| - | - | 15,226 | - | - | - |
| <u>(51,957)</u> | <u>(19,210)</u> | <u>-</u> | <u>(1,139)</u> | <u>(4,143)</u> | <u>(239,206)</u> |
| <u>(51,178)</u> | <u>(19,104)</u> | <u>15,226</u> | <u>(1,129)</u> | <u>(4,064)</u> | <u>(235,614)</u> |
| <u>\$ 153,338</u> | <u>\$ 67,538</u> | <u>\$ 15,226</u> | <u>\$ 6,191</u> | <u>\$ 79,440</u> | <u>\$ 479,481</u> |

(Continued)

**KETTERING CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)
JUNE 30, 2021

| | <u>Carl D. Perkins</u> | <u>Bilingual Education</u> | <u>Title I</u> | <u>Preschool Grant</u> |
|--|------------------------|--------------------------------|-------------------|----------------------------|
| Assets: | | | | |
| Equity in pooled cash and investments | \$ - | \$ - | \$ - | \$ - |
| Receivables: | | | | |
| Accounts | - | - | - | - |
| Intergovernmental | 63,024 | 22,705 | 480,022 | 24,245 |
| Prepayments | 7 | 17 | 1,309 | 120 |
| Inventory held for resale | - | - | - | - |
| Total assets | <u>\$ 63,031</u> | <u>\$ 22,722</u> | <u>\$ 481,331</u> | <u>\$ 24,365</u> |
| Liabilities: | | | | |
| Accounts payable | \$ - | \$ 1,332 | \$ 396 | \$ - |
| Accrued wages and benefits payable | - | 8,500 | 284,243 | 20,492 |
| Compensated absences payable | - | - | 10,063 | - |
| Interfund loans payable | - | - | - | - |
| Intergovernmental payable | - | 123 | 3,853 | 269 |
| Pension and postemployment benefits payable | - | 1,194 | 38,360 | 2,356 |
| Due to other funds | 31,280 | 8,025 | 139,074 | 6,850 |
| Total liabilities | <u>31,280</u> | <u>19,174</u> | <u>475,989</u> | <u>29,967</u> |
| Deferred inflows of resources: | | | | |
| Intergovernmental revenue not available | 31,575 | 15,132 | 343,278 | 14,240 |
| Total deferred inflows of resources | <u>31,575</u> | <u>15,132</u> | <u>343,278</u> | <u>14,240</u> |
| Fund balances: | | | | |
| Nonspendable | 7 | 17 | 1,309 | 120 |
| Restricted | 169 | - | - | - |
| Unassigned (deficit) | - | (11,601) | (339,245) | (19,962) |
| Total fund balances (deficit) | <u>176</u> | <u>(11,584)</u> | <u>(337,936)</u> | <u>(19,842)</u> |
| Total liabilities, deferred inflows of resources, and fund balances | <u>\$ 63,031</u> | <u>\$ 22,722</u> | <u>\$ 481,331</u> | <u>\$ 24,365</u> |

| <u>Other Federal Programs</u> | <u>Vocational Education Enhancement</u> | <u>Student Wellness and Success</u> | <u>Student Managed Activity</u> | <u>ESSER</u> | <u>Tournament</u> |
|-------------------------------|---|-------------------------------------|---------------------------------|-------------------|-------------------|
| \$ - | \$ - | \$ 5,477 | \$ 74,880 | \$ - | \$ 16 |
| - | - | - | - | - | - |
| 31,381 | 884 | - | - | 221,596 | - |
| 86 | - | - | - | - | - |
| - | - | - | - | - | - |
| <u>\$ 31,467</u> | <u>\$ 884</u> | <u>\$ 5,477</u> | <u>\$ 74,880</u> | <u>\$ 221,596</u> | <u>\$ 16</u> |
| \$ - | \$ - | \$ - | \$ - | \$ 2,344 | \$ - |
| 11,334 | - | - | - | 2,979 | - |
| - | - | - | - | - | - |
| - | - | - | - | 132,891 | - |
| 156 | - | - | - | 43 | - |
| 1,662 | 34 | - | - | 364 | - |
| 9,633 | 884 | - | - | 82,975 | - |
| <u>22,785</u> | <u>918</u> | <u>-</u> | <u>-</u> | <u>221,596</u> | <u>-</u> |
| 21,748 | - | - | - | 138,621 | - |
| <u>21,748</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>138,621</u> | <u>-</u> |
| 86 | - | - | - | - | - |
| - | - | 5,477 | 74,880 | - | 16 |
| <u>(13,152)</u> | <u>(34)</u> | <u>-</u> | <u>-</u> | <u>(138,621)</u> | <u>-</u> |
| <u>(13,066)</u> | <u>(34)</u> | <u>5,477</u> | <u>74,880</u> | <u>(138,621)</u> | <u>16</u> |
| <u>\$ 31,467</u> | <u>\$ 884</u> | <u>\$ 5,477</u> | <u>\$ 74,880</u> | <u>\$ 221,596</u> | <u>\$ 16</u> |

(Continued)

**KETTERING CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)
JUNE 30, 2021

| | Total Nonmajor Special Revenue Funds |
|--|---|
| | |
| Assets: | |
| Equity in pooled cash and investments | \$ 860,298 |
| Receivables: | |
| Accounts | 295 |
| Intergovernmental | 1,926,114 |
| Prepayments | 13,471 |
| Inventory held for resale | 139,588 |
| Total assets | \$ 2,939,766 |
| Liabilities: | |
| Accounts payable | \$ 55,030 |
| Accrued wages and benefits payable | 904,907 |
| Compensated absences payable | 76,960 |
| Interfund loans payable | 895,131 |
| Intergovernmental payable | 29,133 |
| Pension and postemployment benefits payable | 210,627 |
| Due to other funds | 522,969 |
| Total liabilities | 2,694,757 |
| Deferred inflows of resources: | |
| Intergovernmental revenue not available | 995,633 |
| Total deferred inflows of resources | 995,633 |
| Fund balances: | |
| Nonspendable | 13,471 |
| Restricted | 961,632 |
| Unassigned (deficit) | (1,725,727) |
| Total fund balances (deficit) | (750,624) |
| Total liabilities, deferred inflows of resources, and fund balances | \$ 2,939,766 |

KETTERING CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO



THIS PAGE IS INTENTIONALLY LEFT BLANK

**KETTERING CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

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

| | <u>Food Service</u> | <u>Special Trust</u> | <u>Pathfinder/ Preschool</u> | <u>Athletic</u> |
|--|-------------------------|--------------------------|----------------------------------|-------------------|
| Revenues: | | | | |
| Intergovernmental | \$ 2,536,599 | \$ - | \$ 1,000 | \$ - |
| Investment earnings | 684 | 122 | - | - |
| Tuition and fees | - | - | 412,494 | - |
| Extracurricular | 24 | 1,045 | - | 187,137 |
| Charges for services | 9,201 | - | - | - |
| Contributions and donations | - | - | 16,111 | 90 |
| Miscellaneous | 21,568 | 6,789 | 60,219 | 320 |
| Total revenues | <u>2,568,076</u> | <u>7,956</u> | <u>489,824</u> | <u>187,547</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Instruction: | | | | |
| Regular | - | - | 9,227 | - |
| Special | - | - | - | - |
| Vocational | - | - | - | - |
| Adult/continuing | - | - | - | - |
| Other | - | - | - | - |
| Support services: | | | | |
| Pupil | - | - | 108,257 | - |
| Instructional staff | - | 7,721 | 18,476 | - |
| Administration | - | - | - | - |
| Operations and maintenance | 21,247 | - | - | - |
| Pupil transportation | - | - | - | - |
| Central | - | - | 1,140 | - |
| Operation of non-instructional services | 2,741,408 | 270 | 47,826 | 1,100 |
| Extracurricular activities | - | 1,000 | - | 217,292 |
| Total expenditures | <u>2,762,655</u> | <u>8,991</u> | <u>184,926</u> | <u>218,392</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>(194,579)</u> | <u>(1,035)</u> | <u>304,898</u> | <u>(30,845)</u> |
| Other financing sources: | | | | |
| Transfers in | - | - | - | 18,500 |
| Total other financing sources | <u>-</u> | <u>-</u> | <u>-</u> | <u>18,500</u> |
| Net change in fund balances | (194,579) | (1,035) | 304,898 | (12,345) |
| Fund balances (deficit) at beginning of year | 406,917 | 58,521 | (1,186,299) | 514,385 |
| Change in reserve for inventory | 95,310 | - | - | - |
| Fund balances (deficit) at end of year | <u>\$ 307,648</u> | <u>\$ 57,486</u> | <u>\$ (881,401)</u> | <u>\$ 502,040</u> |

| <u>Auxiliary Services</u> | <u>Public School Preschool</u> | <u>Data Communications</u> | <u>Other State Funds</u> | <u>Adult Basic Education</u> | <u>Supporting Effective Instruction</u> |
|---------------------------|--------------------------------|----------------------------|--------------------------|------------------------------|---|
| \$ 1,276,102 | \$ 307,760 | \$ 19,800 | \$ 54,115 | \$ - | \$ 184,354 |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| <u>1,276,102</u> | <u>307,760</u> | <u>19,800</u> | <u>54,115</u> | <u>-</u> | <u>184,354</u> |
| - | 310,018 | - | 17,522 | - | - |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| - | - | - | - | 238 | - |
| - | - | - | - | - | - |
| - | - | - | - | 62 | - |
| - | - | - | 982 | - | 131,189 |
| - | - | - | 21,834 | 73 | 12,148 |
| - | - | - | - | - | - |
| - | - | - | 33,410 | - | - |
| - | - | 6,347 | - | - | - |
| 1,450,396 | - | - | - | - | 29,360 |
| - | - | - | - | - | - |
| <u>1,450,396</u> | <u>310,018</u> | <u>6,347</u> | <u>73,748</u> | <u>373</u> | <u>172,697</u> |
| <u>(174,294)</u> | <u>(2,258)</u> | <u>13,453</u> | <u>(19,633)</u> | <u>(373)</u> | <u>11,657</u> |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| <u>(174,294)</u> | <u>(2,258)</u> | <u>13,453</u> | <u>(19,633)</u> | <u>(373)</u> | <u>11,657</u> |
| 123,116 | (16,846) | 1,773 | 18,504 | 373 | (15,721) |
| - | - | - | - | - | - |
| <u>\$ (51,178)</u> | <u>\$ (19,104)</u> | <u>\$ 15,226</u> | <u>\$ (1,129)</u> | <u>\$ -</u> | <u>\$ (4,064)</u> |

(Continued)

**KETTERING CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

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

| | <u>IDEA Part B</u> | <u>Carl D. Perkins</u> | <u>Bilingual Education</u> | <u>Title I</u> |
|--|---------------------|------------------------|--------------------------------|---------------------|
| Revenues: | | | | |
| Intergovernmental | \$ 1,928,489 | \$ 170,838 | \$ 43,787 | \$ 1,540,328 |
| Investment earnings | - | - | - | - |
| Tuition and fees | - | - | - | - |
| Extracurricular | - | - | - | - |
| Charges for services | - | - | - | - |
| Contributions and donations | - | - | - | - |
| Miscellaneous | - | - | - | - |
| Total revenues | <u>1,928,489</u> | <u>170,838</u> | <u>43,787</u> | <u>1,540,328</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Instruction: | | | | |
| Regular | - | - | - | 36,502 |
| Special | 1,062,675 | - | 41,199 | 1,345,288 |
| Vocational | - | 202,351 | - | - |
| Adult/continuing | - | - | - | - |
| Other | - | - | - | - |
| Support services: | | | | |
| Pupil | 32,783 | - | 7,560 | - |
| Instructional staff | 354,727 | - | 1,200 | 137,642 |
| Administration | 345,409 | - | - | 71,313 |
| Operations and maintenance | - | - | - | - |
| Pupil transportation | - | - | - | 700 |
| Central | - | - | - | - |
| Operation of non-instructional services | 113,460 | - | 243 | 42,136 |
| Extracurricular activities | - | - | - | - |
| Total expenditures | <u>1,909,054</u> | <u>202,351</u> | <u>50,202</u> | <u>1,633,581</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>19,435</u> | <u>(31,513)</u> | <u>(6,415)</u> | <u>(93,253)</u> |
| Other financing sources: | | | | |
| Transfers in | - | - | - | - |
| Total other financing sources | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Net change in fund balances | 19,435 | (31,513) | (6,415) | (93,253) |
| Fund balances (deficit) at beginning of year | (255,049) | 31,689 | (5,169) | (244,683) |
| Change in reserve for inventory | - | - | - | - |
| Fund balances (deficit) at end of year | <u>\$ (235,614)</u> | <u>\$ 176</u> | <u>\$ (11,584)</u> | <u>\$ (337,936)</u> |

| Preschool Grant | Other Federal Programs | Vocational Education Enhancement | Student Wellness and Success | Student Managed Activity | ESSER |
|------------------------|-------------------------------|---|-------------------------------------|---------------------------------|---------------------|
| \$ 146,346 | \$ 120,321 | \$ 11,000 | \$ 1,248,307 | \$ - | \$ 1,260,163 |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| - | - | - | - | 35,585 | - |
| - | - | - | - | - | - |
| - | - | - | - | 635 | - |
| - | - | - | - | - | - |
| <u>146,346</u> | <u>120,321</u> | <u>11,000</u> | <u>1,248,307</u> | <u>36,220</u> | <u>1,260,163</u> |
| - | 80,228 | 7,748 | - | - | 716,796 |
| 115,448 | - | - | - | - | - |
| - | - | - | - | - | - |
| - | - | - | - | - | 132,891 |
| - | - | - | 2,194,704 | - | - |
| 1,126 | 18,190 | 3,286 | - | - | - |
| 2,400 | 4,821 | - | - | - | 3,386 |
| - | - | - | - | - | 525,389 |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| - | 16,231 | - | - | - | 20,322 |
| - | - | - | - | 28,331 | - |
| <u>118,974</u> | <u>119,470</u> | <u>11,034</u> | <u>2,194,704</u> | <u>28,331</u> | <u>1,398,784</u> |
| <u>27,372</u> | <u>851</u> | <u>(34)</u> | <u>(946,397)</u> | <u>7,889</u> | <u>(138,621)</u> |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| 27,372 | 851 | (34) | (946,397) | 7,889 | (138,621) |
| (47,214) | (13,917) | - | 951,874 | 66,991 | - |
| - | - | - | - | - | - |
| <u>\$ (19,842)</u> | <u>\$ (13,066)</u> | <u>\$ (34)</u> | <u>\$ 5,477</u> | <u>\$ 74,880</u> | <u>\$ (138,621)</u> |

(Continued)

**KETTERING CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

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

| | Coronavirus Relief | Tournament | Total Nonmajor Special Revenue Funds |
|--|-------------------------------|-------------------|---|
| Revenues: | | | |
| Intergovernmental | \$ 1,228,325 | \$ - | \$ 12,077,634 |
| Investment earnings | - | - | 806 |
| Tuition and fees | - | - | 412,494 |
| Extracurricular | - | 23,743 | 247,534 |
| Charges for services | - | - | 9,201 |
| Contributions and donations | - | - | 16,836 |
| Miscellaneous | - | - | 88,896 |
| Total revenues | <u>1,228,325</u> | <u>23,743</u> | <u>12,853,401</u> |
| Expenditures: | | | |
| Current: | | | |
| Instruction: | | | |
| Regular | 1,076,936 | - | 2,254,977 |
| Special | - | - | 2,564,610 |
| Vocational | - | - | 202,351 |
| Adult/continuing | - | - | 238 |
| Other | - | - | 132,891 |
| Support services: | | | |
| Pupil | - | - | 2,343,366 |
| Instructional staff | 48,000 | - | 722,539 |
| Administration | - | - | 461,384 |
| Operations and maintenance | 37,442 | - | 584,078 |
| Pupil transportation | - | - | 34,110 |
| Central | 65,947 | - | 73,434 |
| Operation of non-instructional services | - | - | 4,462,752 |
| Extracurricular activities | - | 23,727 | 270,350 |
| Total expenditures | <u>1,228,325</u> | <u>23,727</u> | <u>14,107,080</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>-</u> | <u>16</u> | <u>(1,253,679)</u> |
| Other financing sources: | | | |
| Transfers in | - | - | 18,500 |
| Total other financing sources | <u>-</u> | <u>-</u> | <u>18,500</u> |
| Net change in fund balances | - | 16 | (1,235,179) |
| Fund balances (deficit) at beginning of year | - | - | 389,245 |
| Change in reserve for inventory | - | - | 95,310 |
| Fund balances (deficit) at end of year | <u>\$ -</u> | <u>\$ 16</u> | <u>\$ (750,624)</u> |

