



OHIO AUDITOR OF STATE
KEITH FABER



**JEFFERSON AREA LOCAL SCHOOL DISTRICT
ASHTABULA COUNTY
JUNE 30, 2024**

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JEFFERSON AREA LOCAL SCHOOL DISTRICT
ASHTABULA COUNTY
JUNE 30, 2024

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65 East State Street
Columbus, Ohio 43215
ContactUs@ohioauditor.gov
800-282-0370

INDEPENDENT AUDITOR'S REPORT

Jefferson Area Local School District
Ashtabula County
121 South Poplar Street
Jefferson, Ohio 44047

To the Board of Education:

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Jefferson Area Local School District, Ashtabula County, Ohio (District), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Jefferson Area Local School District, Ashtabula County, Ohio as of June 30, 2024, and the respective changes in financial position thereof and the budgetary comparison for the General fund for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Efficient • Effective • Transparent

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

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

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

Required Supplementary Information

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

Supplementary information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The Schedule of Expenditures of Federal Awards as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards is presented for purposes of additional analysis and is not a required part of the basic financial statements.

Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of federal Awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 11, 2025, 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. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.



Keith Faber
Auditor of State
Columbus, Ohio

February 11, 2025

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Jefferson Area Local School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2024
Unaudited

The management's discussion and analysis of Jefferson Area Local School District's (the School District) financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2024. The intent of this discussion and analysis is to look at the School 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 School District's financial performance.

Financial Highlights

Key highlights for fiscal year 2024 are as follows:

- The School District actively pursues grants and controls expenses while still maintaining the high academic standards the residents expect of the School District.
- The School District is committed to meeting the academic needs of our students by providing them with updated instructional materials to compete in a global environment.

Using this Annual Financial Report (AFR)

This annual report consists of a series of financial statements and notes pertaining to those statements. These statements are organized so the reader can understand Jefferson Area Local School District as a financial whole, or complete 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 School District, presenting both an aggregate and longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements explain how services were financed in the short-term as well as what remains for future spending. The fund financial statements also look at the School District's most significant funds with all other non-major funds presented in total in one column. In the case of Jefferson Area Local School District, the general and bond retirement debt service funds are the most significant funds.

Reporting the School District as a Whole

Statement of Net Position and the Statement of Activities

While this document contains all the funds used by the School District to provide programs and activities, the view of the School District as a whole considers all financial transactions and asks the question, "How did we do financially during 2024?" The statement of net position and the statement of activities answers this question. These statements include all assets and deferred outflows of resources and liabilities and deferred inflows of resources using the accrual basis of accounting, similar to the accounting used by most private-sector companies. Accrual accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

These two statements report the School District's net position and changes in the position. This change in net position is important because it tells the reader that, for the School District as a whole, the financial position of the School 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 School District's performance, demographic and socioeconomic factors and willingness of the community to support the School District.

Jefferson Area Local School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2024
Unaudited

In the statement of net position and the statement of activities, all of the School District's activities are classified as governmental. All of the School District's programs and services are reported here including instruction, support services, operation and maintenance of plant, pupil transportation, operation of food service and extracurricular activities.

Reporting the School District's Most Significant Funds

Fund Financial Statements

The analysis of the School District's major funds begins on page 10. Fund financial reports provide detailed information about the School District's major funds. The School District uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the School District's most significant funds. The School District's major governmental funds are the general fund and the bond retirement debt service fund.

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

Fiduciary Funds Fiduciary funds are used to account for resources held for the benefit of parties outside the School District. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the School District's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The School District's only fiduciary fund is custodial.

The School District as a Whole

Recall that the statement of net position provides the perspective of the School District as a whole. Table 1 provides a comparison of the School District's net position for 2024 compared to 2023:

Table 1
Net Position
Governmental Activities

	<u>2024</u>	<u>2023</u>	<u>Change</u>
Assets			
Current and Other Assets	\$25,468,830	\$20,877,811	\$4,591,019
Net OPEB Asset	1,098,307	1,452,032	(353,725)
Capital Assets	42,627,738	42,222,728	405,010
<i>Total Assets</i>	<i>\$69,194,875</i>	<i>\$64,552,571</i>	<i>\$4,642,304</i>

(continued)

Jefferson Area Local School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2024
Unaudited

Table 1
 Net Position (continued)
 Governmental Activities

	2024	2023	Change
Deferred Outflows of Resources			
Pension	\$3,152,241	\$3,833,525	(\$681,284)
OPEB	<u>555,585</u>	<u>345,870</u>	<u>209,715</u>
<i>Total Deferred Outflows of Resources</i>	<u>3,707,826</u>	<u>4,179,395</u>	<u>(471,569)</u>
Liabilities			
Current Liabilities	2,218,064	1,787,816	(430,248)
Long-Term Liabilities:			
Due within One Year	1,277,322	1,185,774	(91,548)
Due in More than One Year:			
Net Pension Liability	15,297,199	15,655,374	358,175
Net OPEB Liability	962,646	846,971	(115,675)
Other Amounts Due in More Than One Year	<u>9,795,794</u>	<u>10,884,836</u>	<u>1,089,042</u>
<i>Total Liabilities</i>	<u>29,551,025</u>	<u>30,360,771</u>	<u>809,746</u>
Deferred Inflows of Resources			
Deferred Charges on Refunding	329,485	372,463	42,978
Property Taxes	<u>7,599,684</u>	<u>6,470,492</u>	<u>(1,129,192)</u>
Pension	1,146,151	1,597,469	451,318
OPEB	<u>1,770,725</u>	<u>2,178,458</u>	<u>407,733</u>
<i>Total Deferred Inflows of Resources</i>	<u>10,846,045</u>	<u>10,618,882</u>	<u>(227,163)</u>
Net Position			
Net Investment in Capital Assets	31,825,298	30,732,696	1,092,602
Restricted for:			
Capital Projects	2,099,301	1,915,366	183,935
Debt Service	2,363,682	2,044,996	318,686
OPEB Plan	1,098,307	334,692	763,615
Unclaimed Monies	1,629	992	637
Other Purposes	1,526,572	1,551,978	(25,406)
Unrestricted (Deficit)	<u>(6,409,158)</u>	<u>(8,828,407)</u>	<u>2,419,249</u>
<i>Total Net Position</i>	<u>\$32,505,631</u>	<u>\$27,752,313</u>	<u>\$4,753,318</u>

The net pension liability (NPL) is the largest single liability reported by the School District at June 30, 2024. GASB notes that pension and OPEB obligations, whether funded or unfunded, are part of the “employment exchange” – that is, the employee is trading his or her labor in exchange for wages, benefits, and the promise of a future pension and other postemployment benefits. GASB noted that the unfunded portion of this promise is a present obligation of the government, part of a bargained-for benefit to the employee, and should accordingly be reported by the government as a liability since they received the benefit of the exchange. However, the School 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.

Jefferson Area Local School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2024
Unaudited

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 an effort to promote comparability with other governments, the School District updated its calculation of net position restricted for OPEB plans for fiscal year 2024. This change impacted the amounts presented as net position restricted for OPEB plans and unrestricted net position. GASB 100 does not require amounts prior to those presented in the basic financial statements to be updated for a change in accounting principle.

In order to further understand what makes up the changes in net position for the current year, the following table gives readers further details regarding the results of activities for 2024 and 2023.

Table 2
 Change in Net Position
 Governmental Activities

	2024	2023	Change
Revenues			
<i>Program Revenues:</i>			
Charges for Services and Sales	\$806,069	\$905,850	(\$99,781)
Operating Grants and Contributions	3,733,478	5,168,521	(1,435,043)
Capital Grants	<u>40,159</u>	<u>41,497</u>	<u>(1,338)</u>
Total Program Revenues	<u>4,579,706</u>	<u>6,115,868</u>	<u>(1,536,162)</u>
<i>General Revenues:</i>			
Property Taxes	8,335,690	6,996,548	1,339,142
Grants and Entitlements not Restricted to Specific Programs	11,144,943	9,245,363	1,899,580
Unrestricted Contributions	5,382	8,313	(2,931)
Investment Earnings and Other Interest	442,757	213,132	229,625
Miscellaneous	<u>362,014</u>	<u>588,761</u>	<u>(226,747)</u>
Total General Revenues	<u>20,290,786</u>	<u>17,052,117</u>	<u>3,238,669</u>
Total Revenues	<u><u>\$24,870,492</u></u>	<u><u>\$23,167,985</u></u>	<u><u>\$1,702,507</u></u>

(continued)

Jefferson Area Local School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2024
Unaudited

Table 2
 Change in Net Position
 Governmental Activities (continued)

	2024	2023	Change
Program Expenses			
Instruction	\$10,502,317	\$12,150,513	\$1,648,196
Support Services:			
Pupil and Instructional Staff	1,953,785	1,852,109	(101,676)
Board of Education, Administration, Fiscal and Business	2,212,838	2,302,502	89,664
Operation and Maintenance of Plant	2,060,322	1,941,026	(119,296)
Pupil Transportation	1,319,121	1,632,300	313,179
Central	196,055	212,871	16,816
Operation of Non-instructional Services	120,634	111,555	(9,079)
Operation of Food Services	823,663	721,014	(102,649)
Extracurricular Activities	775,186	855,415	80,229
Interest	153,253	178,076	24,823
Total Program Expenses	20,117,174	21,957,381	1,840,207
Change in Net Position	4,753,318	1,210,604	3,542,714
Net Position Beginning of Year	27,752,313	26,541,709	1,210,604
Net Position End of Year	\$32,505,631	\$27,752,313	\$4,753,318

Governmental Activities

The School District has carefully planned its financial existence by forecasting its revenues and expenses over the next five years.

The unique nature of property taxes in Ohio creates the need to routinely seek voter approval for operating funds. The overall revenue generated by a voted levy does not increase solely as a result of inflation. It increases as a result of new construction or collection from a new voted levy. Although school districts experience inflationary growth in expenses, tax revenue does not keep pace with the increased expenses due to House Bill 920. As an example, a homeowner with a home valued at \$100,000 and taxed at 1.0 mill would pay \$35.00 annually in taxes. If three years later the home were reappraised and increased to \$200,000 (and this inflationary increase in value is comparable to other property owners) the effective tax rate would become .5 mills and the owner would still pay \$35.00 and the School District would collect the same dollar value the levy generated in the year it passed. The 10 percent rollback on all residential/agricultural property and the 2.5 percent rollback on all owner occupied homes would reduce the amount of taxes paid. Thus School District's dependence upon property taxes is hampered by a lack of revenue growth so it must regularly return to the voters to maintain a constant level of service. Property taxes made up 33.52 percent of total revenues for governmental activities in fiscal year 2024. This is an increase of 3.32 percent from the previous fiscal year.

Although the School District relies upon local property taxes to support its operations, a large share of general fund revenue is received from the State of Ohio through the State Foundation Formula. This funding is directly impacted by the enrollment of the School District. The School District also actively solicits and receives additional grant and entitlement funds to help offset operating costs.

Jefferson Area Local School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2024
Unaudited

There was a decrease in program expenses compared to the prior year due to a reduction of capital expenditures as well as a shortage of full-time bus drivers during most of the year. This resulted in fewer expenses because of reduced rates for subs and non-eligibility for insurance benefits.

The statement of activities shows the cost of program services and the charges for services and grants offsetting those services. Table 3 shows, for governmental activities, the total cost of services and the net cost of services for 2024 compared to 2023.

Table 3
 Total and Net Cost of Program Services
 Governmental Activities

	2024		2023	
	Total Cost of Service	Net Cost of Service	Total Cost of Service	Net Cost of Service
Instruction	\$10,502,317	\$8,144,131	\$12,150,513	\$9,374,184
Support Services:				
Pupil and Instructional Staff	1,953,785	1,471,948	1,852,109	162,188
Board of Education, Administration, Fiscal and Business	2,212,838	1,964,623	2,302,502	1,949,467
Operation and Maintenance of Plant	2,060,322	1,740,812	1,941,026	1,843,370
Pupil Transportation	1,319,121	1,162,904	1,632,300	1,420,043
Central	196,055	188,671	212,871	205,671
Operation of Non-Instructional Services	120,634	110,719	111,555	94,620
Operation of Food Services	823,663	(23,979)	721,014	(70,962)
Extracurricular Activities	775,186	624,386	855,415	684,856
Interest	<u>153,253</u>	<u>153,253</u>	<u>178,076</u>	<u>178,076</u>
Total	<u><u>\$20,117,174</u></u>	<u><u>\$15,537,468</u></u>	<u><u>\$21,957,381</u></u>	<u><u>\$15,841,513</u></u>

The School District's Funds

Information about the School District's major funds starts with the balance sheet. These funds are accounted for using the modified accrual basis of accounting. The general fund revenues increased as a result of an increase in property taxes, intergovernmental, tuition and fees and investment earnings and other interest. The general fund had an increase in expenditures from the prior fiscal year. Overall revenues outpaced expenditures and the general fund ended the year with an increase in fund balance. The bond retirement fund balance increased due to revenues exceeding the pay down of debt during the current fiscal year. The School District continues to look for grants to help offset the operating expenditures of the School District and to better provide services to our students.

General Fund Budgeting Highlights

The School 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.

Jefferson Area Local School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2024
Unaudited

During the course of fiscal year 2024, the School District amended its general fund budget several times. For the general fund, the actual revenue was in line with the final budget basis revenue as the School District requested a year-end amended certificate that matched actual revenues. The School District's actual expenditures were slightly lower than the final budgeted appropriations. The School District continues to provide a quality education while still controlling the costs of that quality education.

Capital Assets and Debt Administration

Capital Assets

Table 4 shows fiscal year 2024 balances compared to fiscal year 2023:

Table 4
Capital Assets at June 30
Net of Depreciation
Governmental Activities

	2024	2023	Change
Land	\$646,340	\$646,340	\$0
Land Improvements	2,040,313	1,697,536	342,777
Buildings and Improvements	37,508,855	38,550,744	(1,041,889)
Furniture and Fixtures	1,614,205	622,873	991,332
Vehicles	815,399	695,323	120,076
Intangible Right to Use Lease - Equipment	2,626	3,793	(1,167)
Intangible Right to Use Subscription - Software	0	6,119	(6,119)
Total	<u>\$42,627,738</u>	<u>\$42,222,728</u>	<u>\$405,010</u>

The increase in capital assets was the result of additions exceeding an additional year of annual depreciation/amortization on all capital assets, other than land. Additions included land improvements, building improvements, vehicles and equipment. See Note 14 for additional information.

Debt

At June 30, 2024, the School District had \$10,175,250 in bonds outstanding with \$1,040,000 due within one year. Table 5 summarizes general obligation bonds outstanding for governmental activities.

Table 5
Outstanding Debt at June 30
Governmental Activities

	2024	2023	Change
2020 Refunding Bonds	<u>\$10,175,250</u>	<u>\$11,113,326</u>	<u>(\$938,076)</u>

More information regarding long-term debt obligations of the School District is presented in Note 15.

Jefferson Area Local School District

Management's Discussion and Analysis

For the Fiscal Year Ended June 30, 2024

Unaudited

Challenges and Opportunities

The Board of Education and administration closely monitor its revenues and expenditures in accordance with its financial forecast. The financial future of the School District is not without its challenges. These challenges stem from issues that are local and at the State level. The local challenges will continue to exist, as the School District must rely heavily on property taxes to fund its operations. State level challenges continue to evolve as the State of Ohio determines the outcome of the Ohio Supreme Court case dealing with the constitutionality of the State's educational funding system. Although the School District relies heavily on its property taxpayers to support its operations, the community support for the schools is quite strong.

With the School District facing economic challenges in the future due to State and Federal reductions and unsettled issues in school funding, the Board of Education continues to place cost reduction factors into the budget. Like many school districts in the State of Ohio the School District remains vigilant to financially meet the academic needs of all of the students as well as remain cost efficient in its operations. All of the School District's financial abilities will be needed to meet the challenges of the future.

