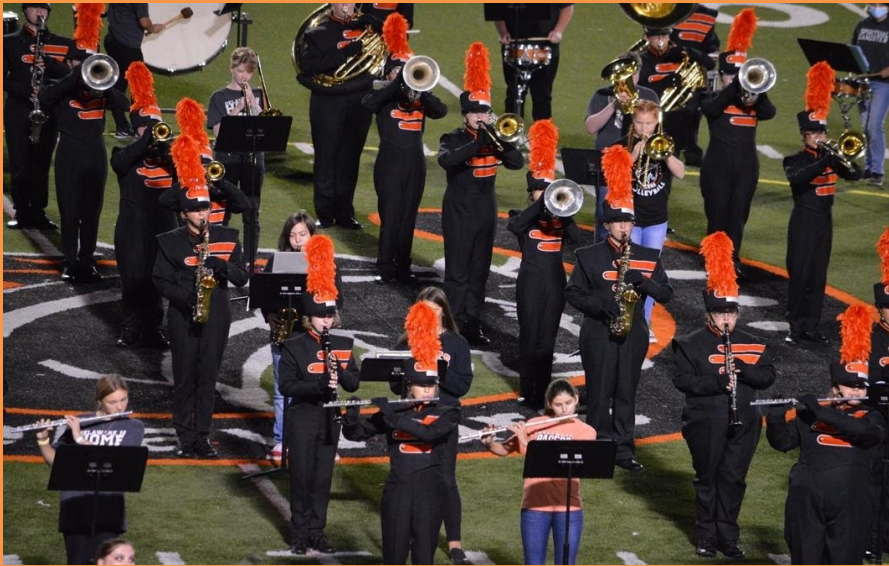


DELAWARE CITY SCHOOL DISTRICT

POPULAR ANNUAL FINANCIAL REPORT



FOR THE YEAR ENDING JUNE 30, 2021
DELAWARE, OHIO

DELAWARE CITY SCHOOLS BY THE NUMBERS - 2021

5,262 Students

910 Students Transported Daily

929,376 District Square Footage

2,366 Average Daily Bus Mileage

57 Buses in Fleet

181,347 Lunches Served

69,674 Breakfasts Served



4 Year Graduation Rate

95.5%

Student Attendance Rate

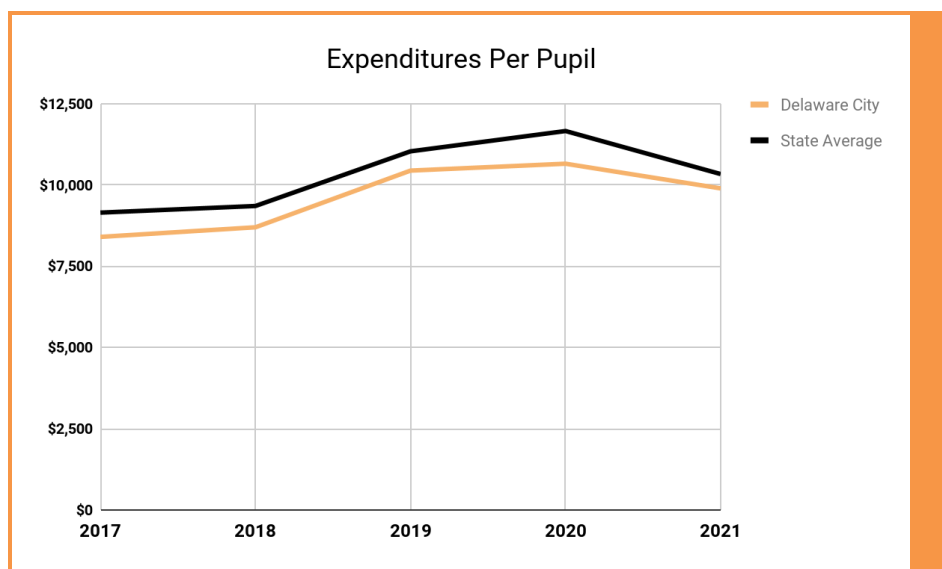
95.7%

Students on Free/Reduced Lunch

100.0%

Students with Disabilities

17.0%



Source: Ohio Department of Education

Table of Contents

Delaware City Schools by the Numbers

- 1 Letter to Readers**
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December 15, 2021

We are pleased to present the Delaware City School District's Popular Annual Financial Report (PAFR) for the fiscal year ending June 30, 2021. This report makes our district's finances easier to understand, and is intended to communicate our financial situation in an open and accountable manner.