**KETTERING CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR CAPITAL PROJECTS FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

| | Permanent Improvement | Replacement | Total Nonmajor Capital Projects Funds |
|---|----------------------------------|--------------------|--|
| Revenues: | | | |
| Property taxes | \$ 4,260,336 | \$ - | \$ 4,260,336 |
| Intergovernmental | 103,266 | - | 103,266 |
| Investment earnings | (62,131) | - | (62,131) |
| Miscellaneous | 53,814 | - | 53,814 |
| Total revenues | 4,355,285 | - | 4,355,285 |
| Expenditures: | | | |
| Current: | | | |
| Instruction: | | | |
| Regular | 846,852 | - | 846,852 |
| Support services: | | | |
| Administration | 23,468 | - | 23,468 |
| Fiscal | 57,839 | - | 57,839 |
| Operations and maintenance | 948,751 | - | 948,751 |
| Pupil transportation | 7,590 | - | 7,590 |
| Central | 775 | - | 775 |
| Extracurricular activities | 5,150 | - | 5,150 |
| Facilities acquisition and construction | 1,261,533 | 12 | 1,261,545 |
| Capital outlay | 1,170,240 | - | 1,170,240 |
| Debt service: | | | |
| Principal retirement | 995,000 | - | 995,000 |
| Interest and fiscal charges | 1,065,606 | - | 1,065,606 |
| Total expenditures | 6,382,804 | 12 | 6,382,816 |
| Excess of expenditures over revenues | (2,027,519) | (12) | (2,027,531) |
| Other financing sources: | | | |
| Lease purchase transaction | 1,170,240 | - | 1,170,240 |
| Total other financing sources | 1,170,240 | - | 1,170,240 |
| Change in fund balance | (857,279) | (12) | (857,291) |
| Fund balances at beginning of year | 4,601,920 | 12 | 4,601,932 |
| Fund balances at end of year | \$ 3,744,641 | \$ - | \$ 3,744,641 |

**KETTERING CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
MAJOR FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

GENERAL FUND

| | <u>Budgeted Amounts</u> | | <u>Actual</u> | <u>Variance with Final Budget Positive (Negative)</u> |
|--|-------------------------|---------------------|---------------------|---|
| | <u>Original</u> | <u>Final</u> | | |
| Revenues: | | | | |
| Property taxes | \$ 68,832,876 | \$ 73,643,000 | \$ 72,167,279 | \$ (1,475,721) |
| Intergovernmental | 24,267,392 | 25,963,227 | 24,003,241 | (1,959,986) |
| Investment earnings | - | - | 57,839 | 57,839 |
| Tuition and fees | - | - | 1,687,279 | 1,687,279 |
| Extracurricular | - | - | 53,519 | 53,519 |
| Rental income | - | - | 67,167 | 67,167 |
| Charges for services | - | - | 49,521 | 49,521 |
| Contributions and donations | - | - | 738 | 738 |
| Payment in lieu of taxes | - | - | 745,552 | 745,552 |
| Miscellaneous | 3,706,019 | 3,965,000 | 962,264 | (3,002,736) |
| Total revenues | <u>96,806,287</u> | <u>103,571,227</u> | <u>99,794,399</u> | <u>(3,776,828)</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Salaries and wages | 61,041,678 | 61,478,576 | 61,442,306 | 36,270 |
| Fringe benefits | 26,900,737 | 27,093,276 | 27,896,489 | (803,213) |
| Purchased services | 12,359,741 | 12,448,204 | 11,917,886 | 530,318 |
| Supplies and materials | 2,531,402 | 2,549,520 | 2,199,674 | 349,846 |
| Other expenditures | 1,595,991 | 1,607,414 | 1,370,412 | 237,002 |
| Capital outlay | 629,222 | 633,726 | 589,069 | 44,657 |
| Debt service: | | | | |
| Principal | 147,908 | 150,000 | 150,000 | - |
| Interest and fiscal charges | 52,989 | 53,738 | 53,738 | - |
| Total expenditures | <u>105,259,668</u> | <u>106,014,454</u> | <u>105,619,574</u> | <u>394,880</u> |
| Excess of expenditures over revenues | <u>(8,453,381)</u> | <u>(2,443,227)</u> | <u>(5,825,175)</u> | <u>(3,381,948)</u> |
| Other financing sources (uses): | | | | |
| Refund of prior year's expenditures | - | - | 2,169,859 | 2,169,859 |
| Refund of prior year's receipts | - | - | (16,492) | (16,492) |
| Transfers (out) | (18,242) | (18,500) | (18,500) | - |
| Advances in | - | - | 1,136,838 | 1,136,838 |
| Advances (out) | - | - | (895,131) | (895,131) |
| Sale of assets | - | - | 34,806 | 34,806 |
| Total other financing sources (uses) | <u>(18,242)</u> | <u>(18,500)</u> | <u>2,411,380</u> | <u>2,429,880</u> |
| Net change in fund balance | (8,471,623) | (2,461,727) | (3,413,795) | (952,068) |
| Fund balance at beginning of year | 10,973,677 | 10,973,677 | 10,973,677 | - |
| Prior year encumbrances appropriated | 1,428,687 | 1,428,687 | 1,428,687 | - |
| Fund balance at end of year | <u>\$ 3,930,741</u> | <u>\$ 9,940,637</u> | <u>\$ 8,988,569</u> | <u>\$ (952,068)</u> |

**KETTERING CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
MAJOR FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

BOND RETIREMENT FUND

| | <u>Final Budget</u> | <u>Actual</u> | Variance with Final Budget Positive (Negative) |
|---|---------------------|---------------------|---|
| Total revenues and other financing sources | \$ 7,250,000 | \$ 7,435,128 | \$ 185,128 |
| Total expenditures and other financing uses | <u>7,523,865</u> | <u>6,918,000</u> | <u>605,865</u> |
| Net change in fund balance | (273,865) | 517,128 | 790,993 |
| Fund balance at beginning of year | 4,759,625 | 4,759,625 | - |
| Prior year encumbrances appropriated | 229 | 229 | - |
| Fund balance at end of year | <u>\$ 4,485,989</u> | <u>\$ 5,276,982</u> | <u>\$ 790,993</u> |

**KETTERING CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

FOOD SERVICE FUND

| | <u>Final Budget</u> | <u>Actual</u> | <u>Variance with Final Budget Positive (Negative)</u> |
|---|---------------------|--------------------|---|
| Total revenues and other financing sources | \$ 3,100,000 | \$ 1,997,052 | \$ (1,102,948) |
| Total expenditures and other financing uses | 3,591,787 | 2,640,867 | 950,920 |
| Net change in fund balance | (491,787) | (643,815) | (152,028) |
| Fund balance at beginning of year | 474,379 | 474,379 | - |
| Prior year encumbrances appropriated | 142,501 | 142,501 | - |
| Fund balance (deficit) at end of year | <u>\$ 125,093</u> | <u>\$ (26,935)</u> | <u>\$ (152,028)</u> |

**KETTERING CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

SPECIAL TRUST FUND

| | <u>Final Budget</u> | <u>Actual</u> | <u>Variance with Final Budget Positive (Negative)</u> |
|---|---------------------|------------------|---|
| Total revenues and other financing sources | \$ 5,278 | \$ 7,956 | \$ 2,678 |
| Total expenditures and other financing uses | 30,040 | 9,141 | 20,899 |
| Net change in fund balance | (24,762) | (1,185) | 23,577 |
| Fund balance at beginning of year | 58,081 | 58,081 | - |
| Prior year encumbrances appropriated | 440 | 440 | - |
| Fund balance at end of year | <u>\$ 33,759</u> | <u>\$ 57,336</u> | <u>\$ 23,577</u> |

**KETTERING CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

PATHFINDER/PRESCHOOL FUND

| | <u>Final Budget</u> | <u>Actual</u> | <u>Variance with Final Budget Positive (Negative)</u> |
|---|---------------------|--------------------|---|
| Total revenues and other financing sources | \$ 1,104,377 | \$ 1,451,863 | \$ 347,486 |
| Total expenditures and other financing uses | <u>1,102,137</u> | <u>1,500,893</u> | <u>(398,756)</u> |
| Net change in fund balance | 2,240 | (49,030) | (51,270) |
| Fund balance at beginning of year | - | - | - |
| Prior year encumbrances appropriated | <u>6,847</u> | <u>6,847</u> | - |
| Fund balance (deficit) at end of year | <u>\$ 9,087</u> | <u>\$ (42,183)</u> | <u>\$ (51,270)</u> |

**KETTERING CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

ATHLETIC FUND

| | <u>Final Budget</u> | <u>Actual</u> | <u>Variance with Final Budget Positive (Negative)</u> |
|---|---------------------|-------------------|---|
| Total revenues and other financing sources | \$ 359,000 | \$ 207,249 | \$ (151,751) |
| Total expenditures and other financing uses | 634,746 | 253,637 | 381,109 |
| Net change in fund balance | (275,746) | (46,388) | 229,358 |
| Fund balance at beginning of year | 512,955 | 512,955 | - |
| Prior year encumbrances appropriated | 13,809 | 13,809 | - |
| Fund balance at end of year | <u>\$ 251,018</u> | <u>\$ 480,376</u> | <u>\$ 229,358</u> |

**KETTERING CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

AUXILIARY SERVICES FUND

| | <u>Final Budget</u> | <u>Actual</u> | Variance with Final Budget Positive (Negative) |
|---|---------------------|-------------------|---|
| Total revenues and other financing sources | \$ 1,276,102 | \$ 1,276,102 | \$ - |
| Total expenditures and other financing uses | <u>1,592,761</u> | <u>1,469,143</u> | <u>123,618</u> |
| Net change in fund balance | (316,659) | (193,041) | 123,618 |
| Fund balance at beginning of year | 209,242 | 209,242 | - |
| Prior year encumbrances appropriated | <u>107,417</u> | <u>107,417</u> | <u>-</u> |
| Fund balance at end of year | <u>\$ -</u> | <u>\$ 123,618</u> | <u>\$ 123,618</u> |

**KETTERING CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

PUBLIC SCHOOL PRESCHOOL FUND

| | <u>Final Budget</u> | <u>Actual</u> | <u>Variance with Final Budget Positive (Negative)</u> |
|---|---------------------|-------------------|---|
| Total revenues and other financing sources | \$ 538,940 | \$ 307,509 | \$ (231,431) |
| Total expenditures and other financing uses | <u>531,713</u> | <u>308,650</u> | <u>223,063</u> |
| Net change in fund balance | 7,227 | (1,141) | (8,368) |
| Fund balance (deficit) at beginning of year | <u>(7,227)</u> | <u>(7,227)</u> | <u>-</u> |
| Fund balance (deficit) at end of year | <u>\$ -</u> | <u>\$ (8,368)</u> | <u>\$ (8,368)</u> |

**KETTERING CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

DATA COMMUNICATIONS FUND

| | <u>Final Budget</u> | <u>Actual</u> | <u>Variance with Final Budget Positive (Negative)</u> |
|---|---------------------|------------------|---|
| Total revenues and other financing sources | \$ 19,800 | \$ 19,800 | \$ - |
| Total expenditures and other financing uses | <u>6,347</u> | <u>6,347</u> | <u>-</u> |
| Net change in fund balance | 13,453 | 13,453 | - |
| Fund balance at beginning of year | 427 | 427 | - |
| Prior year encumbrances appropriated | <u>1,346</u> | <u>1,346</u> | <u>-</u> |
| Fund balance at end of year | <u>\$ 15,226</u> | <u>\$ 15,226</u> | <u>\$ -</u> |

**KETTERING CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

OTHER STATE FUNDS FUND

| | <u>Final Budget</u> | <u>Actual</u> | Variance with Final Budget Positive (Negative) |
|---|---------------------|-------------------|---|
| Total revenues and other financing sources | \$ 58,410 | \$ 52,230 | \$ (6,180) |
| Total expenditures and other financing uses | <u>76,914</u> | <u>72,618</u> | <u>4,296</u> |
| Net change in fund balance | (18,504) | (20,388) | (1,884) |
| Fund balance at beginning of year | 18,504 | 18,504 | - |
| Fund balance (deficit) at end of year | <u>\$ -</u> | <u>\$ (1,884)</u> | <u>\$ (1,884)</u> |

**KETTERING CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

SUPPORTING EFFECTIVE INSTRUCTION FUND

| | <u>Final Budget</u> | <u>Actual</u> | <u>Variance with Final Budget Positive (Negative)</u> |
|---|---------------------|--------------------|---|
| Total revenues and other financing sources | \$ 384,546 | \$ 212,209 | \$ (172,337) |
| Total expenditures and other financing uses | 298,666 | 192,449 | 106,217 |
| Net change in fund balance | 85,880 | 19,760 | (66,120) |
| Fund balance (deficit) at beginning of year | (87,204) | (87,204) | - |
| Prior year encumbrances appropriated | 1,324 | 1,324 | - |
| Fund balance (deficit) at end of year | <u>\$ -</u> | <u>\$ (66,120)</u> | <u>\$ (66,120)</u> |

**KETTERING CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

IDEA PART B FUND

| | <u>Final Budget</u> | <u>Actual</u> | <u>Variance with Final Budget Positive (Negative)</u> |
|---|---------------------|---------------------|---|
| Total revenues and other financing sources | \$ 2,448,973 | \$ 1,973,084 | \$ (475,889) |
| Total expenditures and other financing uses | 2,263,704 | 1,951,106 | 312,598 |
| Net change in fund balance | 185,269 | 21,978 | (163,291) |
| Fund balance (deficit) at beginning of year | (204,000) | (204,000) | - |
| Prior year encumbrances appropriated | 18,731 | 18,731 | - |
| Fund balance (deficit) at end of year | <u>\$ -</u> | <u>\$ (163,291)</u> | <u>\$ (163,291)</u> |

**KETTERING CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

CARL D. PERKINS FUND

| | <u>Final Budget</u> | <u>Actual</u> | <u>Variance with Final Budget Positive (Negative)</u> |
|---|---------------------|--------------------|---|
| Total revenues and other financing sources | \$ 218,769 | \$ 139,389 | \$ (79,380) |
| Total expenditures and other financing uses | <u>253,684</u> | <u>253,515</u> | <u>169</u> |
| Net change in fund balance | (34,915) | (114,126) | (79,211) |
| Fund balance at beginning of year | 26,736 | 26,736 | - |
| Prior year encumbrances appropriated | 8,179 | 8,179 | - |
| Fund balance (deficit) at end of year | <u>\$ -</u> | <u>\$ (79,211)</u> | <u>\$ (79,211)</u> |

**KETTERING CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

BILINGUAL EDUCATION FUND

| | <u>Final Budget</u> | <u>Actual</u> | <u>Variance with Final Budget Positive (Negative)</u> |
|---|---------------------|--------------------|---|
| Total revenues and other financing sources | \$ 62,178 | \$ 39,472 | \$ (22,706) |
| Total expenditures and other financing uses | 58,919 | 48,138 | 10,781 |
| Net change in fund balance | 3,259 | (8,666) | (11,925) |
| Fund balance (deficit) at beginning of year | (3,259) | (3,259) | - |
| Fund balance (deficit) at end of year | <u>\$ -</u> | <u>\$ (11,925)</u> | <u>\$ (11,925)</u> |

**KETTERING CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

TITLE I FUND

| | <u>Final Budget</u> | <u>Actual</u> | <u>Variance with Final Budget Positive (Negative)</u> |
|---|---------------------|---------------------|---|
| Total revenues and other financing sources | \$ 2,004,699 | \$ 1,524,677 | \$ (480,022) |
| Total expenditures and other financing uses | 1,877,862 | 1,543,245 | 334,617 |
| Net change in fund balance | 126,837 | (18,568) | (145,405) |
| Fund balance (deficit) at beginning of year | (157,616) | (157,616) | - |
| Prior year encumbrances appropriated | 30,779 | 30,779 | - |
| Fund balance (deficit) at end of year | <u>\$ -</u> | <u>\$ (145,405)</u> | <u>\$ (145,405)</u> |