Contacting the School District's Financial Management

This financial report is designed to provide our citizens, taxpayers, and investors and creditors with a general overview of the School District's finances and to show the School District's accountability for the money it receives. If you have questions about this report or need additional financial information contact Brian Stevens, Treasurer, Jefferson Area Local Schools, 121 South Poplar Street, Jefferson, Ohio 44047.

Basic Financial Statements

Jefferson Area Local School District

Statement of Net Position

June 30, 2024

	Governmental Activities
Assets	
Equity in Pooled Cash and Cash Equivalents	\$16,393,696
Accounts Receivable	13,832
Intergovernmental Receivable	255,053
Prepaid Items	20,627
Inventory Held for Resale	24,016
Materials and Supplies Inventory	5,263
Property Taxes Receivable	8,756,343
Net OPEB Asset (See Note 22)	1,098,307
Nondepreciable Capital Assets	646,340
Depreciable Capital Assets, Net	<u>41,981,398</u>
<i>Total Assets</i>	<u>69,194,875</u>
Deferred Outflows of Resources	
Pension	3,152,241
OPEB	<u>555,585</u>
<i>Total Deferred Outflows of Resources</i>	<u>3,707,826</u>
Liabilities	
Accounts Payable	120,029
Contracts Payable	294,565
Accrued Wages and Benefits	1,471,488
Intergovernmental Payable	307,347
Unearned Revenue	609
Accrued Interest Payable	24,026
Long-Term Liabilities:	
Due Within One Year	1,277,322
Due In More Than One Year:	
Net Pension Liability (See Note 21)	15,297,199
Net OPEB Liability (See Note 22)	962,646
Other Amounts	<u>9,795,794</u>
<i>Total Liabilities</i>	<u>29,551,025</u>
Deferred Inflows of Resources	
Deferred Charges on Refunding	329,485
Property Taxes	7,599,684
Pension	1,146,151
OPEB	<u>1,770,725</u>
<i>Total Deferred Inflows of Resources</i>	<u>10,846,045</u>
Net Position	
Net Investment in Capital Assets	31,825,298
Restricted for:	
Capital Projects	2,099,301
Debt Service	2,363,682
OPEB Plan	1,098,307
Unclaimed Monies	1,629
Other Purposes	1,526,572
Unrestricted (Deficit)	<u>(6,409,158)</u>
<i>Total Net Position</i>	<u>\$32,505,631</u>

See accompanying notes to the basic financial statements

Jefferson Area Local School District

Statement of Activities

For the Fiscal Year Ended June 30, 2024

	Program Revenues			Net (Expense) Revenue and Changes in Net Position	
	Expenses	Charges for Services and Sales	Operating Grants and Contributions	Capital Grants	Governmental Activities
Governmental Activities					
Instruction:					
Regular	\$7,306,786	\$212,402	\$165,091	\$0	(\$6,929,293)
Special	3,195,531	77,412	1,903,281	0	(1,214,838)
Support Services:					
Pupil	1,194,523	30,399	144,739	0	(1,019,385)
Instructional Staff	759,262	13,473	293,226	0	(452,563)
Board of Education	23,236	0	0	0	(23,236)
Administration	1,551,420	39,991	189,792	0	(1,321,637)
Fiscal	632,378	18,432	0	0	(613,946)
Business	5,804	0	0	0	(5,804)
Operation and Maintenance of Plant	2,060,322	50,890	228,461	40,159	(1,740,812)
Pupil Transportation	1,319,121	40,185	116,032	0	(1,162,904)
Central	196,055	0	7,384	0	(188,671)
Operation of Non-Instructional Services	120,634	9,915	0	0	(110,719)
Operation of Food Services	823,663	167,716	679,926	0	23,979
Extracurricular Activities	775,186	145,254	5,546	0	(624,386)
Interest	153,253	0	0	0	(153,253)
<i>Totals</i>	<u>\$20,117,174</u>	<u>\$806,069</u>	<u>\$3,733,478</u>	<u>\$40,159</u>	<u>(15,537,468)</u>
General Revenues					
Property Taxes Levied for:					
General Purposes				6,556,986	
Debt Service				1,307,934	
Capital Outlay				369,898	
Classroom Facilities Maintenance				100,872	
Grants and Entitlements not Restricted					
to Specific Programs				11,144,943	
Unrestricted Contributions				5,382	
Investment Earnings and Other Interest				442,757	
Miscellaneous				<u>362,014</u>	
<i>Total General Revenues</i>				<u>20,290,786</u>	
Change in Net Position				4,753,318	
<i>Net Position Beginning of Year</i>				<u>27,752,313</u>	
<i>Net Position End of Year</i>				<u>\$32,505,631</u>	

See accompanying notes to the basic financial statements

Jefferson Area Local School District

*Balance Sheet
Governmental Funds
June 30, 2024*

	General	Bond Retirement	Other Governmental Funds	Total Governmental Funds
Assets				
Equity in Pooled Cash and Cash Equivalents	\$10,553,927	\$2,253,439	\$3,584,701	\$16,392,067
Restricted Assets:				
Cash and Cash Equivalents	1,629	0	0	1,629
Accounts Receivable	6,305	0	7,527	13,832
Intergovernmental Receivable	162,886	0	92,167	255,053
Interfund Receivable	24,636	0	0	24,636
Inventory Held for Resale	0	0	24,016	24,016
Materials and Supplies Inventory	0	0	5,263	5,263
Property Taxes Receivable	6,845,059	1,456,134	455,150	8,756,343
Prepaid Items	20,627	0	0	20,627
<i>Total Assets</i>	<u>\$17,615,069</u>	<u>\$3,709,573</u>	<u>\$4,168,824</u>	<u>\$25,493,466</u>
Liabilities, Deferred Inflows of Resources and Fund Balances				
Liabilities				
Accounts Payable	\$94,230	\$0	\$25,799	\$120,029
Contracts Payable	0	0	294,565	294,565
Accrued Wages and Benefits	1,378,195	0	93,293	1,471,488
Interfund Payable	0	0	24,636	24,636
Intergovernmental Payable	290,495	0	16,852	307,347
Unearned Revenue	0	0	609	609
<i>Total Liabilities</i>	<u>1,762,920</u>	<u>0</u>	<u>455,754</u>	<u>2,218,674</u>
Deferred Inflows of Resources				
Property Taxes	5,891,877	1,321,865	385,942	7,599,684
Unavailable Revenue	<u>371,242</u>	<u>62,873</u>	<u>51,109</u>	<u>485,224</u>
<i>Total Deferred Inflows of Resources</i>	<u>6,263,119</u>	<u>1,384,738</u>	<u>437,051</u>	<u>8,084,908</u>
Fund Balances				
Nonspendable	22,256	0	5,263	27,519
Restricted	0	2,324,835	3,315,221	5,640,056
Committed	80,052	0	0	80,052
Assigned	165,210	0	0	165,210
Unassigned (Deficit)	9,321,512	0	(44,465)	9,277,047
<i>Total Fund Balances</i>	<u>9,589,030</u>	<u>2,324,835</u>	<u>3,276,019</u>	<u>15,189,884</u>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i>	<u><u>\$17,615,069</u></u>	<u><u>\$3,709,573</u></u>	<u><u>\$4,168,824</u></u>	<u><u>\$25,493,466</u></u>

See accompanying notes to the basic financial statements

Jefferson Area Local School District
*Reconciliation of Total Governmental Fund Balances to
 Net Position of Governmental Activities
 June 30, 2024*

Total Governmental Fund Balances \$15,189,884

*Amounts reported for governmental activities in the statement of
 net position are different because:*

Capital assets used in governmental activities are not financial
 resources and therefore are not reported in the funds. 42,627,738

Other long-term assets are not available to pay for current-period
 expenditures and therefore are reported as unavailable in the funds.

Delinquent Property Taxes	359,354
Intergovernmental	33,137
Miscellaneous	779
Tuition and Fees	85,192
Ohio School Council Refund	6,762

Total 485,224

In the statement of activities, interest is accrued on outstanding
 bonds, whereas in governmental funds, an interest
 expenditure is reported when due. (24,026)

Deferred inflows of resources includes deferred charges on refundings,
 which are not reported in the funds. (329,485)

Long-term liabilities are not due and payable in the current period
 and therefore are not reported in the funds.

General Obligation Bonds	(10,175,250)
Leases Payable	(3,140)
Compensated Absences	(894,726)

Total (11,073,116)

The net pension/OPEB assets/liabilities and net OPEB liability are not due
 and payable in the current period; therefore, the asset/liability and related
 deferred inflows/outflows are not reported in governmental funds.

Deferred Outflows - Pension	3,152,241
Deferred Inflows - Pension	(1,146,151)
Net Pension Liability	(15,297,199)
Net OPEB Asset	1,098,307
Deferred Outflows - OPEB	555,585
Deferred Inflows - OPEB	(1,770,725)
Net OPEB Liability	(962,646)

Total (14,370,588)

Net Position of Governmental Activities \$32,505,631

See accompanying notes to the basic financial statements

Jefferson Area Local School District
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended June 30, 2024

	General	Bond Retirement	(Formerly Major) Elementary and Secondary School Emergency Relief	Other Governmental Funds	Total Governmental Funds
Revenues					
Property Taxes	\$6,580,437	\$1,313,176		\$478,642	\$8,372,255
Intergovernmental	12,231,395	171,513		2,478,705	14,881,613
Investment Earnings and Other Interest	442,757	0		0	442,757
Tuition and Fees	508,971	0		0	508,971
Extracurricular Activities	5,519	0		139,735	145,254
Charges for Services	0	0		167,716	167,716
Contributions and Donations	5,382	0		35,631	41,013
Miscellaneous	314,130	0		48,417	362,547
<i>Total Revenues</i>	<i>20,088,591</i>	<i>1,484,689</i>		<i>3,348,846</i>	<i>24,922,126</i>
Expenditures					
Current:					
Instruction:					
Regular	7,132,266	0		158,837	7,291,103
Special	2,598,288	0		648,216	3,246,504
Support Services:					
Pupil	1,019,508	0		168,394	1,187,902
Instructional Staff	450,282	0		306,424	756,706
Board of Education	23,236	0		0	23,236
Administration	1,438,462	0		163,284	1,601,746
Fiscal	623,806	27,011		9,205	660,022
Business	4,117	0		0	4,117
Operation and Maintenance of Plant	1,738,114	0		197,683	1,935,797
Pupil Transportation	1,353,090	0		121,346	1,474,436
Central	187,052	0		9,003	196,055
Operation of Non-Instructional Services	99,796	0		4,723	104,519
Operation of Food Services	0	0		845,665	845,665
Extracurricular Activities	340,285	0		251,406	591,691
Capital Outlay	0	0		790,766	790,766
Debt Service:					
Principal Retirement	1,103	835,000		0	836,103
Interest	557	300,838		0	301,395
<i>Total Expenditures</i>	<i>17,009,962</i>	<i>1,162,849</i>		<i>3,674,952</i>	<i>21,847,763</i>
<i>Excess of Revenues Over (Under) Expenditures</i>	<i>3,078,629</i>	<i>321,840</i>		<i>(326,106)</i>	<i>3,074,363</i>
Other Financing Sources (Uses)					
Transfers In	0	0		181,243	181,243
Transfers Out	(181,243)	0		0	(181,243)
<i>Total Other Financing Sources (Uses)</i>	<i>(181,243)</i>	<i>0</i>		<i>181,243</i>	<i>0</i>
<i>Net Change in Fund Balances</i>	<i>2,897,386</i>	<i>321,840</i>		<i>(144,863)</i>	<i>3,074,363</i>
<i>Fund Balances (Deficit) Beginning of Year:</i>					
As Previously Reported	6,691,644	2,002,995	(12,790)	3,433,672	12,115,521
Adjustment - Change from major fund to nonmajor fund (See Note 4)	0	0	12,790	(12,790)	0
<i>Adjusted Fund Balances Beginning of Year</i>	<i>6,691,644</i>	<i>2,002,995</i>	<i>-</i>	<i>3,420,882</i>	<i>12,115,521</i>
<i>Fund Balances End of Year</i>	<i>\$9,589,030</i>	<i>\$2,324,835</i>		<i>\$3,276,019</i>	<i>\$15,189,884</i>

See accompanying notes to the basic financial statements

Jefferson Area Local School District
*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, 2024*

Net Change in Fund Balances - Total Governmental Funds \$3,074,363

***Amounts reported for governmental activities in the
 statement of activities are different because:***

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation/amortization expense. This is the amount by which capital outlay exceeded depreciation/amortization in the current period.

Capital Outlay	2,638,839	
Current Year Depreciation/Amortization	<u>(2,233,829)</u>	
 Total	 405,010	

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

Property Taxes	(36,565)	
Intergovernmental	1,336	
Tuition and Fees	(15,872)	
Miscellaneous	(533)	
Ohio School Council Refund	<u>6,762</u>	
 Total	 (44,872)	

Repayment of bond and lease principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.

Principal Retirement	835,000	
Leases Payable	<u>1,103</u>	
 Total	 836,103	

Accrued interest is reported in the statement of activities and does not require the use of current financial resources and therefore is not reported as an expenditure in the governmental funds.

Accrued Interest on Bonds	2,088	
Amortization of Premium on Bonds	103,076	
Amortization of Gain	<u>42,978</u>	
 Total	 148,142	

Compensated absences reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. 58,315

Contractually required contributions are reported as expenditures in governmental funds; however, the statement of net position reports these amounts as deferred outflows.

Pension	1,429,112	
OPEB	<u>42,261</u>	
 Total	 1,471,373	

Except for amounts reported as deferred inflows/outflows, changes in the net pension/OPEB asset/liabilities are reported as pension/OPEB expense in the statement of activities.

Pension	(1,300,903)	
OPEB	<u>105,787</u>	
 Total	 (1,195,116)	

Change in Net Position of Governmental Activities **\$4,753,318**

See accompanying notes to the basic financial statements

Jefferson Area Local School District
Statement of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund
For the Fiscal Year Ended June 30, 2024

	Budgeted Amounts			Variance with Final Budget
	Original	Final	Actual	
Revenues				
Property Taxes	\$5,476,500	\$6,302,363	\$6,302,363	\$0
Intergovernmental	10,622,300	12,182,172	12,182,172	0
Interest	225,000	442,757	442,757	0
Tuition and Fees	317,500	499,056	499,056	0
Miscellaneous	<u>441,055</u>	<u>264,814</u>	<u>264,814</u>	0
<i>Total Revenues</i>	<u>17,082,355</u>	<u>19,691,162</u>	<u>19,691,162</u>	0
Expenditures				
Current:				
Instruction:				
Regular	6,829,454	7,100,950	7,095,906	5,044
Special	2,774,410	2,588,270	2,588,270	0
Support Services:				
Pupil	601,263	993,471	993,471	0
Instructional Staff	370,439	464,564	462,964	1,600
Board of Education	23,230	23,236	23,236	0
Administration	1,442,120	1,410,223	1,407,348	2,875
Fiscal	659,948	632,685	632,370	315
Business	9,500	5,786	5,786	0
Operation and Maintenance of Plant	1,690,236	1,788,335	1,757,227	31,108
Pupil Transportation	1,302,127	1,367,728	1,349,237	18,491
Central	198,250	181,700	181,700	0
Operation of Non-Instructional Services	67,237	63,206	63,206	0
Extracurricular Activities	<u>283,879</u>	<u>326,144</u>	<u>326,144</u>	0
<i>Total Expenditures</i>	<u>16,252,093</u>	<u>16,946,298</u>	<u>16,886,865</u>	59,433
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>830,262</u>	<u>2,744,864</u>	<u>2,804,297</u>	59,433
Other Financing Sources (Uses)				
Advances Out	(50,000)	(181,243)	(181,243)	0
Transfers In	0	418	418	0
Transfers Out	<u>(418)</u>	<u>(25,054)</u>	<u>(25,054)</u>	0
<i>Total Other Financing Sources (Uses)</i>	<u>(50,418)</u>	<u>(205,879)</u>	<u>(205,879)</u>	0
<i>Net Change in Fund Balance</i>	779,844	2,538,985	2,598,418	59,433
<i>Fund Balance Beginning of Year</i>	7,588,905	7,588,905	7,588,905	0
Prior Year Encumbrances Appropriated	<u>59,433</u>	<u>59,433</u>	<u>59,433</u>	0
<i>Fund Balance End of Year</i>	<u>\$8,428,182</u>	<u>\$10,187,323</u>	<u>\$10,246,756</u>	<u>\$59,433</u>

See accompanying notes to the basic financial statements

Jefferson Area Local School District
Statement of Changes in Fiduciary Net Position
Custodial Fund
For the Fiscal Year Ended June 30, 2024

Additions

Collections for Other Organizations	\$5,042
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Deletions

Distributions to Other Organizations	<u>5,042</u>
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<i>Change in Net Position</i>	0
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<i>Net Position Beginning of Year</i>	<u>0</u>
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<i>Net Position End of Year</i>	<u><u>\$0</u></u>
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See accompanying notes to the basic financial statements

Jefferson Area Local School District

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2024

Note 1 – Description of the School District and Reporting Entity

Jefferson Area Local School District (the School District) is a body politic and corporate established for the purpose of exercising the rights and privileges conveyed to it by the constitution and laws of the State of Ohio.

The School District operates under a locally elected five member Board form of government and provides educational services as mandated by State and federal agencies. The Board of Education controls the School District's 6 instructional/support facilities staffed by 76 classified employees and 129 certified employees who provide services to 1,680 students and other community members.

Reporting Entity

A reporting entity is composed of the primary government, component units and other organizations that are included to ensure that the financial statements are not misleading. The primary government of the School District consists of all funds, departments, boards and agencies that are not legally separate from the School District. For the School District, this includes the agencies and departments that provide the following services: general operations, food service and student related activities of the School District.

Component units are legally separate organizations for which the School District is financially accountable. The School District is financially accountable for an organization if the School District appoints a voting majority of the organization's governing board and (1) the School District is able to significantly influence the programs or services performed or provided by the organization; or (2) the School District is legally entitled to or can otherwise access the organization's resources; the School District is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the School District is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the School District in that the School District approves the budget, the issuance of debt or the levying of taxes and there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government. The School District has no component units.

The School District is associated with two jointly governed organizations, one insurance purchasing pool and one risk sharing pools. These organizations are the Northeast Ohio Management Information Network, Ashtabula County Technical and Career Center, Ohio Schools Council Workers' Compensation Group Rating Program, and Ashtabula County Schools Council of Governments. These organizations are presented in Notes 17 and 18 to the basic financial statements.

Note 2 – Summary of Significant Accounting Policies

The financial statements of the School District have been prepared in conformity with generally accepted accounting principles (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 more significant of the School District's accounting policies are described as follows.

Basis of Presentation

The School District's basic financial statements consist of government-wide statements, including a statement of net position and a statement of activities and fund financial statements which provide a more detailed level of financial information.

Jefferson Area Local School District

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2024*

Government-wide Financial Statements The statement of net position and the statement of activities display information about the School District as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. These statements usually distinguish between those activities of the School District that are governmental and those that are considered business-type. The School District, however, has no business-type activities.

The statement of net position presents the financial condition of the governmental activities of the School District at fiscal year-end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the School District's governmental activities. Direct expenses are those that are specifically associated with a service, program or department and therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program and interest earned on grants that is required to be used to support a particular program. Revenues which are not classified as program revenues are presented as general revenues of the School District, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the School District.

Fund Financial Statements During the year, the School District segregates transactions related to certain School District functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the School District at this more detailed level. The focus of governmental fund financial statements is on major funds. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column. Fiduciary funds are reported by type.

Fund Accounting

The School 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. The various funds of the School District are grouped into the categories governmental and fiduciary.

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

General Fund The general fund is the operating fund of the School District and is used to account and report for all financial resources except those required to be accounted for and reported in another fund. The general fund balance is available to the School District for any purpose provided it is expended or transferred according to the general laws of Ohio.

Bond Retirement Fund The bond retirement fund accounts for and reports property tax revenues restricted for payment of principal and interest and fiscal charges on general obligation debt.

The other governmental funds of the School District account for grants and other resources whose use is restricted, committed or assigned to a particular purpose. The Elementary and Secondary School Emergency Relief special revenue fund is presented on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds as a formerly major fund as it no longer meets the quantitative threshold to be a major fund. Other than the beginning fund balance, no amounts are presented in the column as this fund's

Jefferson Area Local School District

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2024

2024 activity is presented in the other governmental funds column. Information for the beginning balance is presented to reflect the movement from major to nonmajor. The adjusted balance beginning of year includes a “-“ to indicate this amount is included with the nonmajor funds.

Fiduciary Funds Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into the following four classifications: pension (and other employee benefit) trust funds, investment trust funds, private-purpose trust funds and custodial funds. Trust funds are distinguished from custodial funds by the existence of a trust agreement or equivalent arrangements that has certain characteristics. The School District has a private purpose trust fund which accounts for various college scholarships for students. Custodial Funds are used to report fiduciary activities that are not required to be reported in a trust fund.

The School District’s fiduciary funds are custodial funds. Custodial funds are used to account for assets held by the School District as fiscal agent for OHSAA tournament activities.

Measurement Focus

Government-wide Financial Statements The government-wide financial statements are prepared using the economic resources measurement focus. All assets and deferred outflows of resources and all liabilities and deferred inflows of resources associated with the operation of the School District are included on the statement of net position. The statement of activities presents increases (i.e., revenues) and decreases (i.e., expenses) in total net position.

Fund Financial Statements All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and deferred outflows of resources and current liabilities and deferred inflows of resources generally are included on the balance sheet. The statement of revenues, expenditures and changes in fund balances reports on the sources (e.g., revenues and other financing sources) and uses (e.g., 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 relationship between the government-wide statements and the statements for governmental funds.

Fiduciary funds present a statement of changes in fiduciary net position which reports additions to and deductions from investment trust, private purpose trust funds, and custodial funds.

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 and the statements presented for the fiduciary funds are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Differences in the accrual and the modified accrual basis of accounting arise in the recognition of revenue, in the recording of deferred outflows/inflows of resources, and in the presentation of expenses versus expenditures.

Revenues - Exchange and Non-Exchange 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 School District, available means expected to be received within sixty days of fiscal year-end.

Jefferson Area Local School District

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2024*

Nonexchange transactions, in which the School District receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year in which the taxes are levied (See Note 8). Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the School District must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the School District on a reimbursement basis. On a modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

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

Deferred Outflows/Inflows of Resources In addition to assets, the statements of financial position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources, represents a consumption of net assets that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. For the School District, deferred outflows of resources are reported on the government-wide statement of net position for deferred charges on refunding, pension and OPEB plans. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The deferred outflows of resources related to pension and OPEB plans are explained in Notes 21 and 22.

In addition to liabilities, the statements of financial position report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net assets that applies to a future period and will not be recognized until that time. For the School District, deferred inflows of resources include property taxes, pension and OPEB plans, deferred charge on refunding and unavailable revenue. Property taxes represent amounts for which there is an enforceable legal claim as of June 30, 2024, but which were levied to finance fiscal year 2025 operations. These amounts have been recorded as a deferred inflow 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 School District, unavailable revenue includes delinquent property taxes, and intergovernmental grants. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available. The details of these unavailable revenues are identified on the Reconciliation of Total Governmental Fund Balances to Net Position of Governmental Activities found on page 17. Deferred inflows of resources related to pension and OPEB plans are reported on the government-wide statement of net position (See Notes 21 and 22). A deferred charge on refunding results from the difference in carrying value of the refunded debt and its reacquisition price.

Pensions/Other Postemployment Benefits (OPEB)

For purposes of measuring the net pension/OPEB liability (asset), deferred outflows of resources and deferred inflows of resources related to 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.

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 on the operating statement as an expenditure with a like amount reported as intergovernmental revenue. Unused donated commodities are reported as inventory held for resale.

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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.

Cash and Cash Equivalents

To improve cash management, cash received by the School District is pooled. Monies for all funds are maintained in this pool. Interest in the pool is presented as "equity in pooled cash and cash equivalents" on the financial statements.

During fiscal year 2024, investments were limited to the State Treasury Asset Reserve of Ohio (STAR Ohio). STAR Ohio (the State Treasury Asset Reserve of Ohio), is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but has adopted Governmental Accounting Standards Board (GASB), Statement No. 79, *Certain External Investment Pools and Pool Participants*. The School District measures their investment in STAR Ohio at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides an NAV per share that approximates fair value.

STAR Ohio reserves the right to limit participant transactions to \$250 million per day. Transactions in all of a participant's accounts will be combined for this purpose. Twenty-four hours advance notice to STAR Ohio is appreciated for purchases or redemptions of \$100 million or more. For fiscal year 2024, there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates.

Under existing Ohio statutes all investment earnings are assigned to the general fund unless statutorily required to be credited to a specific fund. Investment Earnings and other interest revenue credited to the general fund during fiscal year 2024 amounted to \$442,757 which includes \$157,675 assigned from other School District funds.

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 School District are presented on the financial statements as cash equivalents.

Restricted Assets

Assets are reported as restricted when limitations on their use change the nature or normal understanding of the availability of the asset. Such constraints are either imposed by creditors, contributors, grantors, or laws of other governments, or imposed by law through constitutional provisions. Restricted assets in the general fund represent money set aside for unclaimed monies.

Prepaid Items

Payments made to vendors for services that will benefit periods beyond June 30, 2024 are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of purchase and an expenditure/expense is reported in the year in which services are consumed.

Inventory

Inventories are presented at cost on a first-in, first-out basis and are expended/expensed when used. Inventories consist of donated food, purchased food and school supplies held for resale, and materials and supplies held for consumption.

Jefferson Area Local School District

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2024*

Capital Assets

The School District's only capital assets are general capital assets. These assets generally result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide statement of net position but are not reported in the fund financial statements.

All capital assets (except for intangible right-to-use lease assets and subscription assets which are discussed below) are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. The School District was able to estimate the historical cost for the initial reporting of assets by backtrending (i.e., estimating the current replacement cost of the asset to be capitalized and using an appropriate price-level index to deflate the cost to the acquisition year or estimated acquisition year.) Donated capital assets are recorded at their acquisition values as of the date received. The School District maintains a capitalization threshold of five thousand dollars. The School District does not possess any infrastructure. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not.

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

Description	Governmental Activities Estimated Lives
<i>Tangible Assets</i>	
Land Improvements	20 years
Buildings and Improvements	20-50 years
Furniture and Fixtures	5-20 years
Vehicles	8 years
<i>Intangible Right to Use</i>	
Lease Assets - Equipment	6 years
Subscription Assets - Software	2 years

The School District is reporting intangible right to use assets related to lease assets and subscription assets. The lease assets include equipment and represent nonfinancial assets which are being utilized for a period of time through leases from another entity. Subscription assets represent intangible right to use assets related to the use of another party's IT software. These intangible assets are being amortized in a systematic and rational manner over the shorter of the lease term or the useful life of the underlying asset.

Compensated Absences

Vacation benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is probable that the employer will compensate the employees for the benefits through paid time off or some other means. The School District records a liability for accumulated unused vacation time when earned for all employees with more than one year of service.

Sick leave benefits are accrued as a liability using the vesting method. The liability includes the employees who are currently eligible to receive termination benefits and those the School District has identified as probable of receiving payment in the future. The amount is based on accumulated sick leave and employees' wage rates at fiscal year end, taking into consideration any limits specified in the School District's termination policy. The School District records a liability for accumulated unused sick leave for all employees after ten years of service.

Jefferson Area Local School District

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2024

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, compensated absences that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are due for payment during the current fiscal year. Bonds and 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. Bonds, leases, and long-term loans are recognized as a liability on the governmental fund financial statements when due.

Deferred Charge on Refunding

On the government-wide financial statements, the difference between the reacquisition price (funds required to refund the old debt) and the net carrying amount of the old debt, the gain/loss on refunding, is being amortized as a component of interest expense. This deferred amount is amortized over the life of the old debt or the life of the new debt, whichever is shorter, using the effective interest method and is presented as deferred outflows of resources on the statement of net position.

Bond Premiums

On the government-wide financial statements, bond premiums are amortized over the term of the bonds using the straight line method. Bond premiums are presented as an increase of the face amount of the general obligation bonds payable. On the fund financial statements, bond premiums are received in the year the bonds are issued. Under Ohio law, premiums on the original issuance of debt are to be deposited to the bond retirement fund to be used for debt retirement and are precluded from being applied to the project fund. Ohio law does allow premiums on refunding debt to be used as part of the payment to the bond escrow agent.

Interfund Balances

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

Internal Activity

Transfers between governmental activities are eliminated on the government-wide financial statements. Internal events that are allocations of overhead expenses from one function to another or within the same function are eliminated on the statement of activities. Interfund payments for services provided and used are not eliminated.

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

Jefferson Area Local School District

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2024

Leases Payable

The School District serves as lessee in various noncancellable leases which are accounted for as follows:

Lessee At the commencement of a lease, the School District initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized in a straight-line basis over its useful life. Lease assets are reported with other capital assets and lease liabilities are reported with long-term debt on the statement of net position.

Net Position

Net position represents the difference between all other elements in a statement of financial position. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net position is reported as restricted when there are limitations imposed on its use through external restrictions imposed by creditors, grantors or laws or regulations of other governments. Restricted net position for OPEB plans represent the corresponding restricted asset amounts held in trust by the OPEB plans for future benefits. Net position restricted for other purposes include resources restricted for auxiliary services and extracurricular activities.

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

Fund Balance

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

Nonspendable The nonspendable fund balance category includes amounts that cannot be spent because they are not in spendable form, or legally or contractually required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash.

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

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 School District Board of Education. Those committed amounts cannot be used for any other purpose unless the School District Board of Education removes or changes the specified use by taking the same type of action (resolution) it employed to previously commit those amounts. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

Assigned Amounts in the assigned fund balance classification are intended to be used by the School District for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the general fund, assigned fund balance includes the remaining amount that is not restricted or committed. These assigned balances are established by the School District Board of Education. In the

Jefferson Area Local School District

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2024*

general fund, assigned amounts represent intended uses established by the School District Board of Education or a School District official delegated that authority by State statute. State statute authorizes the Treasurer to assign fund balance for purchases on order provided such amounts have been lawfully appropriated. The School District Board assigned fund balance for uniform school supplies and school support.

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 used only to report a deficit balance.

The School District applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are 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.

Estimates

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

Budgetary Data

All funds, except custodial funds, are legally required to be budgeted and appropriated. The major documents prepared are the tax budget, the appropriation resolution and the certificate of estimated resources, which are prepared on the budgetary basis of accounting. The tax budget demonstrates a need for existing or increased tax rates. The certificate of estimated resources establishes a limit on the amounts that the Board of Education may appropriate. The appropriation resolution is the Board's authorization to spend resources and set annual limits on expenditures plus encumbrances at a level of control selected by the Board. The legal level of control has been established by the Board of Education at the fund level. Budgetary modifications at this level require a resolution of the Board of Education. Budgetary allocations at the function and object level are made by the School District Treasurer. Prior to June 30, the Board of Education requested a certificate of estimated resources to closely match actual revenues.