**KETTERING CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

PRESCHOOL GRANT FUND

| | <u>Final Budget</u> | <u>Actual</u> | <u>Variance with Final Budget Positive (Negative)</u> |
|---|---------------------|-------------------|---|
| Total revenues and other financing sources | \$ 173,342 | \$ 149,097 | \$ (24,245) |
| Total expenditures and other financing uses | 160,586 | 143,191 | 17,395 |
| Net change in fund balance | 12,756 | 5,906 | (6,850) |
| Fund balance (deficit) at beginning of year | (29,235) | (29,235) | - |
| Prior year encumbrances appropriated | 16,479 | 16,479 | - |
| Fund balance (deficit) at end of year | <u>\$ -</u> | <u>\$ (6,850)</u> | <u>\$ (6,850)</u> |

**KETTERING CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

OTHER FEDERAL PROGRAMS FUND

| | <u>Final Budget</u> | <u>Actual</u> | <u>Variance with Final Budget Positive (Negative)</u> |
|---|---------------------|-------------------|---|
| Total revenues and other financing sources | \$ 159,176 | \$ 120,154 | \$ (39,022) |
| Total expenditures and other financing uses | <u>150,628</u> | <u>121,239</u> | <u>29,389</u> |
| Net change in fund balance | 8,548 | (1,085) | (9,633) |
| Fund balance (deficit) at beginning of year | (10,606) | (10,606) | - |
| Prior year encumbrances appropriated | <u>2,058</u> | <u>2,058</u> | <u>-</u> |
| Fund balance (deficit) at end of year | <u>\$ -</u> | <u>\$ (9,633)</u> | <u>\$ (9,633)</u> |

**KETTERING CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

VOCATIONAL EDUCATION ENHANCEMENT FUND

| | <u>Final Budget</u> | <u>Actual</u> | <u>Variance with Final Budget Positive (Negative)</u> |
|---|---------------------|-----------------|---|
| Total revenues and other financing sources | \$ 15,023 | \$ 14,139 | \$ (884) |
| Total expenditures and other financing uses | 11,000 | 11,000 | - |
| Net change in fund balance | 4,023 | 3,139 | (884) |
| Fund balance (deficit) at beginning of year | (4,023) | (4,023) | - |
| Fund balance (deficit) at end of year | <u>\$ -</u> | <u>\$ (884)</u> | <u>\$ (884)</u> |

**KETTERING CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

STUDENT WELLNESS AND SUCCESS FUND

| | <u>Final Budget</u> | <u>Actual</u> | <u>Variance with Final Budget Positive (Negative)</u> |
|---|---------------------|------------------|---|
| Total revenues and other financing sources | \$ 1,248,307 | \$ 1,248,307 | \$ - |
| Total expenditures and other financing uses | <u>2,200,181</u> | <u>2,200,181</u> | <u>-</u> |
| Net change in fund balance | (951,874) | (951,874) | - |
| Fund balance at beginning of year | 951,874 | 951,874 | - |
| Fund balance at end of year | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |

**KETTERING CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

STUDENT MANAGED ACTIVITY FUND

| | <u>Final Budget</u> | <u>Actual</u> | <u>Variance with Final Budget Positive (Negative)</u> |
|---|---------------------|------------------|---|
| Total revenues and other financing sources | \$ 100,350 | \$ 35,518 | \$ (64,832) |
| Total expenditures and other financing uses | <u>167,853</u> | <u>30,815</u> | <u>137,038</u> |
| Net change in fund balance | (67,503) | 4,703 | 72,206 |
| Fund balance at beginning of year | 67,120 | 67,120 | - |
| Prior year encumbrances appropriated | 400 | 400 | - |
| Fund balance at end of year | <u>\$ 17</u> | <u>\$ 72,223</u> | <u>\$ 72,206</u> |

**KETTERING CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

ESSER FUND

| | <u>Final Budget</u> | <u>Actual</u> | <u>Variance with Final Budget Positive (Negative)</u> |
|---|---------------------|--------------------|---|
| Total revenues and other financing sources | \$ 1,399,858 | \$ 1,310,079 | \$ (89,779) |
| Total expenditures and other financing uses | 1,399,858 | 1,397,749 | 2,109 |
| Net change in fund balance | - | (87,670) | (87,670) |
| Fund balance at beginning of year | - | - | - |
| Fund balance (deficit) at end of year | <u>\$ -</u> | <u>\$ (87,670)</u> | <u>\$ (87,670)</u> |

**KETTERING CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

CORONAVIRUS RELIEF FUND

| | Final Budget | Actual | Variance with Final Budget Positive (Negative) |
|---|---------------------|---------------|---|
| Total revenues and other financing sources | \$ 1,228,325 | \$ 1,228,325 | \$ - |
| Total expenditures and other financing uses | 1,228,325 | 1,228,325 | - |
| Net change in fund balance | - | - | - |
| Fund balance at beginning of year | - | - | - |
| Fund balance at end of year | \$ - | \$ - | \$ - |

**KETTERING CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

TOURNAMENT FUND

| | <u>Final Budget</u> | <u>Actual</u> | <u>Variance with Final Budget Positive (Negative)</u> |
|---|---------------------|---------------|---|
| Total revenues and other financing sources | \$ 45,000 | \$ 23,743 | \$ (21,257) |
| Total expenditures and other financing uses | 44,431 | 23,727 | 20,704 |
| Net change in fund balance | 569 | 16 | (553) |
| Fund balance at beginning of year | - | - | - |
| Fund balance at end of year | <u>\$ 569</u> | <u>\$ 16</u> | <u>\$ (553)</u> |

**KETTERING CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

UNIFORM SCHOOL SUPPLIES FUND

| | <u>Final Budget</u> | <u>Actual</u> | Variance with Final Budget Positive (Negative) |
|---|---------------------|-------------------|---|
| Total revenues and other financing sources | \$ 36,000 | \$ 48,278 | \$ 12,278 |
| Total expenditures and other financing uses | <u>234,394</u> | <u>125,556</u> | <u>108,838</u> |
| Net change in fund balance | (198,394) | (77,278) | 121,116 |
| Fund balance at beginning of year | 201,352 | 201,352 | - |
| Prior year encumbrances appropriated | 9,064 | 9,064 | - |
| Fund balance at end of year | <u>\$ 12,022</u> | <u>\$ 133,138</u> | <u>\$ 121,116</u> |

**KETTERING CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

ROTARY SPECIAL SERVICES FUND

| | <u>Final Budget</u> | <u>Actual</u> | <u>Variance with Final Budget Positive (Negative)</u> |
|---|---------------------|------------------|---|
| Total revenues and other financing sources | \$ 6,000 | \$ 1,305 | \$ (4,695) |
| Total expenditures and other financing uses | <u>8,691</u> | <u>1,924</u> | <u>6,767</u> |
| Net change in fund balance | (2,691) | (619) | 2,072 |
| Fund balance at beginning of year | 13,221 | 13,221 | - |
| Prior year encumbrances appropriated | 291 | 291 | - |
| Fund balance at end of year | <u>\$ 10,821</u> | <u>\$ 12,893</u> | <u>\$ 2,072</u> |

**KETTERING CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

PUBLIC SCHOOL SUPPORT FUND

| | <u>Final Budget</u> | <u>Actual</u> | <u>Variance with Final Budget Positive (Negative)</u> |
|---|---------------------|-------------------|---|
| Total revenues and other financing sources | \$ 231,360 | \$ 90,704 | \$ (140,656) |
| Total expenditures and other financing uses | <u>527,518</u> | <u>152,215</u> | <u>375,303</u> |
| Net change in fund balance | (296,158) | (61,511) | 234,647 |
| Fund balance at beginning of year | 356,716 | 356,716 | - |
| Prior year encumbrances appropriated | 8,306 | 8,306 | - |
| Fund balance at end of year | <u>\$ 68,864</u> | <u>\$ 303,511</u> | <u>\$ 234,647</u> |

**KETTERING CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

SPECIAL ENTERPRISE FUND

| | <u>Final Budget</u> | <u>Actual</u> | <u>Variance with Final Budget Positive (Negative)</u> |
|---|---------------------|-------------------|---|
| Total revenues and other financing sources | \$ 600,000 | \$ 224,955 | \$ (375,045) |
| Total expenditures and other financing uses | 938,816 | 470,088 | 468,728 |
| Net change in fund balance | (338,816) | (245,133) | 93,683 |
| Fund balance at beginning of year | 521,499 | 521,499 | - |
| Prior year encumbrances appropriated | 22,472 | 22,472 | - |
| Fund balance at end of year | <u>\$ 205,155</u> | <u>\$ 298,838</u> | <u>\$ 93,683</u> |

**KETTERING CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

ROTARY FUND

| | Final Budget | Actual | Variance with Final Budget Positive (Negative) |
|-----------------------------------|---------------------|---------------|---|
| Fund balance at beginning of year | \$ 2,073 | \$ 2,073 | \$ - |
| Fund balance at end of year | \$ 2,073 | \$ 2,073 | \$ - |

**KETTERING CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

EMPLOYEE BENEFITS FUND

| | <u>Final Budget</u> | <u>Actual</u> | <u>Variance with Final Budget Positive (Negative)</u> |
|---|---------------------|----------------|---|
| Total revenues and other financing sources | \$ 12 | \$ 12 | \$ - |
| Total expenditures and other financing uses | <u>117,900</u> | <u>117,900</u> | <u>-</u> |
| Net change in fund balance | (117,888) | (117,888) | - |
| Fund balance at beginning of year | 117,388 | 117,388 | - |
| Prior year encumbrances appropriated | <u>500</u> | <u>500</u> | <u>-</u> |
| Fund balance at end of year | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |

**KETTERING CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
NONMAJOR CAPITAL PROJECTS FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

PERMANENT IMPROVEMENT FUND

| | <u>Final Budget</u> | <u>Actual</u> | Variance with Final Budget Positive (Negative) |
|---|---------------------|---------------------|---|
| Total revenues and other financing sources | \$ 4,400,000 | \$ 4,322,128 | \$ (77,872) |
| Total expenditures and other financing uses | 7,297,188 | 7,199,394 | 97,794 |
| Net change in fund balance | (2,897,188) | (2,877,266) | 19,922 |
| Fund balance at beginning of year | 1,784,308 | 1,784,308 | - |
| Prior year encumbrances appropriated | 2,626,582 | 2,626,582 | - |
| Fund balance at end of year | <u>\$ 1,513,702</u> | <u>\$ 1,533,624</u> | <u>\$ 19,922</u> |

REPLACEMENT FUND

| | <u>Final Budget</u> | <u>Actual</u> | Variance with Final Budget Positive (Negative) |
|---|---------------------|---------------|---|
| Total expenditures and other financing uses | \$ - | \$ 12 | \$ (12) |
| Net change in fund balance | - | (12) | (12) |
| Fund balance at beginning of year | 12 | 12 | - |
| Fund balance at end of year | <u>\$ 12</u> | <u>\$ -</u> | <u>\$ (12)</u> |

**KETTERING CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
NONMAJOR PERMANENT FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

PERMANENT FUND

| | <u>Final Budget</u> | <u>Actual</u> | <u>Variance with Final Budget Positive (Negative)</u> |
|---|---------------------|------------------|---|
| Total revenues and other financing sources | \$ 625 | \$ 97 | \$ (528) |
| Total expenditures and other financing uses | - | 174 | (174) |
| Net change in fund balance | 625 | (77) | (702) |
| Fund balance at beginning of year | 46,116 | 46,116 | - |
| Fund balance at end of year | <u>\$ 46,741</u> | <u>\$ 46,039</u> | <u>\$ (702)</u> |

**KETTERING CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

Statistical Section

KETTERING CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO



THIS PAGE IS INTENTIONALLY LEFT BLANK

**KETTERING CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

STATISTICAL SECTION

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

| <u>Contents</u> | <u>Page</u> |
|---|--------------------|
| Financial Trends These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time. | 142-155 |
| Revenue Capacity These schedules contain information to help the reader assess the District's most significant local revenue source, the property tax. | 156-163 |
| Debt Capacity These schedules present information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future. | 164-171 |
| Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place. | 172-175 |
| Operating Information These schedules contain service and operational 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. | 176-189 |

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

**KETTERING CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

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

| | <u>2012</u> | <u>2013</u> | <u>2014</u> | <u>2015</u> |
|--|----------------------|----------------------|------------------------|------------------------|
| Governmental activities | | | | |
| Net investment in capital assets | \$ 19,433,829 | \$ 21,078,401 | \$ 23,611,501 | \$ 26,144,415 |
| Restricted for: | | | | |
| Capital projects | 700,616 | 742,890 | 834,883 | 1,134,197 |
| Debt service | 3,224,803 | 2,880,116 | 2,696,993 | 2,998,825 |
| Permanent | 14,577 | 14,017 | 13,695 | 13,522 |
| Locally funded programs | - | 20,312 | - | - |
| State funded programs | - | 30,354 | 260,053 | 1,408,671 |
| Federally funded programs | - | 1,075,191 | 197,904 | 1,124,813 |
| Student activities | - | 209,881 | 290,476 | 339,644 |
| Other purposes | 725,954 | 747,872 | 839,948 | 851,755 |
| Unrestricted (deficit) | 5,461,309 | (280,522) | (128,483,988) | (118,893,609) |
| Total governmental activities net position | <u>\$ 29,561,088</u> | <u>\$ 26,518,512</u> | <u>\$ (99,738,535)</u> | <u>\$ (84,877,767)</u> |

Source: District financial records.

GASB Statement No. 68 was implemented in fiscal year 2014 which is the reason for the large change in net position.

| <u>2016</u> | <u>2017</u> | <u>2018</u> | <u>2019</u> | <u>2020</u> | <u>2021</u> |
|------------------------|-------------------------|------------------------|------------------------|------------------------|------------------------|
| \$ 28,744,903 | \$ 28,762,216 | \$ 33,481,779 | \$ 39,107,298 | \$ 39,455,395 | \$ 44,647,261 |
| 501,355 | 2,607,868 | 2,698,313 | 719,743 | 4,067,152 | 3,782,066 |
| 2,824,484 | 3,789,810 | 3,704,520 | 4,011,958 | 4,395,697 | 5,612,014 |
| 13,353 | 13,459 | 13,662 | 45,221 | 46,116 | 46,039 |
| - | - | - | - | - | - |
| 126,319 | 23,807 | 47,626 | 252,786 | 1,184,894 | 62,540 |
| 210,672 | 103,399 | 73,849 | 207,043 | 71,952 | 58,739 |
| 384,726 | 398,866 | 454,732 | 543,927 | 569,095 | 576,920 |
| 1,085,783 | 1,113,761 | 1,033,232 | 918,290 | 365,403 | 267,005 |
| (112,723,237) | (155,812,243) | (111,745,788) | (106,208,473) | (123,881,596) | (132,152,555) |
| <u>\$ (78,831,642)</u> | <u>\$ (118,999,057)</u> | <u>\$ (70,238,075)</u> | <u>\$ (60,402,207)</u> | <u>\$ (73,725,892)</u> | <u>\$ (77,099,971)</u> |