The certificate of estimated resources may be amended during the year if projected increases or decreases in revenue are identified by the School District Treasurer. The amounts reported as the original and final budgeted amounts in the budgetary statements reflect the amounts in the certificate when the original and final appropriations were adopted.

The appropriation resolution is subject to amendment by the Board throughout the year with the restriction that appropriations may not exceed estimated resources. The amounts reported as the original budgeted amounts reflect the first appropriation for that fund that covered the entire fiscal year, including amounts automatically carried over from prior years. The amounts reported as the final budgeted amounts represent the final appropriation amounts passed by the Board during the fiscal year.

Note 3 – Fund Balances

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

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Fund Balances	General	Bond Retirement	Other Governmental Funds	Total
<i>Nonspendable</i>				
Unclaimed Monies	\$1,629	\$0	\$0	\$1,629
Inventory	0	0	5,263	5,263
Prepaid Items	20,627	0	0	20,627
<i>Total Nonspendable</i>	22,256	0	5,263	27,519
<i>Restricted for</i>				
Food Service Operations	0	0	832,128	832,128
Scholarship Awards	0	0	73,470	73,470
Classroom Maintenance	0	0	477,225	477,225
Athletics	0	0	96,973	96,973
Student Activities	0	0	44,639	44,639
Debt Service Payments	0	2,324,835	0	2,324,835
Capital Improvements	0	0	1,790,786	1,790,786
<i>Total Restricted</i>	0	2,324,835	3,315,221	5,640,056
<i>Committed to</i>				
Purchases on Order:				
Support Services	80,052	0	0	80,052
<i>Assigned to</i>				
Purchases on Order:				
Support Services	67,348	0	0	67,348
Uniform School Supplies	27,400	0	0	27,400
Public School Support	70,462	0	0	70,462
<i>Total Assigned</i>	165,210	0	0	165,210
<i>Unassigned (Deficit)</i>				
<i>Total Fund Balances</i>	\$9,589,030	\$2,324,835	\$3,276,019	\$15,189,884

Note 4 – Change in Accounting Principles and Restatement of Fund Balances and Net Position

Change in Accounting Principles

For fiscal year 2024, the School District implemented Governmental Accounting Standards Board (GASB) Statement No. 100, *Accounting Changes and Error Corrections*, and related guidance from GASB Implementation Guide No. 2023-1, *Implementation Guidance Update — 2023*. The School District also implemented Question 5.1 from GASB Implementation Guide No. 2021-1, *Implementation Guidance Update — 2021*.

GASB 100 will improve the clarity of the accounting and financial reporting requirements for accounting changes and error corrections, which will result in greater consistency in application in practice. In turn, more understandable, reliable, relevant, consistent, and comparable information will be provided to financial statement users for making decisions or assessing accountability. In addition, the display and note disclosure requirements will result in more consistent, decision-useful, understandable, and comprehensive information for users about accounting changes and error corrections.

Question 5.1 from Implementation Guide 2021-1 addresses the collective significance of applying the capitalization threshold to individual items in a group of assets. The School District reviewed its capital asset groupings and determined there were no asset groups where individually the assets were under the capitalization threshold yet were significant collectively.

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The implementation of GASB Statement No. 100 and GASB Implementation Guides 2021-1 and 2023-1 did not have any effect on beginning net position/fund balance.

In an effort to promote comparability with other governments, the School District updated its calculation of net position restricted for OPEB plans for fiscal year 2024. This change had no impact on beginning net position, but rather reclassified the amounts presented as net position restricted for OPEB plans and unrestricted net position.

Changes within the Financial Reporting Entity

For fiscal year 2024, the Elementary and Secondary School Emergency Relief Program (ESSER) special revenue fund presentation was adjusted from major to nonmajor due to no longer meeting the quantitative threshold for a major fund. This change is separately displayed in the financial statements.

Note 5 – Accountability

The title I special revenue fund had a fund balance deficit at June 30, 2024 in the amount of \$44,465. This deficit is the result of the recognition of payables in accordance with generally accepted accounting principles as well as short-term interfund loans from the general fund needed for operations until the receipt of grant monies. The general fund provides transfers to cover deficit balances; however, this is done when cash is needed rather than when accruals occur.

Note 6 – Budgetary Basis of Accounting

While the School District is 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, disbursements and encumbrances. The statement of revenues, expenditures and changes in fund balance - budget (non-GAAP basis) and actual 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 GAAP basis are:

1. Revenues are recorded when received in cash (budget) as opposed to when susceptible to accrual (GAAP).
2. Advances out are operating transactions (budget) as opposed to balance sheet transactions (GAAP).
3. Budgetary revenues and expenditures of the uniform school supplies and public school support fund are classified to general fund for GAAP reporting.
4. Expenditures are recorded when paid in cash (budget) as opposed to when the liability is incurred (GAAP).
5. Encumbrances are treated as expenditures (budget) rather than as restricted, committed or assigned fund balance (GAAP).

The following table summarizes the adjustments necessary to reconcile the GAAP basis statement to the budgetary basis statement for the general fund.

Jefferson Area Local School District

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For the Fiscal Year Ended June 30, 2024*

Net Change in Fund Balance		<u>General Fund</u>
GAAP Basis		\$2,897,386
Net Adjustment for Revenue Accruals		(453,552)
Perspective Differences:		
Uniform School Supplies		(8,090)
Public School Support		(22,081)
Net Adjustment for Expenditure Accruals		566,756
Advances Out		(181,243)
Encumbrances		<u>(200,758)</u>
Budget Basis		<u>\$2,598,418</u>

Note 7 – Deposits and Investments

Monies held by the School District are classified by State statute into three categories.

Active deposits are public monies determined to be necessary to meet current demands upon the School District treasury. Active monies must be maintained either as cash in the School 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 has identified as not required for use within the current five year period of designation of depositories. Inactive deposits must either be evidenced by certificates of deposit maturing not later than the end of the current period of designation of depositories, or by savings or deposit accounts including, but not limited to, passbook accounts.

Interim deposits are deposits of interim monies. Interim monies are those monies which are not needed for immediate use but which will be needed before the end of the current period of designation of depositories. Interim deposits must be evidenced by time certificates of deposit maturing not more than one year from the date of deposit or by savings or deposit accounts including passbook accounts.

Interim monies held by the School District can be deposited or invested in the following securities:

1. United States Treasury bills, bonds, notes, 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 obligation or security 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 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 the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio, and with certain limitations including a requirement for maturity within ten years from the date of settlement, bonds and other obligations of political subdivisions of the State of Ohio, if training requirements have been met;

Jefferson Area Local School District

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2024*

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 only through eligible institutions;
7. The State Treasurer's investment pool (STAR Ohio); and
8. Certain bankers' acceptances (for a period not to exceed one hundred eighty days) and commercial paper notes (for a period not to exceed two hundred seventy days) in an amount not to exceed 40 percent of the interim monies available for investment at any one time if training requirements have been met. The investment in commercial paper notes of a single issuer shall not exceed in the aggregate five percent of interim moneys available for investment at the time of purchase.

Investments in stripped principal or interest obligations, reverse repurchase agreements, and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage, and short selling are also prohibited. An investment must mature within five years from the date of purchase, unless matched to a specific obligation or debt of the School 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.

Custodial credit risk for deposits is the risk that in the event of a bank failure, the School District will not be able to recover deposits or collateral securities that are in the possession of an outside party. At June 30, 2024, \$1,253,910 of the School District's total bank balance of \$10,175,667 was exposed to custodial credit risk because those deposits were uninsured and uncollateralized. The School District's financial institution participates in the Ohio Pooled Collateral System (OPCS) and was approved for a reduced collateral floor of 50 percent resulting in the uninsured and uncollateralized balance.

The School District has no deposit policy for custodial risk beyond the requirements of State statute. Ohio law requires that deposits either be insured or be protected by:

Eligible securities pledged to the School District and deposited with a qualified trustee by the financial institution as security for repayment whose market value at all times shall be at least 105 percent of the deposits being secured; or

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 market value of the securities pledged to be 102 percent of the deposits being secured or a rate set by the Treasurer of State.

Investments

As of June 30, 2024, the School District had STAR Ohio as an investment. STAR Ohio is being held with an amount of \$8,762,639 which is measured at net asset value per share. The average maturity is 46.5 days.

Credit Risk STAR Ohio carries a rating of AAAm by Standard and Poor's. Ohio law requires that STAR Ohio maintain the highest rating provided by at least one nationally recognized statistical rating organization. The School District has no investment policy that addresses credit risk beyond the requirements in State statutes.

Jefferson Area Local School District

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2024*

Interest Rate Risk The School District has no investment policy that addresses interest rate risk beyond the requirements in State statutes.

Concentration of Credit Risk The School District places no limit on the amount it may invest in any one issuer.

Note 8 – Property Taxes

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

Property taxes include amounts levied against all real and public utility property located in the School District. Real property tax revenues received in calendar year 2024 represent the collection of calendar year 2023 taxes. Real property taxes received in calendar year 2024 were levied after April 1, 2023, on the assessed values as of January 1, 2023, the lien date. Assessed values for real property taxes are established by State statute at 35 percent of appraised market value. Real property taxes are payable annually or semiannually. If paid annually, payment is due December 31; if paid semiannually, the first payment is due December 31, with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established.

Public utility property tax revenues received in calendar year 2024, represent the collection of calendar year 2023 taxes. Public utility real and tangible personal property taxes received in calendar year 2024 became a lien on December 31, 2022, were levied after April 1, 2023, and are collected in calendar year 2024 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 School District receives property taxes from Ashtabula County. The County Auditor periodically advances to the School District its portion of the taxes collected. Second-half real property tax payments collected by the County by June 30, 2024, are available to finance fiscal year 2024 operations. The amount available to be advanced can vary based on the date the tax bills are sent.

Accrued property taxes receivable includes real property and public utility property taxes which are measurable as of June 30, 2024, 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 to deferred inflows of resources – property taxes.

The amount available as an advance at June 30, 2024, was \$674,691 in the general fund, \$71,396 in the bond retirement debt service fund, \$7,760 in the classroom facilities maintenance special revenue fund and \$43,458 in the permanent improvement capital projects fund. The amount available as an advance at June 30, 2023, was \$396,617 in the general fund, \$88,435 in the bond retirement debt service fund, \$7,716 in the classroom facilities maintenance special revenue fund and \$26,643 in the permanent improvement capital projects fund.

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

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The assessed values upon which the fiscal year 2024 taxes were collected are:

	2023 Second Half Collections		2024 First Half Collections	
	Amount	Percent	Amount	Percent
Real Estate	\$259,456,650	94.41 %	\$349,823,400	95.79 %
Public Utility Personal	15,372,650	5.59	15,379,110	4.21
Total	<u>\$274,829,300</u>	<u>100.00 %</u>	<u>\$365,202,510</u>	<u>100.00 %</u>
Full Tax Rate per \$1,000 of assessed valuation		\$51.37		\$51.37

Note 9 –COVID-19

The United States and the State of Ohio declared a state of emergency in March 2020 due to the COVID-19 pandemic. Ohio's state of emergency ended in June 2021 while the national state of emergency ended in April 2023. During fiscal year 2024, the School District received COVID-19 funding. The School District will continue to spend available COVID-19 funding consistent with the applicable program guidelines.

Note 10 – Receivables

Receivables at June 30, 2024, consisted of taxes, accounts (rent and student fees), tuition, and intergovernmental grants. 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. All receivables except for delinquent property taxes are expected to be collected within one year. Property taxes, although ultimately collectible, include some portion of delinquencies that will not be collected within one year.

A summary of the principal items of intergovernmental receivables follows:

	Amounts
School Foundation Adjustments	\$85,210
State of Ohio	70,442
Title I Grant	47,097
Elementary and Secondary School Emergency Relief Grant	35,181
Title IV-A Grant	9,889
Ohio School Council	6,762
Ohio State University Extension - Ashtabula County	<u>472</u>
Total	<u>\$255,053</u>

Jefferson Area Local School District

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2024*

Note 11 – Other Employee Benefits

Compensated Absences

The criteria for determining vacation and sick leave benefits are derived from negotiated agreements and State laws. Classified employees earn ten to twenty days of vacation per year, depending upon length of service. Accumulated unused vacation time is paid to classified employees and administrators upon termination of employment. For fiscal year 2024, the superintendent was granted 20 days of vacation and the treasurer was granted 20 days of vacation. Teachers, administrators and classified employees earn sick leave at the rate of one and one-fourth days per month. Certified employees may accumulate unlimited sick leave. Sick leave may be accumulated to a maximum of 400 days for classified employees. For all employees, retirement severance is paid to each employee retiring from the School District at a per diem rate of the annual salary at the time of retirement. Any certified employee receiving retirement severance pay is entitled to a dollar amount equivalent to one-fourth of the accumulated sick leave credited to that employee, up to 81 days. Any classified employee receiving retirement severance pay is entitled to a dollar amount equivalent to one-fourth of the accumulated sick leave credited to that employee, up to 75 days.

Life Insurance Benefits

The School District provides life insurance and accidental death and dismemberment insurance to permanent employees through Minnesota Mutual in the amount of \$50,000 for certified and \$30,000 for classified employees. A total amount of \$202,000 is provided to the treasurer and \$251,000 to the superintendent.

Health Insurance Benefits

The School District provides employee medical and surgical insurance, prescription drug, dental, and vision insurance through the Ashtabula County Schools Council of Governments.

Note 12 – Interfund Activity

Interfund Transfers

Transfers made during the fiscal year ended June 30, 2024 were as follows:

	<u>Transfers From</u>
<u>Transfers To</u>	<u>General</u>
Other Governmental Funds	
Food Service	\$31,243
Athletics	50,000
Capital Projects	<u>100,000</u>
<i>Total Transfers</i>	<u><u>\$181,243</u></u>

The general fund transfers to all funds were to provide additional resources for current operations and projects accounted for in other funds.

Jefferson Area Local School District

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2024*

Interfund Balances

Interfund balances at June 30, 2024, were as follows:

Payable	Receivable General Fund
<i>Other Governmental Funds:</i>	
Title I	\$16,391
Title IV-A	4,200
Elementary and Secondary School Emergency Relief	4,045
Total	<u>\$24,636</u>

These loans were made to support programs in the special revenue funds pending the receipt of grant money that will be used to repay the loan. These loans are expected to be repaid in one year.

Note 13 – Contingencies

Grants

The School District received financial assistance from Federal and State agencies in the form of grants. The expenditure of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is 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, the effect of any such disallowed claims on the overall financial position of the School District at June 30, 2024, if applicable, cannot be determined at this time.

School Foundation

School District foundation funding is based on the annualized full-time equivalent (FTE) enrollment of each student. The Ohio Department of Education and Workforce (DEW) 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 DEW adjustments for fiscal year 2024 are finalized.

Litigation

The School District is not party to legal proceedings as of June 30, 2024.

Jefferson Area Local School District

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2024*

Note 14 – Capital Assets

Capital asset activity for the fiscal year ended June 30, 2024, was as follows:

	Balance June 30, 2023	Additions	Deletions	Balance June 30, 2024
<i>Nondepreciable Capital Assets</i>				
Land	<u>\$646,340</u>	\$0	\$0	<u>\$646,340</u>
<i>Depreciable Capital Assets</i>				
<i>Tangible Assets</i>				
Land Improvements	4,867,235	589,130	0	5,456,365
Buildings and Improvements	59,300,383	631,055	0	59,931,438
Furniture and Fixtures	2,300,027	1,129,561	0	3,429,588
Vehicles	<u>2,425,911</u>	289,093	(157,360)	<u>2,557,644</u>
<i>Total Tangible Assets</i>	<u>68,893,556</u>	2,638,839	(157,360)	<u>71,375,035</u>
<i>Intangible Right to Use</i>				
<i>Lease Assets</i>				
Intangible Right to Use Lease - Equipment	5,835	0	0	5,835
<i>Subscription Assets</i>				
Intangible Right to Use - Software	<u>12,239</u>	0	0	<u>12,239</u>
<i>Total Intangible Right to Use Assets</i>	<u>18,074</u>	0	0	<u>18,074</u>
<i>Total Depreciable Capital Assets</i>	<u>68,911,630</u>	2,638,839	(157,360)	<u>71,393,109</u>
<i>Less: Accumulated Depreciation/Amortization</i>				
<i>Depreciation</i>				
Land Improvements	(3,169,699)	(246,353)	0	(3,416,052)
Buildings and Improvements	(20,749,639)	(1,672,944)	0	(22,422,583)
Furniture and Fixtures	(1,677,154)	(138,229)	0	(1,815,383)
Vehicles	<u>(1,730,588)</u>	(169,017)	157,360	<u>(1,742,245)</u>
<i>Total Depreciation</i>	<u>(27,327,080)</u>	(2,226,543)	157,360	<u>(29,396,263)</u>
<i>Amortization</i>				
<i>Intangible Right to Use</i>				
<i>Lease Assets</i>				
Intangible Right to Use Lease - Equipment	(2,042)	(1,167)	0	(3,209)
<i>Subscription Assets</i>				
Intangible Right to Use - Software	<u>(6,120)</u>	(6,119)	0	<u>(12,239)</u>
<i>Total Intangible Right to Use Assets</i>	<u>(8,162)</u>	(7,286)	0	<u>(15,448)</u>
<i>Total Accumulated Depreciation/Amortization</i>	<u>(27,335,242)</u>	(2,233,829) *	157,360	<u>(29,411,711)</u>
<i>Total Depreciable Capital Assets, Net</i>	<u>41,576,388</u>	405,010	0	<u>41,981,398</u>
<i>Governmental Activities Capital Assets, Net</i>	<u>\$42,222,728</u>	\$405,010	\$0	<u>\$42,627,738</u>

Jefferson Area Local School District

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2024*

*Depreciation/Amortization expense was charged to governmental functions as follows:

	Depreciation	Amortization		
		Lease Assets	Subscription Assets	Total
Instruction:				
Regular	\$1,718,529	\$0	\$3,838	\$1,722,367
Support Services:				
Pupils	3,446	0	0	3,446
Instructional Staff	5,525	0	2,281	7,806
Administration	35,925	0	0	35,925
Business	520	1,167	0	1,687
Operation and Maintenance of Plant	49,899	0	0	49,899
Pupil Transportation	180,794	0	0	180,794
Operation of Food Services	18,411	0	0	18,411
Extracurricular Activities	213,494	0	0	213,494
Total Depreciation/Amortization Expense	<u>\$2,226,543</u>	<u>\$1,167</u>	<u>\$6,119</u>	<u>\$2,233,829</u>

Note 15 – Long-Term Obligations

Original issue amounts and interest rates of the School District's debt issues were as follows:

Debt Issue	Interest Rate	Original Issue	Fiscal Year of Maturity
2020 Refunding Bonds:			
Serial Bonds	1.625% to 4.00%	\$11,115,000	2032

Changes in long-term obligations of the School District during fiscal year 2024 were as follows:

	Principal Outstanding 6/30/23			Principal Outstanding 6/30/24	Amounts Due in One Year
		Additions	Deductions		
General Obligation Bonds					
2020 Refunding Bonds					
Serial Bonds	\$10,220,000	\$0	\$835,000	\$9,385,000	\$1,040,000
Premium	893,326	0	103,076	790,250	0
<i>Total General Obligation Bonds</i>	<u>11,113,326</u>	<u>0</u>	<u>938,076</u>	<u>10,175,250</u>	<u>1,040,000</u>
Other Long-Term Obligations					
Net Pension Liability:					
SERS	3,189,286	0	53,341	3,135,945	0
STRS	12,466,088	0	304,834	12,161,254	0
<i>Total Net Pension Liability</i>	<u>15,655,374</u>	<u>0</u>	<u>358,175</u>	<u>15,297,199</u>	<u>0</u>
Net OPEB Liability:					
SERS	846,971	115,675	0	962,646	0
Leases Payable	4,243	0	1,103	3,140	1,272
Compensated Absences	953,041	291,355	349,670	894,726	236,050
<i>Total Other Long-Term Obligations</i>	<u>17,459,629</u>	<u>407,030</u>	<u>708,948</u>	<u>17,157,711</u>	<u>237,322</u>
<i>Total Governmental Activities</i>					
<i>Long-Term Liabilities</i>	<u>\$28,572,955</u>	<u>\$407,030</u>	<u>\$1,647,024</u>	<u>\$27,332,961</u>	<u>\$1,277,322</u>

Jefferson Area Local School District

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2024*

In March 2020, the School District issued general obligation bonds, in the amount of \$11,115,000, to refund bonds previously issued in fiscal year 2012 and 2013 for various purposes. The bonds were issued with interest rates varying from 3 to 4 percent. The bonds were issued for a twelve year period with final maturity during 2031. The bonds will be retired through the general obligation bond retirement fund.

Net proceeds of \$12,199,915 (including a \$1,236,913 premium and after payment of \$149,567 in issuance costs) were deposited in an irrevocable trust with an escrow agent to provide for all future debt payments on the refunded 2012 and 2013 various purpose bonds. As a result, \$13,572,594 of these bonds was considered defeased and the liability for the refunded bonds has been removed from the School District's financial statements. Accordingly, the trust account assets and liabilities for the defeased bonds are not included in the School District's financial statements.

The School District has an outstanding agreement to lease postage meters. The future lease payments were discounted based on the interest rate implicit in the lease or using the School District's incremental borrowing rate. This discount is being amortized using the interest method over the life of the lease. The lease will be paid from the general fund. A summary of the principal and interest amounts for the remaining lease is as follows:

Year	Principal	Interest
2025	\$1,272	\$387
2026	1,467	193
2027	401	14
	<u>\$3,140</u>	<u>\$594</u>

Compensated absences will be paid from the general fund, ESSER, title I and food service special revenue funds. There is no repayment schedule for the net pension liability and net OPEB liability, however, employer pension and OPEB contributions are made from the following funds: general fund, food service, ESSER and title I special revenue funds. For additional information related to the net pension liability and net OPEB liability see Notes 21 and 22.

The overall debt margin of the School District as of June 30, 2024 was \$25,808,061 with an unvoted debt margin of \$365,203. Principal and interest requirements to retire general obligation bonds outstanding at June 30, 2024 are as follows:

<u>General Obligation Bonds</u>		
<u>Serial</u>		
	<u>Principal</u>	<u>Interest</u>
2025	\$1,040,000	\$267,512
2026	1,080,000	225,113
2027	1,050,000	187,762
2028	1,095,000	155,588
2029	1,220,000	120,862
2030-2033	<u>3,900,000</u>	<u>171,131</u>
Total	<u>\$9,385,000</u>	<u>\$1,127,968</u>

Jefferson Area Local School District

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2024*

Note 16 – Risk Management

Property and Liability

The School District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees and natural disasters. The School District has addressed these various types of risk by purchasing a comprehensive insurance policy through Liberty Mutual.

Type of Coverage	Coverage Amount
Property - Building and Business Personal	\$87,203,135
Equipment Breakdown	250,000
Crime Coverage per occurrence	100,000/250,000/1,000,000
Unintentional Errors and Omissions	1,000,000
Utility Service Direct Damage	50,000
Valuable Papers	100,000
General Liability:	
Bodily Injury and Property Damage	11,000,000
Personal Injury	11,000,000
Products/Completed Operations (Aggregate)	13,000,000
Automobile Bodily Injury	11,000,000

Settled claims have not exceeded this commercial coverage in any of the past three years and there have been no significant reductions in insurance coverage from the prior year.

Employee Medical Benefits

The School District participates in the Ashtabula County Schools Council of Governments, a shared risk pool (Note 18) to provide employee medical/surgical, prescription drug, dental and vision benefits. Rates are set through an annual calculation process. The School District pays a monthly contribution which is placed in a common fund from which the claim payments are made for all participating districts. Certified employees per negotiated agreement are required to pay \$287 per month for family coverage and \$152 per month for single coverage. Classified employees per negotiated agreement are required to pay \$300 per month for family coverage and \$163 per month for single coverage.

Workers' Compensation

For fiscal year 2024, the School District participated in the Ohio Schools Council Workers' Compensation Group Rating Program (GRP), an insurance purchasing pool (Note 18). The intent of the GRP is to achieve the benefit of a reduced premium for the School District by virtue of its grouping and representation with other participants in the GRP. The workers' compensation experience of the participating school districts is calculated as one experience and a common premium rate is applied to all school districts in the GRP. Each participant pays its workers' compensation premium to the State based on the rate for the GRP rather than its individual rate. Participation in the GRP is limited to school districts that can meet the GRP's selection criteria. The firm of Sheakley Unicomp provides administrative, cost control and actuarial services to the GRP.

Jefferson Area Local School District

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2024*

Note 17 – Jointly Governed Organizations

Northeast Ohio Management Information Network (NEOMIN) NEOMIN is a jointly governed organization among thirty school districts in Trumbull and Ashtabula Counties. The jointly governed organization was formed for the purpose of applying modern technology with the aid of computers and other electronic equipment to administrative and instructional functions among member districts. Each of the districts support NEOMIN based upon a per pupil charge. The School District paid \$76,894 to NEOMIN during fiscal year 2024.

Superintendents of the participating school districts are eligible to be voting members of the Governing Board which consists of ten members: the Trumbull and Ashtabula County superintendents (permanent members, three superintendents from Ashtabula County School Districts, three superintendents from Trumbull County School Districts, and a treasurer from each county. The School District was represented on the Governing Board by the Superintendent and Treasurer during fiscal year 2024. The degree of control exercised by any participating school district is limited to its representation on the Governing Board. The Board exercises total control over the operations including budgeting, appropriating, contracting and designating management. A complete set of separate financial statements may be obtained from the Trumbull Career and Technical Center, 528 Educational Highway, Warren, Ohio 44483.

Ashtabula County Technical and Career Center The Ashtabula County Technical and Career Center (the Career Center) is a distinct political subdivision of the State of Ohio which provides vocational education to students. The Career Center is operated under the direction of a Board consisting of representatives from some of the participating School Districts' elected boards. The degree of control exercised by the School District is limited to its representation on the Board. The Board is its own budgeting and taxing authority. The School District paid \$1,139 to the Career Center for fiscal year 2024. Financial information can be obtained from Lindsey Elly, Treasurer at Ashtabula County Technical and Career Center, 1565 State Route 167, Jefferson, Ohio 44047.

Note 18 – Public Entity Risk Pools

Insurance Purchasing Pool

The School District participates in the Ohio Schools Council Workers' Compensation Group Rating Program (GRP), an insurance purchasing pool. The GRP's business and affairs are conducted by a three member Board of Directors consisting of the President, the President-Elect and the Immediate Past President of the OSC. The Executive Director of the OSC, or his designee, serves as coordinator of the program. Each year, the participating school districts pay an enrollment fee to the GRP to cover the cost of administering the program.

Risk Sharing Pools

The School District has contracted with the Ashtabula County Schools Council of Governments to provide employee medical/surgical, prescription drug, dental and vision benefits. The Ashtabula County Schools Council of Governments is organized under Chapter 167 of the Ohio Revised Code and is comprised of seven Ashtabula County school districts. Rates are set by the Ashtabula County Schools Council of Governments board of directors. The School District pays a monthly contribution, which is placed in a common fund from which claim payments are made for all participating school districts. Claims are paid for all participants regardless of claims flow. Ashtabula County Schools Council of Governments is a separate and independent entity governed by its own set of by-laws and constitution. All assets and liabilities are the responsibility of the Council of Governments. The program is operated as a full indemnity program with no financial liability (other than monthly premiums) or risk to the School District. The School District is not liable nor receives a cash balance of past claims upon departure from the pool.

Jefferson Area Local School District

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2024*

Note 19 – Encumbrances

Encumbrances are commitments related to unperformed contracts for goods or services. Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. At fiscal year end the amount of encumbrances expected to be honored upon performance by the vendor in the next year were as follows:

General	\$200,758
Other Governmental Funds	611,507
Totals	\$812,265

Note 20 – Set Asides

The School District is required by State statute to annually set aside in the general fund an amount based on a 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 year end and carried forward to be used for the same purposes in future years.

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

	<u>Capital Improvements</u>
Set-aside balance June 30, 2023	\$0
Current year set-aside requirement	370,513
Current year offsets	(399,348)
Qualifying disbursements	(181,859)
Totals	<u>(\$210,694)</u>
Set-aside balance carried forward to future fiscal years	\$0
Set-aside balance June 30, 2024	\$0

Although the School District had qualifying disbursements and offsets during the fiscal year that reduced the set-aside amount to below zero, this amount may not be used to reduce the set-aside requirement for future fiscal years. This negative balance is therefore not presented as being carried forward to future fiscal years.

Note 21 – Defined Benefit Pension Plans

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

Net Pension Liability/Net OPEB Liability (Asset)

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

Jefferson Area Local School District

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2024

The net pension/OPEB liability (asset) represents the School 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.

Ohio Revised Code limits the School District's obligation for this liability to annually required payments. The School District cannot control benefit terms or the manner in which pensions/OPEB are financed; however, the School 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 proportionate share of each plan's unfunded benefits is presented as a *net OPEB asset* or long-term *net pension/OPEB liability* on the accrual basis of accounting. Any liability for the contractually required pension/OPEB contribution outstanding at the end of the year is included in *intergovernmental payable* on both the accrual and modified accrual bases of accounting. The remainder of this note includes the required pension disclosures. See Note 22 for the required OPEB disclosures.

School Employees Retirement System (SERS)

Plan Description – School 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, 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.

Jefferson Area Local School District

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2024*

Age and service requirements for retirement are as follows:

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

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

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

An individual whose benefit effective date is before April 1, 2018, is eligible for a cost of living adjustment (COLA) on the first anniversary date of the benefit. New benefit recipients must wait until the fourth anniversary of their benefit for COLA eligibility. The COLA is added each year to the base benefit amount on the anniversary date of the benefit. The COLA is indexed to the percentage increase in the CPI-W, not to exceed 2.5 percent and with a floor of 0 percent. A three-year COLA suspension was in effect for all benefit recipients for the years 2018, 2019, and 2020. The Retirement Board approved a 2.5 percent COLA for calendar year 2023.

Funding Policy – Plan members are required to contribute 10 percent of their annual covered salary and the School District is required to contribute 14 percent of annual covered payroll. The contribution requirements of plan members and employers are established and may be amended by the SERS’ Retirement Board up to statutory maximum amounts of 10 percent for plan members and 14 percent for employers. The Retirement Board, acting with the advice of the actuary, allocates the employer contribution rate among four of the System’s funds (Pension Trust Fund, Death Benefit Fund, Medicare B Fund, and Health Care Fund). For the fiscal year ended June 30, 2024, the allocation to pension, death benefits, and Medicare B was 14.0 percent. For fiscal year 2024, the Retirement Board did not allocate any employer contribution to the Health Care Fund.

The School District’s contractually required contribution to SERS was \$342,050 for fiscal year 2024. Of this amount, \$27,311 is reported as an intergovernmental payable.

State Teachers Retirement System (STRS)

Plan Description – School District licensed teachers and other faculty members participate in STRS Ohio, a cost-sharing multiple employer public employee 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 East Broad Street, Columbus, Ohio 43215-3771, by calling (888) 227-7877, or by visiting the STRS Web site at www.strsoh.org.

New members have a choice of three retirement plans: a Defined Benefit (DB) Plan, a Defined Contribution (DC) Plan, and a Combined Plan. Benefits are established by Ohio Revised Code Chapter 3307.