**KETTERING CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

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

| | <u>2012</u> | <u>2013</u> | <u>2014</u> | <u>2015</u> |
|---|----------------------|----------------------|----------------------|-----------------------|
| Expenses | | | | |
| Governmental activities: | | | | |
| Instruction: | | | | |
| Regular | \$ 34,695,073 | \$ 35,679,782 | \$ 36,363,264 | \$ 41,231,524 |
| Special | 9,646,917 | 9,745,956 | 12,931,044 | 12,022,267 |
| Vocational | 2,711,654 | 2,765,023 | 2,630,263 | 2,390,795 |
| Adult/continuing | 55,404 | 91,829 | 92,941 | 105,455 |
| Other instructional | 3,462,802 | 3,982,459 | 4,515,328 | 4,602,409 |
| Support services: | | | | |
| Pupil | 7,599,142 | 7,444,865 | 7,399,986 | 7,191,640 |
| Instructional staff | 6,118,959 | 6,052,370 | 3,465,511 | 3,883,487 |
| Board of education | 66,586 | 53,648 | 78,949 | 40,157 |
| Administration | 5,870,320 | 5,533,408 | 5,684,412 | 5,521,070 |
| Fiscal | 1,753,709 | 1,740,590 | 1,962,857 | 2,131,832 |
| Business | 657,346 | 489,754 | 550,804 | 504,545 |
| Operations and maintenance | 8,338,608 | 8,183,719 | 8,006,649 | 8,038,558 |
| Pupil transportation | 3,751,327 | 3,803,988 | 3,860,361 | 3,762,241 |
| Central | 1,830,592 | 1,800,269 | 877,877 | 940,385 |
| Operation of non-instructional services | 5,316,205 | 5,781,286 | 5,337,227 | 6,036,568 |
| Extracurricular activities | 1,574,598 | 1,522,424 | 1,478,447 | 1,482,241 |
| Debt service: | | | | |
| Interest and fiscal charges | 4,041,701 | 4,139,486 | 3,874,893 | 3,685,941 |
| Total governmental activities expenses | <u>\$ 97,490,943</u> | <u>\$ 98,810,856</u> | <u>\$ 99,110,813</u> | <u>\$ 103,571,115</u> |

| <u>2016</u> | <u>2017</u> | <u>2018</u> | <u>2019</u> | <u>2020</u> | <u>2021</u> |
|-----------------------|-----------------------|----------------------|-----------------------|-----------------------|-----------------------|
| \$ 37,126,604 | \$ 42,513,509 | \$ 21,281,900 | \$ 38,967,265 | \$ 50,454,304 | \$ 52,211,723 |
| 12,699,706 | 15,449,518 | 7,375,473 | 14,160,516 | 18,656,664 | 18,652,668 |
| 2,598,543 | 3,175,243 | 1,588,632 | 2,772,251 | 3,257,367 | 3,438,231 |
| 140,961 | 157,873 | 54,843 | 114,734 | 1,139 | 238 |
| 4,705,340 | 5,610,945 | 6,123,576 | 5,359,312 | 6,481,742 | 6,862,393 |
| 7,567,845 | 9,726,629 | 5,181,977 | 9,135,588 | 10,964,179 | 10,769,806 |
| 4,136,935 | 5,121,367 | 2,625,470 | 4,362,791 | 5,540,436 | 4,569,762 |
| 49,887 | 102,105 | 83,155 | 127,633 | 65,153 | 41,027 |
| 5,960,346 | 7,243,081 | 3,832,935 | 6,640,852 | 8,164,194 | 8,079,615 |
| 2,104,772 | 2,212,381 | 1,730,354 | 2,536,345 | 3,011,199 | 2,745,430 |
| 588,140 | 602,151 | 413,575 | 536,991 | 971,662 | 1,009,340 |
| 9,158,808 | 9,048,894 | 5,592,911 | 8,011,879 | 10,041,325 | 9,054,638 |
| 3,821,722 | 4,885,690 | 2,738,201 | 4,951,953 | 5,323,731 | 5,071,672 |
| 1,512,012 | 1,296,358 | 1,014,476 | 1,082,724 | 1,449,512 | 1,150,516 |
| 5,796,310 | 6,673,517 | 4,816,740 | 5,829,228 | 6,700,173 | 5,226,344 |
| 1,539,334 | 1,980,461 | 1,014,874 | 1,939,346 | 2,149,912 | 2,114,947 |
| 3,435,947 | 3,197,457 | 2,981,450 | 2,959,085 | 2,999,519 | 2,645,265 |
| <u>\$ 102,943,212</u> | <u>\$ 118,997,179</u> | <u>\$ 68,450,542</u> | <u>\$ 109,488,493</u> | <u>\$ 136,232,211</u> | <u>\$ 133,643,615</u> |

(Continued)

**KETTERING CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

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

| Program revenues | <u>2012</u> | <u>2013</u> | <u>2014</u> | <u>2015</u> |
|---|------------------------|------------------------|------------------------|------------------------|
| Governmental activities: | | | | |
| Charges for services and sales: | | | | |
| Instruction: | | | | |
| Regular | \$ 766,581 | \$ 963,092 | \$ 833,159 | \$ 484,616 |
| Special | 226,565 | 174,734 | 160,630 | 163,978 |
| Vocational | 59,929 | 50,520 | 91,964 | 86,416 |
| Adult/continuing | - | - | - | - |
| Support services: | | | | |
| Pupil | 124,352 | 257,003 | 291,301 | 360,981 |
| Instructional staff | 155,842 | 182,229 | 179,752 | 263,346 |
| Administration | - | 29,939 | 13,579 | 17,527 |
| Business | - | - | - | 1,148 |
| Operations and maintenance | - | 151,458 | 55,884 | 47,428 |
| Pupil transportation | 45,698 | 42,356 | 42,201 | 45,477 |
| Central | 804 | 2,180 | 2,585 | 682 |
| Operation of non-instructional services | 2,101,177 | 1,977,126 | 1,951,446 | 2,070,894 |
| Extracurricular activities | 691,845 | 456,719 | 430,862 | 433,890 |
| Operating grants and contributions: | | | | |
| Instruction: | | | | |
| Regular | 370,134 | 130,978 | 185,977 | 7,754,536 |
| Special | 3,445,819 | 3,258,348 | 4,007,433 | 4,550,043 |
| Vocational | 294,535 | 303,589 | 423,911 | 444,481 |
| Adult/continuing | 56,783 | 83,735 | 96,774 | 121,631 |
| Other instructional | - | 88,603 | 82,781 | 101,664 |
| Support services: | | | | |
| Pupil | 588,001 | 409,911 | 285,134 | 333,734 |
| Instructional staff | 830,284 | 963,951 | 295,220 | 808,276 |
| Board of education | - | 41 | 2,400 | - |
| Administration | 294,143 | 289,339 | 297,761 | 424,293 |
| Operations and maintenance | 41,188 | 16,703 | 23 | 222 |
| Pupil transportation | 30,503 | 253,873 | 270,393 | 270,705 |
| Central | 33,267 | 218,948 | 18,804 | 19,835 |
| Operation of non-instructional services | 3,258,352 | 3,191,496 | 3,398,721 | 3,869,754 |
| Extracurricular activities | 2,325 | 7,185 | 2,148 | 8,252 |
| Capital grants and contributions: | | | | |
| Instruction: | | | | |
| Regular | - | - | - | 562,204 |
| Vocational | - | - | - | - |
| Support services: | | | | |
| Pupil transportation | - | - | - | - |
| Total governmental program revenues | <u>13,418,127</u> | <u>13,504,056</u> | <u>13,420,843</u> | <u>23,246,013</u> |
| Net (expense)/revenue | | | | |
| Governmental activities | <u>(84,072,816)</u> | <u>(85,306,800)</u> | <u>(85,689,970)</u> | <u>(80,325,102)</u> |
| Total primary government net expense | <u>\$ (84,072,816)</u> | <u>\$ (85,306,800)</u> | <u>\$ (85,689,970)</u> | <u>\$ (80,325,102)</u> |

| | <u>2016</u> | <u>2017</u> | <u>2018</u> | <u>2019</u> | <u>2020</u> | <u>2021</u> |
|----|---------------------|-------------------------|------------------------|------------------------|-------------------------|-------------------------|
| \$ | 935,793 | \$ 737,742 | \$ 1,736,040 | \$ 1,152,720 | \$ 1,385,655 | \$ 1,104,505 |
| | 253,057 | 84,106 | 339,456 | 362,049 | 539,166 | 870,937 |
| | 20,333 | 104,218 | 174,437 | 144,984 | 85,403 | 1,305 |
| | 66,722 | - | - | 19,989 | - | - |
| | 445,199 | 791,383 | 744,148 | 713,418 | 446,301 | 304,624 |
| | 321,760 | 161,640 | 158,908 | 132,848 | 146,190 | 52,272 |
| | 19,388 | 15,613 | 11,163 | 10,732 | 9,713 | 8,637 |
| | - | - | - | - | - | - |
| | 75,807 | 54,800 | 57,516 | 94,864 | 46,922 | 64,111 |
| | 48,018 | 47,155 | 11,986 | 14,712 | 2,390 | - |
| | 496 | 470 | 30,000 | - | 2,386 | - |
| | 2,223,488 | 2,199,298 | 2,264,697 | 2,233,515 | 1,866,119 | 345,183 |
| | 437,980 | 474,557 | 455,049 | 642,745 | 515,263 | 320,373 |
| | 134,776 | 177,429 | 244,593 | 321,243 | 402,379 | 2,105,146 |
| | 3,666,080 | 4,911,836 | 4,865,931 | 4,974,775 | 5,457,551 | 5,495,564 |
| | 387,753 | 499,817 | 1,284,455 | 988,463 | 979,719 | 1,088,813 |
| | 133,368 | 148,330 | 135,673 | 143,157 | - | - |
| | 69,890 | 83,113 | 88,326 | 75,840 | - | 132,891 |
| | 263,071 | 438,611 | 438,289 | 563,279 | 1,442,972 | 1,314,358 |
| | 487,272 | 769,059 | 552,947 | 751,142 | 602,201 | 703,966 |
| | - | - | - | - | - | - |
| | 283,419 | 400,532 | 410,630 | 446,952 | 336,663 | 463,563 |
| | 3,341 | - | - | 6,430 | - | 563,505 |
| | 278,869 | 279,935 | 403,064 | 362,776 | 332,678 | 320,249 |
| | 19,818 | 19,800 | 19,800 | 49,800 | 19,800 | 127,997 |
| | 3,824,287 | 4,076,339 | 4,004,172 | 3,739,160 | 3,506,639 | 4,037,423 |
| | 3,266 | 6,757 | 8,555 | 7,809 | 16,292 | 799 |
| | - | - | - | - | - | - |
| | - | 121,249 | - | - | - | - |
| | - | - | - | - | - | 33,410 |
| | <u>14,403,251</u> | <u>16,603,789</u> | <u>18,439,835</u> | <u>17,953,402</u> | <u>18,142,402</u> | <u>19,459,631</u> |
| | <u>(88,539,961)</u> | <u>(102,393,390)</u> | <u>(50,010,707)</u> | <u>(91,535,091)</u> | <u>(118,089,809)</u> | <u>(114,183,984)</u> |
| \$ | <u>(88,539,961)</u> | <u>\$ (102,393,390)</u> | <u>\$ (50,010,707)</u> | <u>\$ (91,535,091)</u> | <u>\$ (118,089,809)</u> | <u>\$ (114,183,984)</u> |

(Continued)

**KETTERING CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

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

| | <u>2012</u> | <u>2013</u> | <u>2014</u> | <u>2015</u> |
|--|---------------------|-----------------------|---------------------|----------------------|
| General revenues and other changes in net position | | | | |
| Governmental activities: | | | | |
| Property taxes | \$ 61,048,275 | \$ 57,281,151 | \$ 65,014,848 | \$ 68,245,757 |
| Payment in lieu of taxes | 151,425 | 582,655 | 633,323 | 406,797 |
| Grants and entitlements not restricted to specific programs | 25,145,742 | 23,933,755 | 24,145,012 | 26,015,342 |
| Investment earnings | 95,301 | 91,520 | 162,671 | 68,161 |
| Net increase/(decrease) in fair value of investments | 21,193 | (140,157) | - | - |
| Miscellaneous | 532,700 | 515,300 | 461,224 | 449,813 |
| Total governmental activities | <u>86,994,636</u> | <u>82,264,224</u> | <u>90,417,078</u> | <u>95,185,870</u> |
| Change in net position | | | | |
| Governmental activities | <u>\$ 2,921,820</u> | <u>\$ (3,042,576)</u> | <u>\$ 4,727,108</u> | <u>\$ 14,860,768</u> |

Source: District financial records.

| <u>2016</u> | <u>2017</u> | <u>2018</u> | <u>2019</u> | <u>2020</u> | <u>2021</u> |
|---------------------|-----------------------|----------------------|---------------------|------------------------|-----------------------|
| \$ 66,924,832 | \$ 70,550,876 | \$ 73,352,331 | \$ 75,869,324 | \$ 81,747,046 | \$ 85,761,498 |
| 402,177 | 398,038 | 238,478 | 126,593 | 332,258 | 745,552 |
| 25,162,006 | 24,512,181 | 23,470,946 | 23,014,065 | 21,242,214 | 21,806,315 |
| 124,392 | 213,275 | 449,329 | 923,131 | 719,427 | 24,625 |
| - | - | - | - | - | - |
| 1,972,679 | 689,659 | 1,260,605 | 1,254,470 | 725,179 | 2,471,915 |
| <u>94,586,086</u> | <u>96,364,029</u> | <u>98,771,689</u> | <u>101,187,583</u> | <u>104,766,124</u> | <u>110,809,905</u> |
| <u>\$ 6,046,125</u> | <u>\$ (6,029,361)</u> | <u>\$ 48,760,982</u> | <u>\$ 9,652,492</u> | <u>\$ (13,323,685)</u> | <u>\$ (3,374,079)</u> |

**KETTERING CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

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

| | <u>2012</u> | <u>2013</u> | <u>2014</u> | <u>2015</u> |
|--------------------------------------|----------------------|---------------------|----------------------|----------------------|
| General fund: | | | | |
| Nonspendable | \$ 111,440 | \$ 221,889 | \$ 241,196 | \$ 253,919 |
| Assigned | 755,801 | 2,641,974 | 5,325,510 | 8,280,756 |
| Unassigned (deficit) | <u>6,233,898</u> | <u>-</u> | <u>-</u> | <u>997,964</u> |
| Total general fund | <u>7,101,139</u> | <u>2,863,863</u> | <u>5,566,706</u> | <u>9,532,639</u> |
| All other governmental funds: | | | | |
| Nonspendable | 60,665 | 69,292 | 75,208 | 23,744 |
| Restricted | 5,996,748 | 5,422,499 | 6,211,091 | 6,411,211 |
| Committed | - | 20,682 | 20,745 | 18,285 |
| Unassigned (deficit) | <u>(534,876)</u> | <u>(432,084)</u> | <u>(644,271)</u> | <u>(304,556)</u> |
| Total all other governmental funds | <u>5,522,537</u> | <u>5,080,389</u> | <u>5,662,773</u> | <u>6,148,684</u> |
| Total governmental funds | <u>\$ 12,623,676</u> | <u>\$ 7,944,252</u> | <u>\$ 11,229,479</u> | <u>\$ 15,681,323</u> |

Source: District financial records.

| 2016 | 2017 | 2018 | 2019 | 2020 | 2021 |
|----------------------|----------------------|----------------------|----------------------|----------------------|---------------------|
| \$ 298,314 | \$ 367,704 | \$ 377,153 | \$ 312,221 | \$ 269,155 | \$ 268,640 |
| 9,876,858 | 12,646,189 | 11,999,701 | 8,552,211 | 1,721,789 | 869,462 |
| 5,679,056 | 2,055,988 | - | - | (372,458) | - |
| <u>15,854,228</u> | <u>15,069,881</u> | <u>12,376,854</u> | <u>8,864,432</u> | <u>1,618,486</u> | <u>1,138,102</u> |
| 23,972 | 19,944 | 15,719 | 45,711 | 60,705 | 57,722 |
| 5,349,526 | 7,127,585 | 13,653,769 | 22,635,478 | 11,647,161 | 10,259,559 |
| 5,523 | 3,080 | 13 | 12 | 12 | - |
| <u>(1,355,877)</u> | <u>(1,065,078)</u> | <u>(1,052,397)</u> | <u>(1,350,968)</u> | <u>(1,794,255)</u> | <u>(1,725,727)</u> |
| <u>4,023,144</u> | <u>6,085,531</u> | <u>12,617,104</u> | <u>21,330,233</u> | <u>9,913,623</u> | <u>8,591,554</u> |
| <u>\$ 19,877,372</u> | <u>\$ 21,155,412</u> | <u>\$ 24,993,958</u> | <u>\$ 30,194,665</u> | <u>\$ 11,532,109</u> | <u>\$ 9,729,656</u> |