Jefferson Area Local School District

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2024*

The DB plan offers an annual retirement allowance based on final average salary multiplied by a percentage that varies based on years of service. Effective August 1, 2015, the calculation is 2.2 percent of final average salary for the five highest years of earnings multiplied by all years of service. In April 2017, the Retirement Board made the decision to reduce COLA granted on or after July 1, 2017, to 0 percent upon a determination by its actuary that it was necessary to preserve the fiscal integrity of the retirement system. Benefit recipients' base benefit and past cost-of living increases are not affected by this change. Effective July 1, 2022, a one-time ad-hoc COLA of 3 percent of the base benefit was granted to eligible benefit recipients to begin on the anniversary of their retirement benefit in fiscal year 2023 as long as they retired prior to July 1, 2018. Effective July 1, 2023, a one-time ad-hoc COLA of 1 percent of the base benefit was granted to eligible benefit recipients to begin on the anniversary of their retirement benefit in fiscal year 2024 as long as they retired prior to July 1, 2019. Pursuant to Ohio Revised Code 3307.67(E) the STRS Ohio Retirement Board may adjust the COLA upon a determination by the board's actuary that a change will not materially impair the fiscal integrity of the system or is necessary to preserve the fiscal integrity of the system. Eligibility changes will be phased in until August 1, 2023, when retirement eligibility for unreduced benefits will be five years of service credit and age 65, or 34 years of service credit at any age.

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

The DC Plan allows members to place all their member contributions and 11.09 percent of the 14 percent employer contributions into an investment account. The member determines how to allocate the member and employer money among various investment choices offered by STRS. The remaining 2.91 percent of the 14 percent employer rate is allocated to the defined benefit unfunded liability. A member is eligible to receive a retirement benefit at age 50 and termination of employment. The member may elect to receive a lifetime monthly annuity or a lump sum withdrawal.

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

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

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

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Funding Policy – Employer and member contribution rates are established by the State Teachers Retirement Board and limited by Chapter 3307 of the Ohio Revised Code. The 2024 employer and employee contribution rate of 14 percent was equal to the statutory maximum rates. For 2024, the full employer contribution was allocated to pension.

The School District's contractually required contribution to STRS was \$1,087,062 for fiscal year 2024. Of this amount \$137,658 is reported as an intergovernmental payable.

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

The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The School District's proportion of the net pension liability was based on the School District's share of contributions to the pension plan relative to the contributions of all participating entities. Following is information related to the proportionate share and pension expense:

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Proportion of the Net Pension Liability:			
Current Measurement Date	0.05675390%	0.05647221%	
Prior Measurement Date	0.05896500%	0.05607745%	
Change in Proportionate Share	<u>-0.00221110%</u>	<u>0.00039476%</u>	
Proportionate Share of the Net			
Pension Liability	\$3,135,945	\$12,161,254	\$15,297,199
Pension Expense	\$267,836	\$1,033,067	\$1,300,903

At June 30, 2024, the School District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

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	SERS	STRS	Total
Deferred Outflows of Resources			
Differences between expected and actual experience	\$134,790	\$443,373	\$578,163
Changes of assumptions	22,213	1,001,545	1,023,758
Changes in proportionate share and difference between School District contributions and proportionate share of contributions	0	121,208	121,208
School District contributions subsequent to the measurement date	<u>342,050</u>	<u>1,087,062</u>	<u>1,429,112</u>
Total Deferred Outflows of Resources	<u>\$499,053</u>	<u>\$2,653,188</u>	<u>\$3,152,241</u>
Deferred Inflows of Resources			
Differences between expected and actual experience	\$0	\$26,986	\$26,986
Changes of assumptions	0	753,876	753,876
Net difference between projected and actual earnings on pension plan investments	44,078	36,448	80,526
Changes in proportionate share and difference between School District contributions and proportionate share of contributions	<u>93,856</u>	<u>190,907</u>	<u>284,763</u>
Total Deferred Inflows of Resources	<u>\$137,934</u>	<u>\$1,008,217</u>	<u>\$1,146,151</u>

\$1,429,112 reported as deferred outflows of resources related to pension resulting from School 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, 2025. 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
2025	(\$12,399)	(\$134,600)	(\$146,999)
2026	(150,998)	(454,904)	(605,902)
2027	180,130	1,210,289	1,390,419
2028	<u>2,336</u>	<u>(62,876)</u>	<u>(60,540)</u>
Total	<u>\$19,069</u>	<u>\$557,909</u>	<u>\$576,978</u>

Actuarial Assumptions – SERS

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

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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. Future benefits for all current plan members were projected through 2137.

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, 2023, are presented as follows:

Inflation	2.4 percent
Future Salary Increases, including inflation	3.25 percent to 13.58 percent
COLA or Ad Hoc COLA	2.0 percent, on or after April 1, 2018, COLAs for future retirees will be delayed for three years following commencement
Investment Rate of Return	7.00 percent net of System expenses
Actuarial Cost Method	Entry Age Normal (Level Percent of Payroll)

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

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

The long-term return expectation for the Pension Plan Investments has been determined by 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 an arithmetic 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. As of June 30, 2023:

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Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash	2.00 %	0.75 %
US Equity	24.75	4.82
Non-US Equity Developed	13.50	5.19
Non-US Equity Emerging	6.75	5.98
Fixed Income/Global Bonds	19.00	2.24
Private Equity	12.00	7.49
Real Estate/Real Assets	17.00	3.70
Private Debt/Private Credit	<u>5.00</u>	5.64
Total	<u>100.00 %</u>	

Discount Rate The total pension liability for 2023 was calculated using the discount rate of 7.00 percent. The discount rate determination did not use a municipal bond rate. The projection of cash flows used to determine the discount rate assumed that employers would contribute the actuarially determined contribution rate of projected compensation over the remaining 21-year amortization period of the unfunded actuarial accrued liability. The actuarially determined contribution rate for fiscal year 2023 was 14 percent. Projected inflows from investment earnings were calculated using the long-term assumed investment rate of return (7.00 percent). Based on those assumptions, the plan's fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefits to determine the total pension liability. The annual money weighted rate of return, calculated as the internal rate of return on pension plan investments, for fiscal year 2023 was 6.90 percent.

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

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
School District's proportionate share of the net pension liability	\$4,628,495	\$3,135,945	\$1,878,756

Actuarial Assumptions – STRS

Key methods and assumptions used in the June 30, 2023, actuarial valuation are presented as follows:

Inflation	2.50 percent
Salary increases	From 2.5 percent to 8.5 percent based on service
Investment Rate of Return	7.00 percent, net of investment expenses, including inflation
Discount Rate of Return	7.00 percent
Payroll Increases	3.00 percent
Cost-of-Living Adjustments (COLA)	0.0 percent, effective July 1, 2017

Post-retirement mortality rates are based on the Pub-2010 Teachers Healthy Annuitant Mortality Table, adjusted 110 percent for males, projected forward generationally using mortality improvement scale MP-2020.

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Pre-retirement mortality rates are based on Pub-2010 Teachers Employee Table adjusted 95 percent for females, projected forward generationally using mortality improvement scale MP-2020. Post-retirement disabled mortality rates are based on Pub-2010 Teachers Disable Annuitant Table projected forward generationally using mortality improvement scale MP-2020.

Actuarial assumptions used in the June 30, 2023, valuation are based on the results of an actuarial experience study for the period July 1, 2015, through June 30, 2021. An actuarial experience study is done on a quinquennial basis.

STRS' 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 Rate of Return **
Domestic Equity	26.00%	6.60%
International Equity	22.00	6.80
Alternatives	19.00	7.38
Fixed Income	22.00	1.75
Real Estate	10.00	5.75
Liquidity Reserves	1.00	1.00
Total	<u>100.00%</u>	

* Final target weights reflected at October 1, 2022.

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

Discount Rate The discount rate used to measure the total pension liability was 7.00 percent as of June 30, 2023. The projection of cash flows used to determine the discount rate assumes that member and employer contributions will be made at the statutory contribution rates in accordance with 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. 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, 2023. Therefore, the long-term expected rate of return on pension plan investments of 7.00 percent was applied to all periods of projected benefit payment to determine the total pension liability as of June 30, 2023.

Sensitivity of the School District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate The following table presents the School District's proportionate share of the net pension liability calculated using the current period discount rate assumption of 7.00 percent, as well as what the School 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 (6.00 percent) or one-percentage-point higher (8.00 percent) than the current rate:

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	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
School District's proportionate share of the net pension liability	\$18,701,319	\$12,161,254	\$6,630,151

Note 22 – Defined Benefit OPEB Plans

See note 21 for a description of the net OPEB liability (asset).

School Employees Retirement System (SERS)

Health Care Plan Description – The School 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. The following types of credit purchased after January 29, 1981, do not count toward health care coverage eligibility: military, federal, out-of-state, municipal, private school, exempted, and early retirement incentive credit. 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.

The Health Care program is financed through a combination of employer contributions, recipient premiums, investment returns, and any funds received on behalf of SERS' participation in Medicare programs. The System's goal is to maintain a health care reserve account with a 20-year solvency period in order to ensure that fluctuations in the cost of health care do not cause an interruption in the program; however, during any period in which the 20-year solvency period is not achieved, the System shall manage the Health Care Fund on a pay-as-you-go basis.

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

Funding Policy – State statute permits SERS to fund the health care benefits through employer contributions. Each year, after the allocation for statutorily required pensions and benefits, the Retirement Board may allocate the remainder of the employer contribution of 14 percent of covered payroll to the Health Care Fund in accordance with the funding policy. For fiscal year 2024, no allocation was made to health care. An additional health care surcharge on employers is collected for employees earning less than an actuarially determined minimum compensation amount, pro-rated if less than a full year of service credit was earned. For fiscal year 2024, this amount was \$30,000. Statutes provide that no employer shall pay a health care surcharge greater

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than 2 percent of that employer's SERS-covered payroll; nor may SERS collect in aggregate more than 1.5 percent of the total statewide SERS-covered payroll for the health care surcharge. For fiscal year 2024, the School District's surcharge obligation was \$42,261.

The surcharge, added to the allocated portion of the 14 percent employer contribution rate is the total amount assigned to the Health Care Fund. The School District's contractually required contribution to SERS was \$42,261 for fiscal year 2024, which is reported as an intergovernmental payable.

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. Health care premiums were reduced by a Medicare Part B premium credit beginning in 2023. 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. All benefit recipients pay a portion of the health care costs in the form of a monthly premium. Under Ohio law, funding for post-employment health care may be deducted from employer contributions, currently 14 percent of covered payroll. For the fiscal year ended June 30, 2024, STRS did not allocate any employer contributions to post-employment health care.

OPEB Liability (Asset), 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, 2023, and the total OPEB liability used to calculate the net OPEB liability (asset) was determined by an independent actuarial valuation as of that date. The School District's proportion of the net OPEB liability (asset) was based on the School District's share of contributions to the respective retirement systems relative to the contributions of all participating entities. Following is information related to the proportionate share and OPEB expense:

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Proportion of the Net OPEB Liability/Asset:			
Current Measurement Date	<u>0.05843260%</u>	<u>0.05647221%</u>	
Prior Measurement Date	<u>0.06032520%</u>	<u>0.05607745%</u>	
Change in Proportionate Share	<u>-0.00189260%</u>	<u>0.00039476%</u>	
Proportionate Share of the:			
Net OPEB Liability	\$962,646	\$0	\$962,646
Net OPEB (Asset)	\$0	(\$1,098,307)	(\$1,098,307)
OPEB Expense	(\$69,883)	(\$35,904)	(\$105,787)

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At June 30, 2024, the School District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	SERS	STRS	Total
Deferred Outflows of Resources			
Differences between expected and actual experience	\$2,006	\$1,712	\$3,718
Changes of assumptions	325,498	161,797	487,295
Net difference between projected and actual earnings on OPEB plan investments	7,461	1,960	9,421
Changes in proportionate Share and difference between School District contributions and proportionate share of contributions	8,632	4,258	12,890
School District contributions subsequent to the measurement date	42,261	0	42,261
Total Deferred Outflows of Resources	<u>\$385,858</u>	<u>\$169,727</u>	<u>\$555,585</u>

Deferred Inflows of Resources

Differences between expected and actual experience	\$496,472	\$167,518	\$663,990
Changes of assumptions	273,400	724,646	998,046
Changes in proportionate share and difference between School District contributions and proportionate share of contributions	103,415	5,274	108,689
Total Deferred Inflows of Resources	<u>\$873,287</u>	<u>\$897,438</u>	<u>\$1,770,725</u>

\$42,261 reported as deferred outflows of resources related to OPEB resulting from School District contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability or an increase to the net OPEB asset in the fiscal year ending June 30, 2025. 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
<i>Fiscal Year Ending June 30:</i>			
2025	(\$157,349)	(\$324,003)	(\$481,352)
2026	(140,744)	(146,669)	(287,413)
2027	(90,274)	(56,240)	(146,514)
2028	(60,203)	(76,538)	(136,741)
2029	(44,912)	(70,208)	(115,120)
Thereafter	<u>(36,208)</u>	<u>(54,053)</u>	<u>(90,261)</u>
Total	<u>(\$529,690)</u>	<u>(\$727,711)</u>	<u>(\$1,257,401)</u>

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Actuarial Assumptions – SERS

The total OPEB liability is determined by SERS' actuaries in accordance with GASB Statement No. 74, as part of their annual actuarial valuation for each retirement plan. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts (e.g., salaries, credited service) and assumptions about the probability of occurrence of events far into the future (e.g., mortality, disabilities, retirements, employment terminations). Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future.

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

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

Key methods and assumptions used in calculating the total OPEB liability in the latest actuarial valuation date of June 30, 2023, are presented as follows:

<u>June 30, 2023</u>	
Inflation	2.40 percent
Future Salary Increases, including inflation	3.25 percent to 13.58 percent
Investment Rate of Return	7.00 percent net of investment expense
Actuarial Cost Method	Entry Age Normal (Level Percent of Payroll)
Fiduciary Net Position is Projected to be Depleted	2048
Municipal Bond Index Rate:	
Measurement Date	3.86 percent
Prior Measurement Date	3.69 percent
Single Equivalent Interest Rate,	
Measurement Date	4.27 percent
Prior Measurement Date	4.08 percent
Health Care Cost Trend Rate	
Medical Trend Assumption	
Measurement Date	6.75 to 4.40 percent
Prior Measurement Date	7.00 to 4.40 percent

Mortality rates among healthy retirees were based on the PUB-2010 General Employee Amount Weighted Below Median Healthy Retiree mortality table projected to 2017 with ages set forward 1 year and adjusted 94.20 percent for males and set forward 2 years and adjusted 81.35 percent for females. Mortality among disabled members were based upon the PUB-2010 General Disabled Retiree mortality table projected to 2017

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with ages set forward 5 years and adjusted 103.3 percent for males and set forward 3 years and adjusted 106.8 percent for females. Mortality rates for contingent survivors were based on PUB-2010 General Amount Weighted Below Median Contingent Survivor mortality table projected to 2017 with ages set forward 1 year and adjusted 105.5 percent for males and adjusted 122.5 percent for females. Mortality rates for actives is based on PUB-2010 General Amount Weighted Below Median Employee mortality table. Mortality rates are projected using a fully generational projection with Scale MP-2020.

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

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 2016 through 2020, and was adopted by the Board on April 15, 2021. Several factors are considered in evaluating the long-term rate of return assumption including long-term historical data, estimates inherent in current market data, and a long-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected return, net of investment expense and inflation) were developed by the investment consultant for each major asset class. These ranges were combined to produce the long-term expected rate of return, 7.00 percent, by weighting the expected future real rates of return by the target asset allocation percentage and then adding expected inflation. The assumption is intended to be a long-term assumption and is not expected to change absent a significant change in the asset allocation, a change in the inflation assumption, or a fundamental change in the market that alters expected returns in future years.

The SERS health care plan follows the same asset allocation and long-term expected real rate of return for each major asset class as the pension plan, see Note 21.

Discount Rate The discount rate used to measure the total OPEB liability at June 30, 2023, was 4.27 percent. The discount rate used to measure total OPEB liability prior to June 30, 2023, was 4.08 percent. The projection of cash flows used to determine the discount rate assumed that contributions will be made from members and the System at the contribution rate of 1.50 percent of projected covered payroll each year, which includes a 1.50 percent payroll surcharge and no contributions from the basic benefits plan. Based on these assumptions, the OPEB plan's fiduciary net position was projected to be depleted in 2048 by SERS' actuaries. The Fidelity General Obligation 20-year Municipal Bond Index Rate was used in the determination of the single equivalent interest rate for both the June 30, 2022, and the June 30, 2023, total OPEB liability. The Municipal Bond Index Rate is the single rate that will generate a present value of benefit payments equal to the sum of the present value determined by the long-term expected rate of return, and the present value determined by discounting those benefits after the date of depletion. The Municipal Bond Index Rate was 3.86 percent at June 30, 2023, and 3.69 percent at June 30, 2022.

Sensitivity of the School 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 (3.27%) and higher (5.27%) than the current discount rate (4.27%). Also shown is what SERS' net OPEB liability would be based on health care cost trend rates that are 1 percentage point lower (5.75% decreasing to 3.40%) and higher (7.75% decreasing to 5.40%) than the current rate.

	1% Decrease (3.27%)	Current Discount Rate (4.27%)	1% Increase (5.27%)
School District's proportionate share of the net OPEB liability	\$1,230,536	\$962,646	\$751,402

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For the Fiscal Year Ended June 30, 2024*

	1% Decrease (5.75% decreasing to 3.40%)	Current Trend Rate (6.75% decreasing to 4.40%)	1% Increase (7.75% decreasing to 5.40%)
School District's proportionate share of the net OPEB liability	\$707,222	\$962,646	\$1,301,115

Actuarial Assumptions – STRS

Key methods and assumptions used in the June 30, 2023, actuarial valuation compared to the prior year are presented as follows:

	June 30, 2023	June 30, 2022
Projected salary increases	Varies by service from 2.5 percent to 8.5 percent	Varies by service from 2.5 percent to 8.5 percent
Investment Rate of Return	7.00 percent, net of investment expenses, including inflation	7.00 percent, net of investment expenses, including inflation
Payroll Increases	3 percent	3 percent
Discount Rate of Return	7.00 percent	7.00 percent
Health Care Cost Trends		
Medical		
Pre-Medicare	7.50 percent initial 4.14 percent ultimate	7.50 percent initial 3.94 percent ultimate
Medicare	-10.94 percent initial 4.14 percent ultimate	-68.78 percent initial 3.94 percent ultimate
Prescription Drug		
Pre-Medicare	-11.95 percent initial 4.14 percent ultimate	9.00 percent initial 3.94 percent ultimate
Medicare	1.33 percent initial 4.14 percent ultimate	-5.47 percent initial 3.94 percent ultimate

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

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

Actuarial assumptions used in the June 30, 2023, valuation are based on the results of an actuarial experience study for the period July 1, 2015, through June 30, 2021. An actuarial experience study is done on a quinquennial basis.

The STRS health care plan follows the same asset allocation and long-term expected real rate of return for each major asset class as the pension plan, see Note 21.

Discount Rate The discount rate used to measure the total OPEB liability was 7.00 percent as of June 30, 2023. The projection of cash flows used to determine the discount rate assumed STRS continues to allocate no employer contributions to the health care fund. Based on these assumptions, the OPEB plan's fiduciary net

Jefferson Area Local School District

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2024*

position was projected to be available to make all projected future benefit payments to current plan members as of June 30, 2023. Therefore, the long-term expected rate of return on health care plan investments of 7.00 percent was applied to all periods of projected health care costs to determine the total OPEB liability as of June 30, 2023.

Sensitivity of the School 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, 2023, calculated using the current period discount rate assumption of 7.00 percent, as well as what the net OPEB asset would be if it were calculated using a discount rate that is one percentage point lower (6.00 percent) or one percentage point higher (8.00 percent) 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 (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
School District's proportionate share of the net OPEB (asset)	(\$929,573)	(\$1,098,307)	(\$1,245,256)
	1% Decrease	Current Trend Rate	1% Increase
School District's proportionate share of the net OPEB (asset)	(\$1,252,075)	(\$1,098,307)	(\$913,095)

Jefferson Area Local School District
Required Supplementary Information
Schedule of the School District's Proportionate Share of the Net Pension Liability
School Employees Retirement System of Ohio
*Last Ten Fiscal Years **

	2024	2023	2022	2021
School District's Proportion of the Net Pension Liability	0.05675390%	0.05896500%	0.05909390%	0.05853960%
School District's Proportionate Share of the Net Pension Liability	\$3,135,945	\$3,189,286	\$2,180,394	\$3,871,932
School District's Covered Payroll	\$2,224,479	\$2,170,900	\$2,070,157	\$2,066,150
School District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered - Payroll	140.97%	146.91%	105.33%	187.40%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	76.06%	75.82%	82.86%	68.55%

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

See accompanying notes to the required supplementary information

2020	2019	2018	2017	2016	2015
0.05863880%	0.05964700%	0.05699530%	0.06113970%	0.06521700%	0.06951500%
\$3,508,461	\$3,416,094	\$3,405,343	\$4,474,863	\$3,721,346	\$3,518,115
\$2,014,519	\$2,211,481	\$1,852,650	\$1,886,743	\$1,948,414	\$2,009,374
174.16%	154.47%	183.81%	237.17%	190.99%	175.09%
70.85%	71.36%	69.50%	62.98%	69.16%	71.70%

Jefferson Area Local School District
Required Supplementary Information
Schedule of the School District's Proportionate Share of the Net OPEB Liability
School Employees Retirement System of Ohio
Last Eight Fiscal Years (1)

	2024	2023	2022	2021
School District's Proportion of the Net OPEB Liability	0.05843260%	0.06032520%	0.06087510%	0.06093800%
School District's Proportionate Share of the Net OPEB Liability	\$962,646	\$846,971	\$1,152,111	\$1,324,383
School District's Covered Payroll	\$2,224,479	\$2,170,900	\$2,070,157	\$2,066,150
School District's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered - Payroll	43.28%	39.01%	55.65%	64.10%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	30.02%	30.34%	24.08%	18.17%

(1) Information prior to 2017 is not available.

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

See accompanying notes to the required supplementary information

2020	2019	2018	2017
0.06020730%	0.06049120%	0.05789870%	0.06193810%
\$1,514,086	\$1,678,189	\$1,553,850	\$1,765,465
\$2,014,519	\$2,211,481	\$1,852,650	\$1,886,743
75.16%	75.89%	83.87%	93.57%
15.57%	13.57%	12.46%	11.49%

Jefferson Area Local School District
Required Supplementary Information
Schedule of the School District's Proportionate Share of the Net Pension Liability
State Teachers Retirement System of Ohio
*Last Ten Fiscal Years **

	2024	2023	2022	2021
School District's Proportion of the Net Pension Liability	0.05647221%	0.05607745%	0.05769301%	0.05635643%
School District's Proportionate Share of the Net Pension Liability	\$12,161,254	\$12,466,088	\$7,376,568	\$13,636,251
School District's Covered Payroll	\$7,490,093	\$7,314,286	\$7,013,421	\$6,817,129
School District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered - Payroll	162.36%	170.43%	105.18%	200.03%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	80.00%	78.90%	87.80%	75.50%

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

See accompanying notes to the required supplementary information

2020	2019	2018	2017	2016	2015
0.05575940%	0.05455672%	0.05512061%	0.05210617%	0.05262708%	0.05382377%
\$12,330,856	\$11,995,797	\$13,094,019	\$17,441,505	\$14,544,585	\$13,091,804
\$6,639,407	\$7,206,007	\$5,877,057	\$5,184,179	\$5,491,479	\$5,455,385
185.72%	166.47%	222.80%	336.44%	264.86%	239.98%
77.40%	77.30%	75.30%	66.80%	72.10%	74.70%

Jefferson Area Local School District
Required Supplementary Information
Schedule of the School District's Proportionate Share of the Net OPEB Liability/(Asset)
State Teachers Retirement System of Ohio
Last Eight Fiscal Years (1)

	2024	2023	2022	2021
School District's Proportion of the Net OPEB Liability/Asset	0.05647221%	0.05607745%	0.05769301%	0.05635643%
School District's Proportionate Share of the Net OPEB (Asset) Liability	(\$1,098,307)	(\$1,452,032)	(\$1,216,411)	(\$990,463)
School District's Covered Payroll	\$7,490,093	\$7,314,286	\$7,013,421	\$6,817,129
School District's Proportionate Share of the Net OPEB Liability(Asset) as a Percentage of its Covered - Payroll	-14.66%	-19.85%	-17.34%	-14.53%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	168.50%	230.70%	174.70%	182.10%

(1) Information prior to 2017 is not available.

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

See accompanying notes to the required supplementary information

2020	2019	2018	2017
0.05575940%	0.05455672%	0.05512061%	0.05210617%
(\$923,510)	(\$876,671)	\$2,150,603	\$2,786,652
\$6,639,407	\$7,206,007	\$5,877,057	\$5,184,179
-13.91%	-12.17%	36.59%	53.75%
174.70%	176.00%	47.10%	37.30%

Jefferson Area Local School District
Required Supplementary Information
Schedule of the School District's Contributions
School Employees Retirement System of Ohio
Last Ten Fiscal Years

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Net Pension Liability				
Contractually Required Contribution	\$342,050	\$311,427	\$303,926	\$289,822
Contributions in Relation to the Contractually Required Contribution	<u>(342,050)</u>	<u>(311,427)</u>	<u>(303,926)</u>	<u>(289,822)</u>
Contribution Deficiency (Excess)	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>
School District Covered Payroll (1)	\$2,443,214	\$2,224,479	\$2,170,900	\$2,070,157
Pension Contributions as a Percentage of Covered Payroll	<u><u>14.00%</u></u>	<u><u>14.00%</u></u>	<u><u>14.00%</u></u>	<u><u>14.00%</u></u>
Net OPEB Liability				
Contractually Required Contribution (2)	42,261	42,891	39,564	38,837
Contributions in Relation to the Contractually Required Contribution	<u>(42,261)</u>	<u>(42,891)</u>	<u>(39,564)</u>	<u>(38,837)</u>
Contribution Deficiency (Excess)	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>
OPEB Contributions as a Percentage of Covered Payroll	<u><u>1.73%</u></u>	<u><u>1.93%</u></u>	<u><u>1.82%</u></u>	<u><u>1.88%</u></u>
Total Contributions as a Percentage of Covered Payroll (2)	<u><u>30.02%</u></u>	<u><u>30.34%</u></u>	<u><u>24.08%</u></u>	<u><u>18.17%</u></u>

(1) The School District's covered payroll is the same for Pension and OPEB.

(2) Includes Surcharge

See accompanying notes to the required supplementary information

2020	2019	2018	2017	2016	2015
\$289,261	\$271,960	\$298,550	\$259,371	\$264,144	\$256,801
<u>(289,261)</u>	<u>(271,960)</u>	<u>(298,550)</u>	<u>(259,371)</u>	<u>(264,144)</u>	<u>(256,801)</u>
<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>
\$2,066,150	\$2,014,519	\$2,211,481	\$1,852,650	\$1,886,743	\$1,948,414
<u><u>14.00%</u></u>	<u><u>13.50%</u></u>	<u><u>13.50%</u></u>	<u><u>14.00%</u></u>	<u><u>14.00%</u></u>	<u><u>13.18%</u></u>
40,599	47,356	43,645	31,841	31,254	50,034
<u>(40,599)</u>	<u>(47,356)</u>	<u>(43,645)</u>	<u>(31,841)</u>	<u>(31,254)</u>	<u>(50,034)</u>
<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>
<u><u>1.96%</u></u>	<u><u>2.35%</u></u>	<u><u>1.97%</u></u>	<u><u>1.72%</u></u>	<u><u>1.66%</u></u>	<u><u>2.57%</u></u>
<u><u>15.96%</u></u>	<u><u>15.85%</u></u>	<u><u>15.47%</u></u>	<u><u>15.72%</u></u>	<u><u>15.66%</u></u>	<u><u>15.75%</u></u>

Jefferson Area Local School District
Required Supplementary Information
Schedule of the School District's Contributions
State Teachers Retirement System of Ohio
Last Ten Fiscal Years

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Net Pension Liability				
Contractually Required Contribution	\$1,087,062	\$1,048,613	\$1,024,000	\$981,879
Contributions in Relation to the Contractually Required Contribution	<u>(1,087,062)</u>	<u>(1,048,613)</u>	<u>(1,024,000)</u>	<u>(981,879)</u>
Contribution Deficiency (Excess)	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>
School District Covered Payroll	\$7,764,729	\$7,490,093	\$7,314,286	\$7,013,421
Pension Contributions as a Percentage of Covered Payroll	<u><u>14.00%</u></u>	<u><u>14.00%</u></u>	<u><u>14.00%</u></u>	<u><u>14.00%</u></u>
Net OPEB Liability (Asset) (1)				

(1) Although the covered payroll for the net OPEB liability is the same as the net pension liability, there were no OPEB related required contributions for 2015-2024, STRS did not allocate any employer contributions to postemployment health care; therefore is no required supplementary information to present related to the statutorily established employer contribution requirements for the net OPEB liability.

See accompanying notes to the required supplementary information

2020	2019	2018	2017	2016	2015
\$954,398	\$929,517	\$1,008,841	\$822,788	\$725,785	\$768,807
(954,398)	(929,517)	(1,008,841)	(822,788)	(725,785)	(768,807)
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$6,817,129	\$6,639,407	\$7,206,007	\$5,877,057	\$5,184,179	\$5,491,479
<u>14.00%</u>	<u>14.00%</u>	<u>14.00%</u>	<u>14.00%</u>	<u>14.00%</u>	<u>14.00%</u>

Jefferson Area Local School District
Notes to the Required Supplementary Information
For the Fiscal Year Ended June 30, 2024

Net Pension Liability

Changes in Benefit Terms/Assumptions – SERS

Beginning in fiscal year 2018, on each anniversary of the initial retirement, the allowance of all retirees and survivors may be increased by the annual rate of increase in the CPI-W measured as of the June preceding the beginning of the applicable calendar year. The annual rate of increase shall not be less than 0 percent nor greater than 2.5 percent. The COLA was suspended for 2018-2020. Prior to 2018, an assumption of 3 percent was used. For 2021, the cost-of living adjustment was reduced from 2.5 percent to 2 percent. For 2023 and 2024, the cost-of-living adjustment was increased from 2 percent to 2.5 percent.

Amounts reported in 2022 incorporate changes in assumptions used by SERS in calculating the total pension liability in the latest actuarial valuation. These assumptions compared with those used in prior years are presented below:

	Fiscal Year 2022	Fiscal Years 2021-2017	Fiscal Year 2016 and Prior
Wage Inflation	2.4 percent	3.00 percent	3.25 percent
Future Salary Increases, including inflation	3.25 percent to 13.58 percent	3.50 percent to 18.20 percent	4.00 percent to 22.00 percent
Investment Rate of Return	7.0 percent net of system expenses	7.50 percent net of investments expense, including inflation	7.75 percent net of investments expense, including inflation

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

Amounts report for 2017 through 2021 use mortality rates that are 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. Amounts reported for fiscal year 2016 and prior, use mortality assumptions that are based on the 1994 Group Annuity Mortality Table set back one year for both men and women. Special mortality tables were used for the period after disability retirement.