**KETTERING CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

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

| | <u>2012</u> | <u>2013</u> | <u>2014</u> | <u>2015</u> |
|--|----------------------|-----------------------|-----------------------|-----------------------|
| Revenues | | | | |
| From local sources: | | | | |
| Property taxes | \$ 61,313,023 | \$ 58,566,436 | \$ 64,774,216 | \$ 68,112,932 |
| Payment in lieu of taxes | 151,425 | 582,655 | 633,323 | 406,797 |
| Tuition | 1,003,619 | 1,291,273 | 1,240,584 | 1,078,899 |
| Transportation fees | 45,698 | 42,356 | 42,201 | 45,477 |
| Earnings on investments | 95,301 | 82,560 | 168,717 | 74,313 |
| Net increase/(decrease) in fair value of investments | 21,193 | (140,157) | - | - |
| Charges for services | 1,579,194 | 1,487,003 | 1,430,120 | 1,424,763 |
| Extracurricular | 696,663 | 698,243 | 654,001 | 660,066 |
| Classroom materials and fees | 193,980 | 158,212 | 164,675 | 167,984 |
| Rental income | - | 136,758 | 55,433 | 47,428 |
| Contributions and donations | - | 90,545 | 77,654 | 76,582 |
| Contract services | - | 473,511 | 466,125 | 526,147 |
| Other local revenues | 1,186,339 | 562,405 | 459,448 | 475,432 |
| Intergovernmental | 34,521,364 | 32,495,959 | 34,194,621 | 43,333,152 |
| Total revenues | <u>100,807,799</u> | <u>96,527,759</u> | <u>104,361,118</u> | <u>116,429,972</u> |
| Expenditures | | | | |
| Current: | | | | |
| Instruction: | | | | |
| Regular | 33,628,807 | 34,747,413 | 35,291,949 | 42,869,785 |
| Special | 9,629,379 | 9,838,655 | 12,704,073 | 12,881,537 |
| Vocational | 2,672,615 | 2,691,544 | 2,608,737 | 2,530,733 |
| Adult/continuing | 55,383 | 82,493 | 102,281 | 110,171 |
| Other | 3,461,507 | 3,983,494 | 4,507,303 | 4,612,838 |
| Support services: | | | | |
| Pupil | 7,567,554 | 7,481,367 | 7,411,865 | 7,747,320 |
| Instructional staff | 6,115,213 | 6,122,031 | 3,415,173 | 4,027,511 |
| Board of education | 66,561 | 53,648 | 78,949 | 40,157 |
| Administration | 5,679,526 | 5,418,708 | 5,548,374 | 5,738,086 |
| Fiscal | 1,756,320 | 1,752,336 | 1,947,797 | 2,218,653 |
| Business | 521,438 | 519,095 | 519,969 | 537,359 |
| Operations and maintenance | 8,331,933 | 8,137,122 | 8,412,588 | 8,363,446 |
| Pupil transportation | 3,823,489 | 3,810,720 | 3,852,619 | 3,906,427 |
| Central | 1,814,594 | 1,780,400 | 937,351 | 995,181 |
| Operation of non-instructional services | 5,149,411 | 5,736,424 | 5,181,719 | 6,098,387 |
| Extracurricular activities | 1,408,717 | 1,364,531 | 1,272,279 | 1,328,980 |
| Facilities acquisition and construction | 34,312 | 209,674 | 2,676,433 | 213,335 |
| Capital outlay | - | - | - | - |
| Debt service: | | | | |
| Principal retirement | 3,436,113 | 3,538,464 | 3,738,427 | 4,178,654 |
| Interest and fiscal charges | 4,134,565 | 3,613,066 | 3,692,977 | 3,580,378 |
| Issuance costs | - | 277,689 | 74,812 | - |
| Total expenditures | <u>\$ 99,287,437</u> | <u>\$ 101,158,874</u> | <u>\$ 103,975,675</u> | <u>\$ 111,978,938</u> |

| 2016 | 2017 | 2018 | 2019 | 2020 | 2021 |
|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| \$ 66,964,174 | \$ 69,924,962 | \$ 74,250,363 | \$ 75,996,641 | \$ 81,735,192 | \$ 84,634,377 |
| 402,177 | 398,038 | 238,478 | 126,593 | 332,258 | 745,552 |
| 1,701,906 | 1,508,764 | 2,856,889 | 2,182,157 | 2,268,376 | 2,274,309 |
| 48,018 | 47,155 | 11,986 | 14,712 | 2,390 | - |
| 127,867 | 223,459 | 457,304 | 929,556 | 767,626 | 24,926 |
| - | - | - | - | - | - |
| 1,531,369 | 1,557,655 | 1,526,079 | 1,494,569 | 1,235,928 | 9,201 |
| 656,823 | 699,400 | 658,592 | 825,524 | 655,379 | 371,174 |
| 165,706 | 198,357 | 208,562 | 216,009 | 209,508 | 28,182 |
| 75,807 | 54,800 | 57,210 | 94,864 | 46,922 | 64,111 |
| 100,205 | 76,832 | 66,315 | 113,996 | 74,583 | 58,095 |
| 575,937 | 516,903 | 581,756 | 565,335 | 530,254 | 271,467 |
| 2,157,578 | 866,856 | 1,285,674 | 1,695,532 | 1,328,466 | 3,275,322 |
| 36,168,258 | 36,253,357 | 35,909,101 | 35,165,390 | 33,537,634 | 37,425,008 |
| <u>110,675,825</u> | <u>112,326,538</u> | <u>118,108,309</u> | <u>119,420,878</u> | <u>122,724,516</u> | <u>129,181,724</u> |
| 36,206,615 | 38,543,746 | 40,834,222 | 42,158,754 | 44,628,691 | 46,727,919 |
| 12,748,248 | 14,500,383 | 15,024,340 | 15,693,883 | 17,030,164 | 17,092,171 |
| 2,532,114 | 2,957,987 | 3,033,008 | 3,186,859 | 3,004,274 | 3,073,512 |
| 143,698 | 146,517 | 137,512 | 133,723 | - | 238 |
| 4,707,311 | 5,597,739 | 6,223,571 | 5,380,849 | 6,482,106 | 6,858,165 |
| 7,540,388 | 9,137,763 | 9,945,392 | 10,132,335 | 10,097,065 | 9,925,163 |
| 4,121,704 | 4,782,042 | 4,768,828 | 4,809,012 | 4,920,672 | 4,192,268 |
| 49,887 | 102,105 | 83,155 | 127,633 | 65,153 | 41,027 |
| 5,859,133 | 6,459,545 | 6,711,008 | 7,131,807 | 7,374,659 | 7,158,111 |
| 2,108,463 | 2,157,013 | 2,142,284 | 2,645,340 | 2,973,642 | 2,861,857 |
| 573,723 | 624,573 | 586,946 | 619,090 | 886,330 | 1,089,444 |
| 9,577,240 | 10,468,614 | 9,328,576 | 9,483,082 | 10,062,702 | 9,017,660 |
| 3,937,663 | 5,196,585 | 4,677,106 | 5,287,144 | 5,093,185 | 4,461,186 |
| 1,493,489 | 1,256,896 | 1,247,360 | 1,143,539 | 1,357,420 | 1,157,626 |
| 5,705,429 | 6,392,027 | 6,532,152 | 6,144,151 | 6,232,934 | 4,972,842 |
| 1,400,977 | 1,649,496 | 1,622,674 | 1,890,356 | 1,797,510 | 1,710,976 |
| 90,270 | 1,193,536 | 4,760,994 | 6,812,640 | 10,018,846 | 1,263,906 |
| - | 729,093 | - | - | - | 1,170,240 |
| 4,300,158 | 4,004,619 | 5,492,109 | 5,379,157 | 5,536,122 | 5,562,538 |
| 3,441,977 | 3,428,674 | 3,464,852 | 3,324,689 | 3,779,788 | 3,947,579 |
| - | 611,726 | 265,407 | 285,210 | - | - |
| <u>\$ 106,538,487</u> | <u>\$ 119,940,679</u> | <u>\$ 126,881,496</u> | <u>\$ 131,769,253</u> | <u>\$ 141,341,263</u> | <u>\$ 132,284,428</u> |

(Continued)

**KETTERING CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

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

| | 2012 | 2013 | 2014 | 2015 |
|---|--------------|----------------|--------------|--------------|
| Excess of revenues over (under) expenditures | \$ 1,520,362 | \$ (4,631,115) | \$ 385,443 | \$ 4,451,034 |
| Other financing sources (uses) | | | | |
| Issuance of general obligation bonds | - | - | 2,823,000 | - |
| Premium on general obligation bonds | - | - | 73,122 | - |
| Issuance of refunding bonds | - | 14,979,940 | - | - |
| Premium on refunding bonds | - | 1,223,592 | - | - |
| Issuance of certificates of participation | - | - | - | - |
| Premium on certificates of participation | - | - | - | - |
| Issuance of tax anticipation notes | - | - | - | - |
| Premium on tax anticipation notes | - | - | - | - |
| Payment to refunded bonds escrow agent | - | (16,247,473) | - | - |
| Proceeds from capital lease transaction | - | - | - | - |
| Proceeds from lease purchase transaction | - | - | - | - |
| Sale of assets | - | 6,000 | - | - |
| Transfers in | 13,500 | 13,500 | 13,500 | 13,500 |
| Transfers (out) | (13,500) | (13,500) | (13,500) | (13,500) |
| Total other financing sources (uses) | - | (37,941) | 2,896,122 | - |
| Net change in fund balances | \$ 1,520,362 | \$ (4,669,056) | \$ 3,281,565 | \$ 4,451,034 |
| Debt service as a percentage of noncapital expenditures | 7.66% | 7.11% | 7.39% | 7.01% |

Source: District financial records.

| | <u>2016</u> | <u>2017</u> | <u>2018</u> | <u>2019</u> | <u>2020</u> | <u>2021</u> |
|----|------------------|---------------------|---------------------|---------------------|------------------------|-----------------------|
| \$ | 4,137,338 | \$ (7,614,141) | \$ (8,773,187) | \$ (12,348,375) | \$ (18,616,747) | \$ (3,102,704) |
| | - | - | - | - | - | - |
| | - | - | - | - | - | - |
| | - | 39,190,000 | - | - | - | - |
| | - | 6,135,447 | - | - | - | - |
| | - | - | 11,530,000 | 15,620,000 | - | - |
| | - | - | 236,553 | 1,102,418 | - | - |
| | - | 5,000,000 | - | - | - | - |
| | - | 101,120 | - | - | - | - |
| | - | (44,685,047) | - | - | - | - |
| | - | 729,093 | - | - | - | - |
| | - | - | - | - | - | 1,170,240 |
| | - | - | 225 | 82,571 | - | - |
| | 18,500 | 2,518,500 | 858,719 | 18,500 | 18,500 | 18,500 |
| | (18,500) | (18,500) | (18,500) | (18,500) | (18,500) | (18,500) |
| | - | 8,970,613 | 12,606,997 | 16,804,989 | - | 1,170,240 |
| \$ | <u>4,137,338</u> | <u>\$ 1,356,472</u> | <u>\$ 3,833,810</u> | <u>\$ 4,456,614</u> | <u>\$ (18,616,747)</u> | <u>\$ (1,932,464)</u> |
| | 7.33% | 6.48% | 7.43% | 7.07% | 7.18% | 7.37% |

**KETTERING CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

ASSESSED AND ESTIMATED ACTUAL VALUES OF TAXABLE PROPERTY
(PER \$1,000 OF ASSESSED VALUATION)
LAST TEN CALENDAR YEARS

| Tax Collection/Calendar Year | 2012 | 2013 | 2014 | 2015 | 2016 |
|---|------------------|------------------|------------------|------------------|------------------|
| Real Property | | | | | |
| Assessed | \$ 1,169,058,260 | \$ 1,172,169,030 | \$ 1,166,011,970 | \$ 1,112,021,360 | \$ 1,115,708,750 |
| Actual | 3,340,166,457 | 3,349,054,371 | 3,331,462,771 | 3,177,203,886 | 3,187,739,286 |
| Public Utility | | | | | |
| Assessed | 80,829,600 | 102,770,980 | 112,802,920 | 114,250,870 | 117,490,250 |
| Actual | 91,851,818 | 116,785,205 | 128,185,136 | 129,830,534 | 133,511,648 |
| Total | | | | | |
| Assessed | 1,249,887,860 | 1,274,940,010 | 1,278,814,890 | 1,226,272,230 | 1,233,199,000 |
| Actual | 3,432,018,275 | 3,465,839,576 | 3,459,647,908 | 3,307,034,420 | 3,321,250,934 |
| Assessed Value as a Percentage of Actual Value | | | | | |
| | 36.42% | 36.79% | 36.96% | 37.08% | 37.13% |
| Total Direct Tax Rate | | | | | |
| | \$78.00 | \$78.00 | \$82.89 | \$82.99 | \$82.99 |

Source: Montgomery County Auditor, Ohio Department of Taxation

Note: Presented on a calendar year basis because that is the manner in which the information is maintained by the County.

Note: Assessed value of real property is at 35%. Assessed value of public utility is at 88%.

| <u>2017</u> | <u>2018</u> | <u>2019</u> | <u>2020</u> | <u>2021</u> |
|------------------|------------------|------------------|------------------|------------------|
| \$ 1,115,070,750 | \$ 1,190,723,510 | \$ 1,202,733,770 | \$ 1,209,787,720 | \$ 1,392,588,360 |
| 3,185,916,429 | 3,402,067,171 | 3,436,382,200 | 3,456,536,343 | 3,978,823,886 |
| 118,785,510 | 127,844,760 | 129,461,040 | 144,268,050 | 148,554,650 |
| 134,983,534 | 145,278,136 | 147,114,818 | 163,940,966 | 168,812,102 |
| 1,233,856,260 | 1,318,568,270 | 1,332,194,810 | 1,354,055,770 | 1,541,143,010 |
| 3,320,899,963 | 3,547,345,307 | 3,583,497,018 | 3,620,477,309 | 4,147,635,988 |
| 37.15% | 37.17% | 37.18% | 37.40% | 37.16% |
| \$85.39 | \$85.26 | \$91.25 | \$91.03 | \$90.50 |

**KETTERING CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

PROPERTY TAX RATES OF DIRECT AND OVERLAPPING GOVERNMENTS
(PER \$1,000 OF ASSESSED VALUE)
LAST TEN CALENDAR YEARS

| | <u>2012</u> | <u>2013</u> | <u>2014</u> | <u>2015</u> |
|------------------------------|-----------------|-----------------|-----------------|-----------------|
| Direct district rates | | | | |
| General fund | \$71.50 | \$71.50 | \$76.39 | \$76.39 |
| Permanent improvement fund | 0.60 | 0.60 | 0.60 | 0.60 |
| Bond retirement fund | 5.90 | 5.90 | 5.90 | 6.00 |
| Total | <u>78.00</u> | <u>78.00</u> | <u>82.89</u> | <u>82.99</u> |
| Overlapping rates | | | | |
| City of Kettering | 6.79 | 6.79 | 6.79 | 6.79 |
| City of Moraine | 2.50 | 2.50 | 2.50 | 2.50 |
| Montgomery County | 17.74 | 17.74 | 17.74 | 18.74 |
| Sinclair Community College | 3.20 | 3.20 | 3.20 | 3.20 |
| Greene County | 12.25 | 12.25 | 12.25 | 12.65 |
| Dayton Metro Library | 1.75 | 3.31 | 3.31 | 3.31 |
| Total | <u>\$122.23</u> | <u>\$123.79</u> | <u>\$128.68</u> | <u>\$130.18</u> |

Source: Montgomery County Auditor, Ohio Department of Taxation

Note: Ohio Revised Code Sections 5705.02 and 5705.07 require a vote of the people for any millage exceeding the "unvoted" or "inside" millage.

| <u>2016</u> | <u>2017</u> | <u>2018</u> | <u>2019</u> | <u>2020</u> | <u>2021</u> |
|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| \$76.39 | \$76.39 | \$76.39 | \$82.38 | \$82.38 | \$82.38 |
| 0.60 | 3.40 | 3.40 | 3.40 | 3.40 | 3.40 |
| 6.00 | 5.60 | 5.47 | 5.47 | 5.25 | 4.72 |
| <u>82.99</u> | <u>85.39</u> | <u>85.26</u> | <u>91.25</u> | <u>91.03</u> | <u>90.50</u> |
| 6.79 | 6.79 | 6.79 | 6.79 | 6.67 | 6.63 |
| 2.50 | 2.50 | 2.50 | 2.50 | 2.50 | 2.50 |
| 18.74 | 18.74 | 18.74 | 18.94 | 18.94 | 18.94 |
| 4.20 | 4.20 | 4.20 | 4.20 | 4.20 | 4.20 |
| 14.45 | 14.45 | 13.95 | 14.45 | 14.45 | 14.45 |
| 3.31 | 3.31 | 3.31 | 3.31 | 3.15 | 3.15 |
| <u>\$132.98</u> | <u>\$135.38</u> | <u>\$134.75</u> | <u>\$141.44</u> | <u>\$140.94</u> | <u>\$140.37</u> |