Changes in Assumptions - STRS

Beginning with fiscal year 2022, amounts reported incorporate changes in assumptions and changes in benefit terms used by STRS in calculating the total pension liability in the latest actuarial valuation. These new assumptions compared with those used in fiscal years 2018-2021 and fiscal year 2017 and prior are presented below:

Jefferson Area Local School District
Notes to the Required Supplementary Information
For the Fiscal Year Ended June 30, 2024

	Fiscal Year 2022	Fiscal Years 2021-2018	Fiscal Year 2017 and Prior
Inflation	2.50 percent	2.50 percent	2.75 percent
Projected salary increases	Varies by Service from 2.5 percent to 8.5 percent	12.50 percent at age 20 to 2.50 percent at age 65	12.25 percent at age 20 to 2.75 percent at age 70
Investment Rate of Return	See Below	See Below	See Below
Payroll Increases	3 percent	3 percent	3.5 percent
Cost-of-Living Adjustment (COLA)	0.0 percent, effective July 1, 2017	0.0 percent, effective July 1, 2017	2 percent simple applied as follows: for members retiring before August 1, 2013, 2 percent per year; for members retiring after August 1, 2013, or later, COLA commences on fifth anniversary of retirement date.

Investment rate of return:

Fiscal Years 2022 through 2024	7.00 percent, net of investment expenses, including inflation
Fiscal Years 2018 through 2021	7.45 percent, net of investment expenses, including inflation
Fiscal Year 2017 and prior	7.75 percent, net of investment expenses, including inflation

Beginning with fiscal year 2022, post-retirement mortality rates are based on the Pub-2010 Teachers Healthy Annuitant Mortality Table, adjusted 110 percent for males, projected forward generationally using mortality improvement scale MP-2020. Pre-retirement mortality rates are based on Pub-2010 Teachers Employee Table adjusted 95 percent for females, projected forward generationally using mortality improvement scale MP-2020. Post-retirement disabled mortality rates are based on Pub-2010 Teachers Disable Annuitant Table projected forward generationally using mortality improvement scale MP-2020.

Beginning with fiscal year 2018, post-retirement mortality rates for healthy retirees were based on the RP-2014 Annuitant Mortality Table with 50 percent of rates through age 69, 70 percent of rates between ages 70 and 79, 90 percent of rates between ages 80 and 84, and 100 percent of rates thereafter, projected forward generationally using mortality improvement scale MP-2016. Post-retirement disabled mortality rates are based on the RP-2014 Disabled Mortality Table with 90 percent of rates for males and 100 percent of rates for females, projected forward generationally using mortality improvement scale MP-2016. Pre-retirement mortality rates are based on RP-2014 Employee Mortality Table, projected forward generationally using mortality improvement scale MP-2016.

For fiscal year 2017 and prior actuarial valuation, mortality rates were based on the RP-2000 Combined Mortality Table (Projection 2022—Scale AA) for Males and Females. Males' ages are set-back two years through age 89 and no set-back for age 90 and above. Females younger than age 80 are set back four years, one year set back from age 80 through 89, and no set back from age 90 and above.

Changes in Benefit Term – STRS

For 2024, demographic assumptions were changed based on the actuarial experience study for the period July 1, 2015, through June 30, 2021.

Jefferson Area Local School District
Notes to the Required Supplementary Information
For the Fiscal Year Ended June 30, 2024

For fiscal year 2023, the Board approved a one-time 3 percent COLA effective on the anniversary of a benefit recipient's retirement date for those eligible during fiscal year 2023 and eliminated the age 60 requirement to receive unreduced retirement that was scheduled to go into effect August 1, 2026.

Net OPEB Liability (Asset)

Changes in Assumptions – SERS

Beginning with fiscal year 2022, amounts reported incorporate changes in assumptions and changes in benefit terms used by SERS in calculating the total OPEB liability in the latest actuarial valuation. These new assumptions compared with those used in fiscal year 2021 and prior are presented below:

	2022	2021 and Prior
Inflation	2.40 percent	3.00 percent
Future Salary Increases, including inflation		
Wage Increases	3.25 percent to 13.58 percent	3.50 percent to 18.20 percent
Investment Rate of Return	7.00 percent net of investment expense, including inflation	7.50 percent net of investment expense, including inflation

Amounts reported incorporate changes in key methods and assumptions used in calculating the total OPEB liability as presented below:

Municipal Bond Index Rate:	
Fiscal year 2024	3.86 percent
Fiscal year 2023	3.69 percent
Fiscal year 2022	1.92 percent
Fiscal year 2021	2.45 percent
Fiscal year 2020	3.13 percent
Fiscal year 2019	3.62 percent
Fiscal year 2018	3.56 percent
Fiscal year 2017	2.92 percent
Single Equivalent Interest Rate, net of plan investment expense, including price inflation	
Fiscal year 2024	4.27 percent
Fiscal year 2023	4.08 percent
Fiscal year 2022	2.27 percent
Fiscal year 2021	2.63 percent
Fiscal year 2020	3.22 percent
Fiscal year 2019	3.70 percent
Fiscal year 2018	3.63 percent
Fiscal year 2017	2.98 percent

Changes in Assumptions – STRS

For fiscal year 2018, the discount rate was increased from 3.26 percent to 4.13 percent based on the methodology defined under *GASB Statement No. 74, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans (OPEB)* and the long term expected rate of return was reduced from 7.75 percent to 7.45 percent. Valuation year per capita health care costs were updated, and the salary scale was modified. The percentage of future retirees electing each option was updated based on current data and the percentage of future disabled retirees and terminated vested participants electing health coverage were decreased. The assumed mortality, disability, retirement, withdrawal and future health care cost trend rates were modified along with the portion of rebated prescription drug costs.

Jefferson Area Local School District
Notes to the Required Supplementary Information
For the Fiscal Year Ended June 30, 2024

For fiscal year 2019, the discount rate was increased from the blended rate of 4.13 percent to the long-term expected rate of return of 7.45.

For fiscal year 2022, the discount rate was decreased from 7.45 percent to the long-term expected rate of return of 7.00.

For fiscal year 2023, the projected salary increases were changed from age based to service based. Healthcare trends were updated to reflect emerging claims and recoveries experience.

Changes in Benefit Terms – STRS

For fiscal year 2018, the subsidy multiplier for non-Medicare benefit recipients was reduced from 2.1 percent to 1.9 percent per year of service. Medicare Part B premium reimbursements were discontinued for certain survivors and beneficiaries and all remaining Medicare Part B premium reimbursements will be discontinued beginning January 2020.

For fiscal year 2019, the subsidy multiplier for non-Medicare benefit recipients was increased from 1.9 percent to 1.944 percent per year of service effective January 1, 2019. The non-Medicare frozen subsidy base premium was increased effective January 1, 2019 and all remaining Medicare Part B premium reimbursements will be discontinued beginning January 1, 2020.

For fiscal year 2020, there was no change to the claims costs process. Claim curves were trended to the fiscal year ending June 30, 2020 to reflect the current price renewals. The non-Medicare subsidy percentage was increased effective January 1, 2020 from 1.944 percent to 1.984 percent per year of service. The non-Medicare frozen subsidy base premium was increased effective January 1, 2020. The Medicare subsidy percentages were adjusted effective January 1, 2021 to 2.1 percent for the Medicare plan. The Medicare Part B monthly reimbursement elimination date was postponed to January 1, 2021.

For fiscal year 2021, there was no change to the claims costs process. Claim curves were updated to reflect the projected fiscal year ending June 30, 2021 premium based on June 30, 2020 enrollment distribution. The non-Medicare subsidy percentage was increased effective January 1, 2021 from 1.984 percent to 2.055 percent 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 percent for the AMA Medicare plan. The Medicare Part B monthly reimbursement elimination date was postponed indefinitely.

For fiscal year 2022, there was no change to the claims costs process. Claim curves were updated to reflect the projected fiscal year ending June 30, 2022, premium based on June 30, 2021, enrollment distribution. The non-Medicare subsidy percentage was increased effective January 1, 2022, from 2.055 percent to 2.1 percent per year of service. The non-Medicare frozen subsidy base premium was increased effective January 1, 2022. The Medicare Part D Subsidy was updated to reflect it is expected to be negative in CY 2022. The Part B monthly reimbursement elimination date was postponed indefinitely.

For fiscal year 2023, healthcare trends were updated to reflect emerging claims and recoveries experience.

For fiscal year 2024, healthcare trends were updated to reflect emerging claims and recoveries experience as well as benefit changes effective January 1, 2024.

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JEFFERSON AREA LOCAL SCHOOL DISTRICT
ASHTABULA COUNTY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2024

FEDERAL GRANTOR Pass Through Grantor Program / Cluster Title	Federal AL Number	Pass Through Entity Identifying Number	Provided Through to Subrecipients	Total Federal Expenditures
U.S. DEPARTMENT OF AGRICULTURE				
<i>Passed Through Ohio Department of Education and Workforce</i>				
Child Nutrition Cluster:				
School Breakfast Program	10.553	2024		\$185,946
National School Lunch Program	10.555	2024		533,681
COVID-19 - National School Lunch Program	10.555	2024		46,262
Non-Cash Food Commodities	10.555	2024		75,730
Sub-Total Nutrition Cluster				<u>\$841,619</u>
Total U.S. Department of Agriculture				<u>841,619</u>
U.S. DEPARTMENT OF EDUCATION				
<i>Passed Through Ohio Department of Education and Workforce</i>				
Title I School Subsidy	84.010A	2023		67,302
Title I School Subsidy	84.010A	2024		555,627
Sub-Total Title I				<u>622,929</u>
Title VI, Part B - Special Education Grants to States	84.027A	2024	\$408,801	408,801
Title VI, Part B - Early Childhood Special Education Grants to States	84.173A	2024	7,654	7,654
Sub-Total Title VI, Part B - Special Education Cluster			<u>416,455</u>	<u>416,455</u>
Title VI-A Student Support and Academic Enrichment Program	84.424A	2023		7,998
Title VI-A Student Support and Academic Enrichment Program	84.424A	2024		48,618
Title VI-A Student Support and Academic Enrichment Program - Stronger Connections	84.424F	2024		9,300
Sub-Total Title IV-B				<u>65,916</u>
COVID-19 - Elementary and Secondary School Emergency Relief Fund (ESSER I and II)	84.425D	2022		200,317
COVID-19 - American Rescue Plan Elementary and Secondary School Emergency Relief (ARP ESSER)	84.425U	2023		262,549
COVID-19 - ARP ESSER	84.425U	2024		694,489
Sub-Total Education Stabilization Fund				<u>1,157,355</u>
Total U.S. Department of Education			<u>416,455</u>	<u>2,262,655</u>
Total Expenditures of Federal Awards			<u>\$416,455</u>	<u>\$3,104,274</u>

The accompanying notes to this schedule are an integral part of this schedule.

**JEFFERSON AREA LOCAL SCHOOL DISTRICT
ASHTABULA COUNTY**

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
2 CFR 200.510(b)(6)
FOR THE YEAR ENDED JUNE 30, 2024**

NOTE A – BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of the Jefferson Area Local School District (the District) under programs of the federal government for the year ended June 30, 2024. 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 - SUBRECIPIENTS

The District passes certain federal awards received from the Special Education Cluster - AL #84.027 and AL #84.173 to the Ashtabula County Educational Service Center (subrecipient). As Note B describes, the District reports expenditures of Federal awards to subrecipients when paid in cash.

As a pass-through entity, the District has certain compliance responsibilities, such as monitoring its subrecipients to help assure they use these subawards as authorized by laws, regulations, and the provisions of contracts or grant agreements, and that subrecipients achieve the award's performance goals.

NOTE E - 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 F – 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 that benefitted from the use of those donated food commodities.

JEFFERSON AREA LOCAL SCHOOL DISTRICT
ASHTABULA COUNTY

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
2 CFR 200.510(b)(6)
FOR THE YEAR ENDED JUNE 30, 2024
(CONTINUED)

NOTE G - TRANSFERS BETWEEN FEDERAL PROGRAMS

During fiscal year 2024, the District made allowable ESEA flexibility transfers of \$59,772 from Title II-A (AL #84.367) program to the Title I (AL #84.010) program. Title II-A program transfers are excluded on the Schedule. The amount transferred to the Title I program is included as Title I expenditures when disbursed. The following table shows the gross amount drawn for the Title II-A program during fiscal year 2024 and the amount transferred to the Title I program.

Title II A	\$59,772
Transfer to Title I	<u>-\$59,772</u>
Total Title II A	\$0

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65 East State 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**

Jefferson Area Local School District
Ashtabula County
121 South Poplar Street
Jefferson, Ohio 44047

To the Board of Education:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Jefferson Area Local School District, Ashtabula County, Ohio (the District) as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated February 11, 2025.

Report on Internal Control Over Financial Reporting

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

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

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

Jefferson Area Local School District
Ashtabula County
Independent Auditor's Report On Internal Control Over
Financial Reporting And On Compliance And Other Matters
Required By *Government Auditing Standards*
Page 2

Report on Compliance and Other Matters

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

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Keith Faber
Auditor of State
Columbus, Ohio

February 11, 2025

OHIO AUDITOR OF STATE KEITH FABER



65 East State Street
Columbus, Ohio 43215
ContactUs@ohioauditor.gov
800-282-0370

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

Jefferson Area Local School District
Ashtabula County
121 South Poplar Street
Jefferson, Ohio 44047

To the Board of Education:

Report on Compliance for the Major Federal Program

Opinion on the Major Federal Program

We have audited Jefferson Area Local School District's (District) compliance with the types of compliance requirements identified as subject to audit in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could have a direct and material effect on Jefferson Area Local School District's major federal program for the year ended June 30, 2024. Jefferson Area Local School District's major federal program is identified in the *Summary of Auditor's Results* section of the accompanying schedule of findings.

In our opinion, Jefferson Area Local School District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2024.

Basis for Opinion on the Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by 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). Our responsibilities under those standards and the Uniform Guidance are further described in the *Auditor's Responsibilities for the Audit of Compliance* section of our report.

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

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

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

Report on Internal Control Over Compliance

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

Jefferson Area Local School District

Ashtabula County

Independent Auditor's Report on Compliance with Requirements

Applicable to the Major Federal Program and on Internal Control Over Compliance

Required by the Uniform Guidance

Page 3

Our consideration of internal control over compliance was for the limited purpose described in the *Auditor's Responsibilities for the Audit of Compliance* section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

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

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



Keith Faber

Auditor of State

Columbus, Ohio

February 11, 2025

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JEFFERSON AREA LOCAL SCHOOL DISTRICT
ASHTABULA COUNTY

SCHEDULE OF FINDINGS
2 CFR § 200.515
JUNE 30, 2024

1. SUMMARY OF AUDITOR'S RESULTS

(d)(1)(i)	Type of Financial Statement Opinion	Unmodified
(d)(1)(ii)	Were there any material weaknesses in internal control reported at the financial statement level (GAGAS)?	No
(d)(1)(ii)	Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?	No
(d)(1)(iii)	Was there any reported material noncompliance at the financial statement level (GAGAS)?	No
(d)(1)(iv)	Were there any material weaknesses in internal control reported for major federal programs?	No
(d)(1)(iv)	Were there any significant deficiencies in internal control reported for major federal programs?	No
(d)(1)(v)	Type of Major Programs' Compliance Opinion	Unmodified
(d)(1)(vi)	Are there any reportable findings under 2 CFR § 200.516(a)?	No
(d)(1)(vii)	Major Programs (list):	Nutrition Cluster
(d)(1)(viii)	Dollar Threshold: Type A\B Programs	Type A: > \$ 750,000 Type B: all others
(d)(1)(ix)	Low Risk Auditee under 2 CFR § 200.520?	Yes

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

OHIO AUDITOR OF STATE KEITH FABER



JEFFERSON AREA LOCAL SCHOOL DISTRICT

ASHTABULA 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 3/4/2025

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

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