KETTERING CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO



THIS PAGE IS INTENTIONALLY LEFT BLANK

**KETTERING CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

PRINCIPAL TAXPAYERS
REAL ESTATE AND PUBLIC UTILITY PROPERTY TAXES
DECEMBER 31, 2020 AND DECEMBER 31, 2011

| | | December 31, 2020 | | |
|----------------------------------|---------------------------|--------------------------|-------------|--|
| <u>Name of Taxpayer</u> | <u>Nature of Business</u> | <u>Assessed Value</u> | <u>Rank</u> | <u>Percent of Total Assessed Value</u> |
| Dayton Power and Light | Gas and Electric Utility | \$98,023,130 | 1 | 7.24% |
| Vectren | Utility | 27,154,750 | 2 | 2.01% |
| Tait Electric Generating Station | Utility | 26,334,700 | 3 | 1.95% |
| Reynolds and Reynolds Co. | Retail business forms | 12,301,500 | 4 | 0.91% |
| Kettering Medical Center | Healthcare | 9,578,560 | 5 | 0.71% |
| Huber Management Corp. | Property Management | 9,370,430 | 6 | 0.69% |
| F1 Kettering LLC | Real Estate | 6,670,560 | 7 | 0.49% |
| MIMG LXXXIX Van Buren Village | Property Management | 5,738,480 | 8 | 0.42% |
| Residenz LLC | Property Management | 5,177,310 | 9 | 0.38% |
| One Lincoln Park | Retirement Facility | 4,618,500 | 10 | 0.34% |
| Total Principal Taxpayers | | 204,967,920 | | 15.14% |
| All Others | | 1,149,087,850 | | 84.86% |
| Total Assessed Value | | <u>\$1,354,055,770</u> | | <u>100.00%</u> |

| | | December 31, 2011 | | |
|-------------------------------------|---------------------------|--------------------------|-------------|--|
| <u>Name of Taxpayer</u> | <u>Nature of Business</u> | <u>Assessed Value</u> | <u>Rank</u> | <u>Percent of Total Assessed Value</u> |
| Dayton Power and Light | Utility | \$75,438,060 | 1 | 5.55% |
| Reynolds and Reynolds Co. | Retail business forms | 18,845,980 | 2 | 1.39% |
| F1 Kettering LLC | Real Estate | 9,688,690 | 3 | 0.71% |
| Industrial Realty Group Moraine LLC | Real Estate | 9,165,600 | 4 | 0.67% |
| Vectren | Utility | 8,016,260 | 5 | 0.59% |
| Fifteenth Dayton LLC | Printing | 4,998,910 | 6 | 0.37% |
| Residenz LLC | Property Management | 4,585,590 | 7 | 0.34% |
| Dayton Town and Country, Inc. | Property Management | 4,274,130 | 8 | 0.31% |
| BR Kettering Towne Center | Real Estate | 4,115,300 | 9 | 0.30% |
| One Lincoln Park | Retirement Facility | 3,508,390 | 10 | 0.26% |
| Total Principal Taxpayers | | 142,636,910 | | 10.49% |
| All Others | | 1,217,225,320 | | 89.51% |
| Total Assessed Value | | <u>\$1,359,862,230</u> | | <u>100.00%</u> |

Source: Montgomery County Auditor - Land and Buildings based on valuation of property in 2020 and 2011

Note: Presented on a calendar year basis because that is the manner in which the information is maintained by the County.

**KETTERING CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN CALENDAR YEARS

| Collection Year | <u>2011</u> | <u>2012</u> | <u>2013</u> | <u>2014</u> |
|---|----------------------|----------------------|----------------------|----------------------|
| Total Tax Levy (1) | \$ 69,552,184 | \$ 67,660,920 | \$ 76,121,264 | \$ 74,540,824 |
| Collections within the Fiscal Year of the Levy | | | | |
| Current Tax Collections (2) | \$ 67,400,196 | \$ 65,734,803 | \$ 74,133,882 | \$ 72,672,977 |
| Percent of Levy Collected | 96.91% | 97.15% | 97.39% | 97.49% |
| Delinquent Tax Collections | 940,112 | 2,492,740 | 2,482,559 | 1,607,891 |
| Total Tax Collections | <u>\$ 68,340,308</u> | <u>\$ 68,227,543</u> | <u>\$ 76,616,441</u> | <u>\$ 74,280,868</u> |
| Percent of Total Tax Collections To Tax Levy | 98.26% | 100.84% | 100.65% | 99.65% |
| Accumulated Outstanding Delinquent Taxes (3) | \$ 2,842,448 | \$ 2,483,646 | \$ 2,478,575 | \$ 2,611,400 |
| Percentage of Accumulated Delinquent Taxes to Total Tax Levy | 4.09% | 3.67% | 3.26% | 3.26% |

Source: Montgomery and Greene County Auditor's Offices

Notes:

Presented on a calendar year basis because that is the manner in which the information is maintained by the Counties.

Delinquent tax collections are available only by collection year rather than the year in which they were levied; therefore, the percentage of total tax collections collections to tax levy exceeds 100 percent in some years. The District will continue to work with the County Auditors to retrieve this information in the future.

- (1) Taxes levied and collected are presented on a cash basis.
- (2) State reimbursements of rollback and homestead exemptions are included; December 2008 settlement estimate included.
- (3) Penalties and interest are included, since by Ohio law they become part of the tax obligation as assessment occurs.

N/A indicates the information is not available.

| 2015 | 2016 | 2017 | 2018 | 2019 | 2020 |
|----------------------|----------------------|----------------------|----------------------|----------------------|---------------|
| \$ 75,038,035 | \$ 77,600,882 | \$ 79,583,644 | \$ 88,345,394 | \$ 87,623,916 | \$ 89,000,630 |
| \$ 72,869,095 | \$ 76,240,787 | \$ 78,739,158 | \$ 86,804,463 | \$ 86,083,813 | N/A |
| 97.11% | 98.25% | 98.94% | 98.26% | 98.24% | N/A |
| 2,032,735 | 1,360,095 | 2,809,114 | 2,009,496 | 2,004,179 | N/A |
| <u>\$ 74,901,830</u> | <u>\$ 77,600,882</u> | <u>\$ 81,548,272</u> | <u>\$ 88,813,959</u> | <u>\$ 88,087,992</u> | <u>N/A</u> |
| 99.82% | 100.00% | 102.47% | 100.53% | 100.53% | N/A |
| \$ 2,572,058 | \$ 3,197,973 | \$ 2,299,940 | \$ 2,172,622 | \$ 1,273,613 | \$ 2,312,589 |
| 3.43% | 4.12% | 2.89% | 2.46% | 1.45% | 2.60% |

**KETTERING CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

RATIO OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS

| | <u>2012</u> | <u>2013</u> | <u>2014</u> | <u>2015</u> |
|------------------------------------|----------------------|----------------------|----------------------|----------------------|
| Governmental activities (1) | | | | |
| General obligation bonds payable* | \$ 93,593,522 | \$ 90,714,795 | \$ 89,776,084 | \$ 85,503,967 |
| Capital leases | - | - | - | - |
| Lease purchase agreements | - | - | - | - |
| Certificates of participation* | - | - | - | - |
| Tax anticipation notes* | - | - | - | - |
| Total primary government | <u>\$ 93,593,522</u> | <u>\$ 90,714,795</u> | <u>\$ 89,776,084</u> | <u>\$ 85,503,967</u> |
| Population (2) | | | | |
| Cities of Kettering and Moraine | 62,400 | 62,335 | 62,167 | 61,918 |
| Outstanding debt per capita* | 1,500 | 1,455 | 1,444 | 1,381 |
| Income (3) | | | | |
| Personal (in thousands) | \$ 2,067,089 | \$ 2,067,089 | \$ 2,119,372 | \$ 2,184,210 |
| Percentage of personal income* | 4.53% | 4.39% | 4.24% | 3.91% |

Sources:

- (1) District Treasurer's Office
- (2) US Bureau of Census of Population
- (3) US Department of Commerce, Bureau of Economic Analysis
 - (a) Per Capita Income is only available by County, Total Personal Income is a calculation

N/A = Not available

*Balances of general obligation bonds, certificates of participation, tax anticipation notes, outstanding debt per capita, and outstanding debt as a percentage of personal income include premiums, discounts, and accreted interest on bonds.

| 2016 | 2017 | 2018 | 2019 | 2020 | 2021 |
|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| \$ 81,085,012 | \$ 75,707,311 | \$ 70,346,389 | \$ 65,338,659 | \$ 60,277,393 | \$ 54,884,909 |
| - | 602,468 | 469,359 | 325,202 | 169,080 | - |
| - | - | - | - | - | 926,768 |
| - | - | 11,694,487 | 28,176,065 | 27,900,724 | 27,615,383 |
| - | 5,161,924 | 4,466,564 | 3,716,203 | 2,950,843 | 2,170,484 |
| <u>\$ 81,085,012</u> | <u>\$ 81,471,703</u> | <u>\$ 86,976,799</u> | <u>\$ 97,556,129</u> | <u>\$ 91,298,040</u> | <u>\$ 85,597,544</u> |
| 61,766 | 61,613 | 61,482 | 61,545 | 61,325 | 64,369 |
| 1,313 | 1,322 | 1,415 | 1,585 | 1,489 | 1,330 |
| \$ 2,285,571 | \$ 2,353,618 | \$ 2,360,194 | 2,544,199 | 2,515,404 | N/A |
| 3.55% | 3.46% | 3.69% | 3.83% | 3.63% | N/A |

**KETTERING CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

RATIOS OF GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS

| Year | <u>2012</u> | <u>2013</u> | <u>2014</u> | <u>2015</u> |
|---|--------------|--------------|--------------|--------------|
| Population (1) | 62,400 | 62,335 | 62,167 | 61,918 |
| Assessed value (in thousands) (2) | \$ 1,249,888 | \$ 1,274,940 | \$ 1,278,815 | \$ 1,226,272 |
| Estimated actual value (in thousands) (2) | 3,432,018 | 3,465,840 | 3,459,648 | 3,307,034 |
| General bonded debt (3) | | | | |
| General obligation bonds* | 93,593,522 | 90,714,795 | 89,776,084 | 85,503,967 |
| Resources available to pay principal (4) | 3,224,803 | 2,880,116 | 2,696,993 | 2,998,825 |
| Net general bonded debt* | 90,368,719 | 87,834,679 | 87,079,091 | 82,505,142 |
| Ratio of net general bonded Debt to assessed value* | 7.23% | 6.89% | 6.81% | 6.73% |
| Ratio of net general bonded Debt to estimated actual value | 2.63% | 2.53% | 2.52% | 2.49% |
| Net general bonded debt per capita* | \$ 1,448 | \$ 1,409 | \$ 1,401 | \$ 1,332 |

Source:

- (1) U.S. Bureau of Census of Population
- (2) Montgomery County Auditor
- (3) Includes all general obligation bonded debt supported by property taxes
- (4) Represents the restricted for debt service balance on the statement of net position

*Balances of general obligation bonds, ratios of net bonded debt to assessed value, and net bonded debt per capita include premiums, discounts, and accreted interest on bonds.

| 2016 | 2017 | 2018 | 2019 | 2020 | 2021 |
|--------------|--------------|--------------|--------------|--------------|--------------|
| 61,766 | 61,613 | 61,482 | 61,545 | 61,325 | 64,369 |
| \$ 1,233,199 | \$ 1,233,856 | \$ 1,318,568 | \$ 1,332,195 | \$ 1,354,056 | \$ 1,541,143 |
| 3,321,251 | 3,320,900 | 3,547,345 | 3,583,497 | 3,620,477 | 4,147,636 |
| 81,085,012 | 75,707,311 | 70,346,389 | 65,338,659 | 60,277,393 | 54,884,909 |
| 2,824,484 | 3,789,810 | 3,704,520 | 4,011,958 | 4,395,697 | 5,612,014 |
| 78,260,528 | 71,917,501 | 66,641,869 | 61,326,701 | 55,881,696 | 49,272,895 |
| 6.35% | 5.83% | 5.05% | 4.60% | 4.13% | 3.20% |
| 2.36% | 2.17% | 1.88% | 1.71% | 1.54% | 1.19% |
| \$ 1,267 | \$ 1,167 | \$ 1,084 | \$ 996 | \$ 911 | \$ 765 |

KETTERING CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO



THIS PAGE IS INTENTIONALLY LEFT BLANK

**KETTERING CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

COMPUTATION OF DIRECT AND OVERLAPPING
DEBT ATTRIBUTABLE TO GOVERNMENTAL ACTIVITIES
JUNE 30, 2021

| <u>Jurisdiction</u> | <u>Gross Debt Outstanding</u> | <u>Percentage Applicable to Kettering City School District</u> | <u>Amount Applicable to Kettering City School District</u> |
|--------------------------------|-----------------------------------|--|--|
| Direct: | | | |
| Kettering City School District | \$ 85,597,544 | 100.00% | \$ 85,597,544 |
| Overlapping: | | | |
| Montgomery County | 12,437,898 | 13.98% | 1,738,818 |
| City of Kettering | 27,844,540 | 98.71% | 27,485,345 |
| City of Moraine | 13,900,293 | 70.02% | 9,732,985 |
| Greene County | 15,010,435 | 0.33% | 49,534 |
| Dayton Metro Library | 141,664,986 | 18.03% | 25,542,197 |
| Subtotal | <u>210,858,152</u> | | <u>64,548,879</u> |
| Total | <u>\$ 296,455,696</u> | | <u>\$ 150,146,423</u> |

Source: Ohio Municipal Advisory Council

Notes: Overlapping percentage was calculated by dividing each overlapping subdivision's assessed valuation within the City by the subdivision's total assessed valuation.

All outstanding debt amounts for the overlapping subdivisions are as of December 31, 2020 as this is the latest information available.

**KETTERING CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

DEBT LIMITATIONS
LAST TEN FISCAL YEARS

| | <u>2012</u> | <u>2013</u> | <u>2014</u> | <u>2015</u> |
|---|----------------------|----------------------|----------------------|----------------------|
| Net Assessed Valuation | \$ 1,249,887,860 | \$ 1,274,940,010 | \$ 1,278,814,890 | \$ 1,226,272,230 |
| Overall Direct Debt Limitation | | | | |
| Legal Debt Limitation (%) (1) | 9.00% | 9.00% | 9.00% | 9.00% |
| Legal Debt Limitation (\$) (1) | 112,489,907 | 114,744,601 | 115,093,340 | 110,364,501 |
| Applicable District Debt Outstanding | 88,524,990 | 85,079,930 | 81,852,930 | 78,432,980 |
| Less: Applicable Debt Service | | | | |
| Fund Amounts (2) | <u>(3,224,803)</u> | <u>(3,449,104)</u> | <u>(3,502,105)</u> | <u>(3,480,330)</u> |
| Net Indebtedness Subject to Limitation | <u>85,300,187</u> | <u>81,630,826</u> | <u>78,350,825</u> | <u>74,952,650</u> |
| Overall Legal Debt Margin | <u>\$ 27,189,720</u> | <u>\$ 33,113,775</u> | <u>\$ 36,742,515</u> | <u>\$ 35,411,851</u> |
| Unvoted Direct Debt Limitation | | | | |
| Legal Debt Limitation (%) (1) | 0.10% | 0.10% | 0.10% | 0.10% |
| Legal Debt Limitation (\$) (1) | \$ 1,249,888 | \$ 1,274,940 | \$ 1,278,815 | \$ 1,226,272 |
| Applicable District Debt Outstanding | - | - | - | - |
| Unvoted Legal Debt Margin | <u>\$ 1,249,888</u> | <u>\$ 1,274,940</u> | <u>\$ 1,278,815</u> | <u>\$ 1,226,272</u> |
| Energy Conservation Bond Limitation | | | | |
| Legal Debt Limitation (%) (1) | 0.90% | 0.90% | 0.90% | 0.90% |
| Legal Debt Limitation (\$) (1) | \$ 11,248,991 | \$ 11,474,460 | \$ 11,509,334 | \$ 11,036,450 |
| Authorized by the Board | <u>(404,703)</u> | <u>(311,239)</u> | <u>(2,622,812)</u> | <u>(2,384,158)</u> |
| Unvoted Energy Conservation | | | | |
| Bond Legal Debt Margin | <u>\$ 10,844,288</u> | <u>\$ 11,163,221</u> | <u>\$ 8,886,522</u> | <u>\$ 8,652,292</u> |
| Total Net Indebtedness Subject to Limitation as a Percentage of Debt Limit | 75.83% | 71.14% | 68.08% | 67.91% |

Source: Montgomery County Auditor, Ohio Department of Taxation

- (1) Ohio Bond Law sets a limit of 9% for overall debt, 1/10 of 1% for unvoted debt, and 9/10 of 1% for energy conservation debt.
- (2) Includes only Debt Service funds available for general obligation bonded debt supported by property taxes.

| <u>2016</u> | <u>2017</u> | <u>2018</u> | <u>2019</u> | <u>2020</u> | <u>2021</u> |
|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| \$ 1,233,199,000 | \$ 1,233,856,260 | \$ 1,318,568,270 | \$ 1,332,194,810 | \$ 1,354,055,770 | \$ 1,541,143,010 |
| 9.00% | 9.00% | 9.00% | 9.00% | 9.00% | 9.00% |
| 110,987,910 | 111,047,063 | 118,671,144 | 119,897,533 | 121,865,019 | 138,702,871 |
| 74,381,980 | 66,138,986 | 61,659,986 | 57,519,986 | 53,259,986 | 49,255,000 |
| <u>(3,486,254)</u> | <u>(3,948,459)</u> | <u>(4,002,344)</u> | <u>(4,354,714)</u> | <u>(4,876,330)</u> | <u>(5,551,498)</u> |
| <u>70,895,726</u> | <u>62,190,527</u> | <u>57,657,642</u> | <u>53,165,272</u> | <u>48,383,656</u> | <u>43,703,502</u> |
| <u>\$ 40,092,184</u> | <u>\$ 48,856,536</u> | <u>\$ 61,013,502</u> | <u>\$ 66,732,261</u> | <u>\$ 73,481,363</u> | <u>\$ 94,999,369</u> |
| 0.10% | 0.10% | 0.10% | 0.10% | 0.10% | 0.10% |
| \$ 1,233,199 | \$ 1,233,856 | \$ 1,318,568 | \$ 1,332,195 | \$ 1,354,056 | \$ 1,541,143 |
| - | - | - | - | - | - |
| <u>\$ 1,233,199</u> | <u>\$ 1,233,856</u> | <u>\$ 1,318,568</u> | <u>\$ 1,332,195</u> | <u>\$ 1,354,056</u> | <u>\$ 1,541,143</u> |
| 0.90% | 0.90% | 0.90% | 0.90% | 0.90% | 0.90% |
| \$ 11,098,791 | \$ 11,104,706 | \$ 11,867,114 | \$ 11,989,753 | \$ 12,186,502 | \$ 13,870,287 |
| <u>(2,135,000)</u> | <u>(1,990,000)</u> | <u>(1,845,000)</u> | <u>(1,700,000)</u> | <u>(1,550,000)</u> | <u>(1,400,000)</u> |
| <u>\$ 8,963,791</u> | <u>\$ 9,114,706</u> | <u>\$ 10,022,114</u> | <u>\$ 10,289,753</u> | <u>\$ 10,636,502</u> | <u>\$ 12,470,287</u> |
| 63.88% | 56.00% | 48.59% | 44.34% | 39.70% | 31.51% |

**KETTERING CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN YEARS

| Calendar Year | 2011 | 2012 | 2013 | 2014 |
|---------------------------------|--------------|--------------|--------------|--------------|
| Population (1) | | | | |
| Cities of Kettering and Moraine | 62,400 | 62,335 | 62,167 | 61,918 |
| Montgomery County | 537,602 | 534,325 | 535,846 | 533,116 |
| Income (2) (a) | | | | |
| Total Personal (in thousands) | \$ 2,015,923 | \$ 2,067,089 | \$ 2,067,089 | \$ 2,119,372 |
| Per Capita | 32,306 | 33,161 | 33,251 | 34,229 |
| Unemployment Rate | | | | |
| Federal (3) | 8.6% | 8.1% | 7.4% | 6.2% |
| State (3) | 8.9% | 7.2% | 7.1% | 5.7% |
| Montgomery County (4) | 8.7% | 7.8% | 7.5% | 6.0% |
| Fiscal Year | | | | |
| | 2012 | 2013 | 2014 | 2015 |
| School Enrollment (5) | | | | |
| Grades K - 5 | 3,191 | 3,445 | 3,424 | 3,444 |
| Grades 6 - 8 | 1,704 | 1,670 | 1,652 | 1,624 |
| Grades 9 - 12 | 2,233 | 2,150 | 2,167 | 2,205 |
| Total | <u>7,128</u> | <u>7,265</u> | <u>7,243</u> | <u>7,273</u> |

Sources:

- (1) US Bureau of Census of Population
- (2) US Department of Commerce, Bureau of Economic Analysis
 - (a) Per Capita Income is only available by County, Total Personal Income is a calculation
- (3) State Department of Labor Statistics
- (4) Ohio Department of Job and Family Services, Montgomery County
- (5) District Treasurer's Office

| 2015 | 2016 | 2017 | 2018 | 2019 | 2020 |
|--------------|--------------|--------------|--------------|--------------|--------------|
| 61,766 | 61,613 | 61,482 | 61,545 | 61,325 | 64,369 |
| 532,258 | 531,239 | 531,542 | 532,331 | 531,687 | 537,309 |
| \$ 2,184,210 | \$ 2,285,571 | \$ 2,353,618 | \$ 2,360,194 | \$ 2,544,199 | \$ 2,515,404 |
| 35,363 | 37,096 | 38,281 | 38,349 | 41,487 | 39,078 |
| 5.3% | 4.9% | 4.4% | 3.9% | 3.7% | 8.1% |
| 4.9% | 4.9% | 5.0% | 4.6% | 4.2% | 8.1% |
| 5.0% | 4.8% | 4.9% | 4.5% | 3.7% | 5.4% |
| 2016 | 2017 | 2018 | 2019 | 2020 | 2021 |
| 3,500 | 3,523 | 3,473 | 3,428 | 3,719 | 3,259 |
| 1,635 | 1,657 | 1,712 | 1,756 | 1,810 | 1,752 |
| 2,234 | 2,225 | 2,276 | 2,233 | 2,310 | 2,318 |
| <u>7,369</u> | <u>7,405</u> | <u>7,461</u> | <u>7,417</u> | <u>7,839</u> | <u>7,329</u> |

KETTERING CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO



THIS PAGE IS INTENTIONALLY LEFT BLANK

**KETTERING CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

PRINCIPAL EMPLOYERS
DECEMBER 31, 2020 AND DECEMBER 31, 2011

| | | December 31, 2020 | | |
|--------------------------------|---------------------------|--------------------------------|-------------|--|
| Employer | Nature of Business | Number of Employees | Rank | % of Total Estimated Employment |
| Kettering Medical Center | Private Hospital | 3,570 | 1 | 12.31% |
| Synchrony Financial | Financial Services | 1,900 | 2 | 6.55% |
| Reynolds and Reynolds Co. | Professional Services | 1,350 | 3 | 4.66% |
| Kettering City School District | Education | 1,208 | 4 | 4.17% |
| Mast Global Digital | Catalog Ordering Center | 1,000 | 5 | 3.45% |
| Tenneco | Manufacturing | 800 | 6 | 2.76% |
| City of Kettering | Government | 582 | 7 | 2.01% |
| Meijer, Inc. | Retail Sales | 550 | 8 | 1.90% |
| Spectrum | Cable/Internet Provider | 500 | 9 | 1.72% |
| Kroger | Retail Sales | 500 | 10 | 1.72% |
| Total Principal Employers | | <u>11,960</u> | | <u>41.25%</u> |
| Total Estimated Employment | | <u>29,000</u> | | <u>100.00%</u> |

| | | December 31, 2011 | | |
|--------------------------------|---------------------------|--------------------------------|-------------|--|
| Employer | Nature of Business | Number of Employees | Rank | % of Total Estimated Employment |
| Kettering Medical Center | Hospital | 3,300 | 1 | 12.55% |
| GE Money | Finance Services | 1,450 | 2 | 5.51% |
| Reynolds and Reynolds Co. | Fortune 1000 | 1,150 | 3 | 4.37% |
| Kettering City School District | Education | 1,032 | 4 | 3.92% |
| Limited Brands, Inc. | Catalog Ordering Center | 1,000 | 5 | 3.80% |
| City of Kettering | Municipality | 900 | 6 | 3.42% |
| Kroger | Retail Sales | 630 | 7 | 2.40% |
| Eastman Kodak Co. | Digital Printing | 600 | 8 | 2.28% |
| Meijer, Inc. | Retail Sales | 550 | 9 | 2.09% |
| Walmart | Retail Sales | 500 | 10 | 1.90% |
| Total Principal Employers | | <u>11,112</u> | | <u>42.24%</u> |
| Total Estimated Employment | | <u>26,295</u> | | <u>100.00%</u> |

Sources: City of Kettering ACFR, and Kettering City School District ACFR, Kettering Chamber of Commerce.

**KETTERING CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

DISTRICT EMPLOYEES BY TYPE
LAST TEN FISCAL YEARS

| | <u>2012</u> | <u>2013</u> | <u>2014</u> | <u>2015</u> |
|----------------------------|---------------|---------------|---------------|---------------|
| Official Administrative | 33.09 | 33.00 | 32.00 | 31.33 |
| Professional - Educational | 514.29 | 503.17 | 512.49 | 510.24 |
| Professional - Other | 40.40 | 37.10 | 35.19 | 41.64 |
| Technical | 15.29 | 15.29 | 23.36 | 23.36 |
| Office/Clerical | 171.53 | 162.65 | 157.63 | 171.29 |
| Crafts and Trades | 11.00 | 10.00 | 11.00 | 11.00 |
| Operative | 33.36 | 34.50 | 35.35 | 34.40 |
| Service Work/Laborer | 107.28 | 104.97 | 111.96 | 117.73 |
| Total Employees | <u>926.24</u> | <u>900.68</u> | <u>918.98</u> | <u>940.99</u> |

Note: Employees by Type are presented on a Full Time Equivalent (FTE) basis.

Note: District switched to a new software system during fiscal year 2021 and FTEs by category are currently not available.

Note: N/A indicates the information is not available.

Source: District records

| 2016 | 2017 | 2018 | 2019 | 2020 | 2021 |
|---------------|-----------------|-----------------|-----------------|-----------------|---------------|
| 33.33 | 36.50 | 38.00 | 38.00 | 40.00 | N/A |
| 516.60 | 530.54 | 540.71 | 560.74 | 567.65 | N/A |
| 43.80 | 44.20 | 46.05 | 50.80 | 51.00 | N/A |
| 23.56 | 24.64 | 24.16 | 21.00 | 21.00 | N/A |
| 172.40 | 190.49 | 187.71 | 190.36 | 192.70 | N/A |
| 11.00 | 12.00 | 12.00 | 13.00 | 13.00 | N/A |
| 35.98 | 40.36 | 44.52 | 41.71 | 42.20 | N/A |
| 119.21 | 125.57 | 123.71 | 127.50 | 131.00 | N/A |
| <u>955.88</u> | <u>1,004.30</u> | <u>1,016.86</u> | <u>1,043.11</u> | <u>1,058.55</u> | <u>979.07</u> |

**KETTERING CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

OPERATING INDICATORS - COST PER PUPIL
LAST TEN FISCAL YEARS

| | <u>2012</u> | <u>2013</u> | <u>2014</u> | <u>2015</u> |
|------------------------|---------------|---------------|---------------|----------------|
| Enrollment | 7,128 | 7,265 | 7,243 | 7,273 |
| Modified Accrual Basis | | | | |
| Operating Expenditures | \$ 91,682,447 | \$ 93,519,981 | \$ 93,793,026 | \$ 104,006,571 |
| Cost per Pupil | 12,862 | 12,873 | 12,949 | 14,300 |
| Percentage of Change | 2.1% | 0.1% | 0.6% | 10.4% |
| Accrual Basis | | | | |
| Operating Expenses | \$ 93,449,242 | \$ 94,671,370 | \$ 95,235,920 | \$ 99,885,174 |
| Cost per Pupil | 13,110 | 13,031 | 13,149 | 13,734 |
| Percentage of Change | 2.4% | (0.6%) | 0.9% | 4.4% |
| Teaching Staff | 512 | 527 | 535 | 542 |

Source: District records and Ohio Department of Education

(1) Number of teachers decreased due to no longer accounting for virtual teachers. Virtual teachers are teachers at other districts teaching our students via on-line courses. All virtual courses have been brought in house and taught by current teachers.

| 2016 | 2017 (1) | 2018 | 2019 | 2020 | 2021 |
|---------------|-----------------|----------------|----------------|----------------|----------------|
| 7,369 | 7,405 | 7,461 | 7,417 | 7,839 | 7,329 |
| \$ 98,706,082 | \$ 109,973,031 | \$ 112,898,134 | \$ 115,967,557 | \$ 122,006,507 | \$ 120,340,165 |
| 13,395 | 14,851 | 15,132 | 15,635 | 15,564 | 16,420 |
| (6.3%) | 10.9% | 1.9% | 3.3% | (0.5%) | 5.5% |
| \$ 99,507,265 | \$ 115,799,722 | \$ 65,469,092 | \$ 106,529,408 | \$ 133,232,692 | \$ 130,998,350 |
| 13,503 | 15,638 | 8,775 | 14,363 | 16,996 | 17,874 |
| (1.7%) | 15.8% | (43.9%) | 63.7% | 18.3% | 5.2% |
| 543 | 492 | 487 | 490 | 514 | 511 |

**KETTERING CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

OPERATING INDICATORS BY FUNCTION
LAST TEN FISCAL YEARS

| | <u>2012</u> | <u>2013</u> | <u>2014</u> | <u>2015</u> |
|---|-------------|-------------|-------------|-------------|
| Governmental activities | | | | |
| Instruction | | | | |
| Regular | 417 | 414 | 418 | 428 |
| Special | 95 | 113 | 117 | 114 |
| Support Services | | | | |
| Pupils | | | | |
| Enrollment | 7,128 | 7,265 | 7,243 | 7,273 |
| Graduates | 523 | 535 | 536 | 522 |
| Percent of Students with Disabilities | 16% | 14% | 15% | 14% |
| Board of Education | | | | |
| Members | 5 | 5 | 5 | 5 |
| Regular Meetings per Year | 12 | 18 | 18 | 19 |
| Administration | | | | |
| School Attendance Rate | 96.0% | 96.0% | 96.1% | 96.0% |
| Fiscal Services | | | | |
| Purchase Orders Processed | 4,867 | 5,053 | 4,702 | 4,760 |
| Checks Issued (non payroll) | 5,271 | 4,651 | 3,328 | 2,904 |
| Operation and Maintenance of Plant | | | | |
| District Square Footage Maintained | 1,346,597 | 1,346,597 | 1,346,597 | 1,346,597 |
| District Square Acreage Maintained | 254 | 254 | 254 | 254 |
| Pupil Transportation | | | | |
| Average Daily Students Transported | 3,171 | 3,539 | 2,989 | 3,214 |
| Average Daily Bus Fleet Miles | 2,825 | 3,039 | 3,022 | 3,017 |
| Number of Buses | 66 | 57 | 57 | 57 |
| Operation of Non-instructional Services | | | | |
| Food Service | | | | |
| Student Meals Served Yearly | 722,428 | 704,886 | 674,536 | 664,398 |
| Free/Reduced Price Meals Daily | 2,254 | 2,333 | 2,247 | 2,259 |
| Uniform School Supplies | 3 | 3 | 3 | 3 |
| Extracurricular Activities | | | | |
| High School Varsity Teams | 27 | 27 | 27 | 27 |

Source: District Treasurer's Office

N/A = Not available

(1) Number of regular and special instruction teachers decreased due to no longer accounting for virtual teachers. Virtual teachers are teachers at other districts teaching our students via on-line courses. All virtual courses have been brought in house and taught by current teachers.

| <u>2016</u> | <u>2017 (1)</u> | <u>2018</u> | <u>2019</u> | <u>2020</u> | <u>2021</u> |
|-------------|-----------------|-------------|-------------|-------------|-------------|
| 421 | 398 | 392 | 393 | 403 | 408 |
| 122 | 94 | 95 | 97 | 113 | 103 |
| 7,369 | 7,405 | 7,461 | 7,417 | 7,839 | 7,329 |
| 511 | 501 | 552 | 546 | 528 | 539 |
| 15% | 15% | 15% | N/A | 15% | 15% |
| 5 | 5 | 5 | 5 | 5 | 5 |
| 27 | 20 | 21 | 22 | 16 | 17 |
| 96.0% | 95.5% | 95.6% | 95.7% | 96.4% | 97.2% |
| 4,529 | 4,670 | 4,353 | 4,376 | 3,755 | 3,158 |
| 2,967 | 2,710 | 2,687 | 2,561 | 2,366 | 2,719 |
| 1,346,597 | 1,346,597 | 1,346,597 | 1,352,597 | 1,352,597 | 1,483,800 |
| 254 | 254 | 254 | 254 | 254 | 254 |
| 3,175 | 3,017 | 3,074 | 3,108 | 3,290 | 642 |
| 2,951 | 2,477 | 3,564 | 3,554 | 3,994 | 2,037 |
| 57 | 63 | 66 | 65 | 61 | 69 |
| 675,339 | 663,690 | 636,906 | 619,614 | N/A | N/A |
| 1,314 | 2,229 | 2,174 | 2,465 | N/A | N/A |
| 3 | 3 | 3 | 3 | 3 | 3 |
| 27 | 29 | 29 | 29 | 29 | 29 |

**KETTERING CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

OPERATING INDICATORS - TEACHER BASE SALARIES
LAST TEN FISCAL YEARS

| | <u>2012</u> | <u>2013</u> | <u>2014</u> | <u>2015</u> |
|-------------------------|-------------|-------------|-------------|-------------|
| Minimum Salary | \$ 35,484 | \$ 35,484 | \$ 35,484 | \$ 35,484 |
| Maximum Salary | 90,839 | 90,839 | 90,839 | 90,839 |
| District Average Salary | 66,366 | 64,289 | 63,601 | 66,021 |
| State Average Salary | 56,715 | 56,307 | 55,916 | 55,242 |

Source: District Treasurer's Office and Ohio Department of Education

OPERATING INDICATORS - TEACHERS BY EDUCATION
LAST TEN FISCAL YEARS

| | <u>2012</u> | <u>2013</u> | <u>2014</u> | <u>2015</u> |
|----------------------|-------------|-------------|-------------|-------------|
| Bachelor's Degree | 123 | 142 | 161 | 174 |
| Master's Degree + 15 | 389 | 385 | 374 | 368 |
| Total | <u>512</u> | <u>527</u> | <u>535</u> | <u>542</u> |

Source: District records

N/A = Not Available

(1) Number of teachers decreased due to no longer accounting for virtual teachers. Virtual teachers are teachers at other districts teaching our students via on-line courses. All virtual courses have been brought in house and taught by current teachers.

| 2016 | 2017 | 2018 | 2019 | 2020 | 2021 |
|-------------|-------------|-------------|-------------|-------------|-------------|
| \$ 36,918 | \$ 37,656 | \$ 38,786 | \$ 39,756 | \$ 40,651 | \$ 40,651 |
| 94,510 | 96,399 | 99,292 | 101,777 | 104,067 | 104,067 |
| 65,045 | 65,961 | 68,331 | 72,969 | 75,097 | 76,766 |
| 57,154 | 59,100 | 60,380 | 60,810 | N/A | N/A |

| 2016 | 2017 (1) | 2018 | 2019 | 2020 | 2021 |
|-------------|-----------------|-------------|-------------|-------------|-------------|
| 175 | 139 | 131 | 140 | 146 | 147 |
| 368 | 353 | 356 | 350 | 368 | 364 |
| 543 | 492 | 487 | 490 | 514 | 511 |

**KETTERING CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

CAPITAL ASSET STATISTICS BY BUILDING
LAST TEN FISCAL YEARS

| | <u>2012</u> | <u>2013</u> | <u>2014</u> | <u>2015</u> |
|-------------------------------------|-------------|-------------|-------------|-------------|
| Secondary | | | | |
| Kettering Fairmont High School | | | | |
| Square Footage | 420,517 | 420,517 | 420,517 | 420,517 |
| Capacity (students) | 3,725 | 3,725 | 3,725 | 3,725 |
| Enrollment | 2,233 | 2,150 | 2,167 | 2,205 |
| Middle | | | | |
| Kettering Middle School | | | | |
| Square Footage | 245,522 | 245,522 | 245,522 | 245,522 |
| Capacity (students) | 2,250 | 2,250 | 2,250 | 2,250 |
| Enrollment | 965 | 942 | 962 | 989 |
| Van Buren Middle School | | | | |
| Square Footage | 103,184 | 103,184 | 103,184 | 103,184 |
| Capacity (students) | 960 | 960 | 960 | 960 |
| Enrollment | 739 | 728 | 690 | 635 |
| Elementary | | | | |
| Beavertown Elementary School | | | | |
| Square Footage | 47,347 | 47,347 | 47,347 | 47,347 |
| Capacity (students) | 530 | 530 | 530 | 530 |
| Enrollment | 338 | 369 | 353 | 340 |
| Greenmont Elementary School | | | | |
| Square Footage | 45,633 | 45,633 | 45,633 | 45,633 |
| Capacity (students) | 720 | 720 | 720 | 720 |
| Enrollment | 314 | 324 | 325 | 317 |
| Indian Riffle Elementary School | | | | |
| Square Footage | 102,000 | 102,000 | 102,000 | 102,000 |
| Capacity (students) | 1,300 | 1,300 | 1,300 | 1,300 |
| Enrollment | 438 | 456 | 433 | 444 |
| J.F.Kennedy Elementary School | | | | |
| Square Footage | 106,000 | 106,000 | 106,000 | 106,000 |
| Capacity (students) | 1,000 | 1,000 | 1,000 | 1,000 |
| Enrollment | 547 | 577 | 600 | 617 |
| Moraine Meadows Elementary School * | | | | |
| Square Footage | 26,732 | 26,732 | 26,732 | 26,732 |
| Capacity (students) | 418 | 418 | 418 | 418 |
| Enrollment | 0 | 0 | 0 | 0 |

| 2016 | 2017 | 2018 | 2019 | 2020 | 2021 |
|-------------|-------------|-------------|-------------|-------------|-------------|
| 420,517 | 420,517 | 420,517 | 426,517 | 426,517 | 449,242 |
| 3,725 | 3,725 | 3,725 | 3,725 | 3,725 | 3,725 |
| 2,234 | 2,225 | 2,276 | 2,233 | 2,310 | 2,293 |
| 245,522 | 245,522 | 245,522 | 245,522 | 245,522 | 245,522 |
| 2,250 | 2,250 | 2,250 | 2,250 | 2,250 | 2,250 |
| 1,004 | 1,004 | 1,028 | 1,024 | 1,096 | 1,080 |
| 103,184 | 103,184 | 103,184 | 103,184 | 103,184 | 115,985 |
| 960 | 960 | 960 | 960 | 960 | 960 |
| 631 | 653 | 684 | 732 | 714 | 672 |
| 47,347 | 47,347 | 47,347 | 47,347 | 47,347 | 58,755 |
| 530 | 530 | 530 | 530 | 530 | 530 |
| 346 | 376 | 368 | 332 | 381 | 317 |
| 45,633 | 45,633 | 45,633 | 45,633 | 45,633 | 70,000 |
| 720 | 720 | 720 | 720 | 720 | 720 |
| 344 | 343 | 333 | 342 | 404 | 297 |
| 102,000 | 102,000 | 102,000 | 102,000 | 102,000 | 102,000 |
| 1,300 | 1,300 | 1,300 | 1,300 | 1,300 | 1,300 |
| 470 | 497 | 484 | 486 | 581 | 524 |
| 106,000 | 106,000 | 106,000 | 106,000 | 106,000 | 109,672 |
| 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 |
| 615 | 616 | 636 | 592 | 622 | 524 |
| 26,732 | 26,732 | 26,732 | 26,732 | 26,732 | 26,732 |
| 418 | 418 | 418 | 418 | 418 | 418 |
| 0 | 0 | 0 | 0 | 0 | 0 |

(Continued)

**KETTERING CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

CAPITAL ASSET STATISTICS BY BUILDING (CONTINUED)
LAST TEN FISCAL YEARS

| | <u>2012</u> | <u>2013</u> | <u>2014</u> | <u>2015</u> |
|---------------------------------|-------------|-------------|-------------|-------------|
| Oakview Elementary School | | | | |
| Square Footage | 49,056 | 49,056 | 49,056 | 49,056 |
| Capacity (students) | 500 | 500 | 500 | 500 |
| Enrollment | 382 | 390 | 379 | 411 |
| Orchard Park Elementary School | | | | |
| Square Footage | 34,189 | 34,189 | 34,189 | 34,189 |
| Capacity (students) | 450 | 450 | 450 | 450 |
| Enrollment | 264 | 320 | 319 | 318 |
| J.E.Prass Elementary School | | | | |
| Square Footage | 47,264 | 47,264 | 47,264 | 47,264 |
| Capacity (students) | 570 | 570 | 570 | 570 |
| Enrollment | 364 | 414 | 420 | 437 |
| Southdale Elementary School | | | | |
| Square Footage | 47,185 | 47,185 | 47,185 | 47,185 |
| Capacity (students) | 530 | 530 | 530 | 530 |
| Enrollment | 544 | 595 | 595 | 560 |
| All Other | | | | |
| Central Administration Building | | | | |
| Square Footage | 26,968 | 26,968 | 26,968 | 26,968 |
| Occupancy | 153 | 153 | 153 | 153 |
| Transportation Building | | | | |
| Square Footage | 30,000 | 30,000 | 30,000 | 30,000 |
| Maintenance Building | | | | |
| Square Footage | 15,000 | 15,000 | 15,000 | 15,000 |

Source: District records

* Moraine Meadows Elementary School was closed during 2011.

| 2016 | 2017 | 2018 | 2019 | 2020 | 2021 |
|-------------|-------------|-------------|-------------|-------------|-------------|
| 49,056 | 49,056 | 49,056 | 49,056 | 49,056 | 60,636 |
| 500 | 500 | 500 | 500 | 500 | 500 |
| 412 | 412 | 398 | 401 | 439 | 406 |
| 34,189 | 34,189 | 34,189 | 34,189 | 34,189 | 54,026 |
| 450 | 450 | 450 | 450 | 450 | 450 |
| 330 | 342 | 358 | 335 | 337 | 350 |
| 47,264 | 47,264 | 47,264 | 47,264 | 47,264 | 59,274 |
| 570 | 570 | 570 | 570 | 570 | 570 |
| 415 | 428 | 403 | 427 | 432 | 428 |
| 47,185 | 47,185 | 47,185 | 47,185 | 47,185 | 62,948 |
| 530 | 530 | 530 | 530 | 530 | 530 |
| 568 | 509 | 493 | 513 | 523 | 512 |
| 26,968 | 26,968 | 26,968 | 26,968 | 26,968 | 24,008 |
| 153 | 153 | 153 | 153 | 153 | 153 |
| 30,000 | 30,000 | 30,000 | 30,000 | 30,000 | 30,000 |
| 15,000 | 15,000 | 15,000 | 15,000 | 15,000 | 15,000 |

**KETTERING CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

EDUCATIONAL AND OPERATIONAL STATISTICS
LAST TEN FISCAL YEARS

| | <u>2012</u> | <u>2013</u> | <u>2014</u> | <u>2015</u> |
|---------------------------------|-------------|-------------|-------------|-------------|
| ACT Scores (Average) | | | | |
| Kettering | 23.1 | 24.0 | 23.7 | 23.8 |
| Ohio | 21.8 | 21.8 | 22.0 | 22.0 |
| National | 21.1 | 20.9 | 21.0 | 21.0 |
| SAT Scores (Average) (2) | | | | |
| Kettering | | | | |
| Verbal/Critical Reading | 548 | 556 | 553 | 551 |
| Mathematical | 563 | 566 | 549 | 556 |
| Writing | N/A | 536 | 518 | 514 |
| Ohio | | | | |
| Verbal/Critical Reading | 534 | 548 | 555 | 557 |
| Mathematical | 552 | 556 | 562 | 563 |
| Writing | N/A | 531 | 535 | 537 |
| National | | | | |
| Verbal/Critical Reading | 492 | 496 | 497 | 495 |
| Mathematical | 514 | 514 | 513 | 511 |
| Writing | N/A | 488 | 487 | 484 |
| National Merit Scholars | | | | |
| Finalist | 1 | 3 | 1 | 3 |
| Semi-Finalist | 1 | 3 | 1 | 3 |
| Commended Scholars | 4 | 5 | 5 | 6 |
| Hispanic Scholars | N/A | N/A | N/A | N/A |
| Cost per Student (ODE) | | | | |
| Kettering | \$12,005 | \$11,070 | \$11,656 | \$12,131 |
| Ohio (Average) | \$10,597 | \$10,185 | \$10,394 | \$10,913 |
| Attendance Rate | | | | |
| Kettering | 96.0% | 96.0% | 96.1% | 96.0% |
| Ohio (Average) | 94.5% | 94.2% | 94.3% | 94.1% |
| Graduation Rate (1) | | | | |
| Kettering | 92.4% | 92.4% | 95.7% | 94.3% |
| Ohio (Average) | 80.0% | 81.3% | 82.2% | 82.2% |

Source:

District records and Ohio Department of Education
N/A = Not Available

Notes:

- (1) The Ohio Department of Education changed the method of calculating the graduation rate to a 4-year cohort during fiscal year 2012.
- (2) Beginning in fiscal year 2015, Juniors who are college bound were able to take the test. However, only the scores of Seniors are reported in the table above.

| 2016 | 2017 | 2018 | 2019 | 2020 | 2021 |
|----------|----------|----------|----------|----------|----------|
| 23.6 | 20.9 | 21.0 | 20.4 | 21.0 | 20.5 |
| 22.0 | 19.8 | 20.3 | 20.3 | 19.9 | 20.0 |
| 20.8 | 21.0 | 20.9 | 20.9 | 20.8 | 20.3 |
| 479 | 588 | 622 | 607 | 591 | 619 |
| 485 | 589 | 628 | 584 | 602 | 634 |
| 457 | N/A | N/A | N/A | N/A | N/A |
| 556 | 570 | 552 | 550 | 578 | 525 |
| 563 | 565 | 547 | 548 | 570 | 523 |
| 537 | N/A | N/A | N/A | N/A | N/A |
| 494 | 538 | 536 | 531 | 528 | 533 |
| 508 | 533 | 531 | 528 | 523 | 528 |
| 482 | N/A | N/A | N/A | N/A | N/A |
| 2 | 2 | 0 | 3 | 0 | 0 |
| 2 | 0 | 1 | 0 | 0 | 0 |
| 3 | 4 | 4 | 7 | 2 | 2 |
| 1 | 0 | 2 | 1 | 0 | 0 |
| \$10,230 | \$10,336 | \$11,020 | \$11,122 | \$11,208 | \$11,561 |
| \$8,840 | \$9,149 | \$9,353 | \$9,724 | \$9,883 | \$10,336 |
| 96.0% | 95.9% | 96.0% | 95.7% | 96.4% | 97.2% |
| 94.1% | 93.1% | N/A | N/A | N/A | N/A |
| 92.6% | 92.5% | 93.6% | 95.3% | 90.7% | 94.2% |
| 83.0% | 83.6% | 84.1% | 85.3% | 85.9% | 85.9% |

This page intentionally left blank.

OHIO AUDITOR OF STATE KEITH FABER



KETTERING CITY SCHOOL DISTRICT

MONTGOMERY COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

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



Certified for Release 3/3/2022

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

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