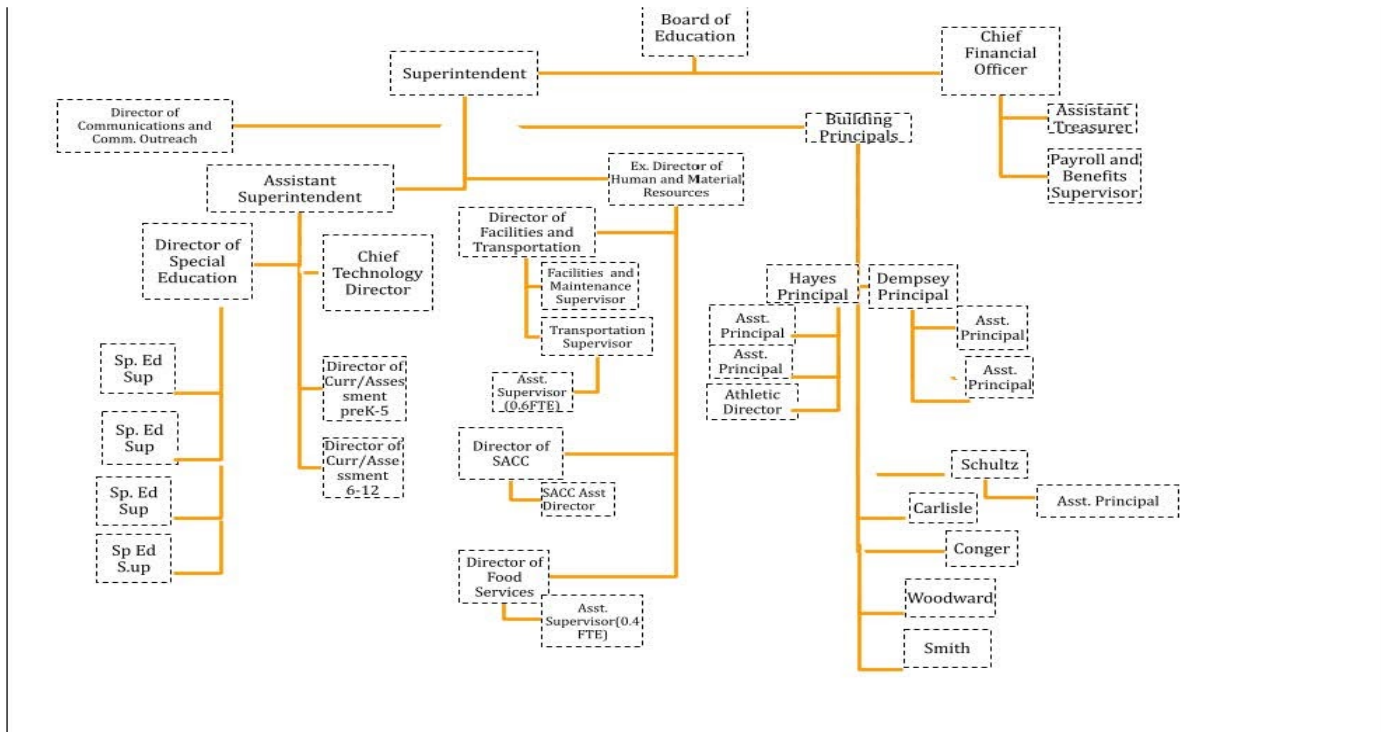
The PAFR is intended to summarize the financial activities and operating results reported in the Delaware City School District's audited Annual Comprehensive Financial Report (ACFR). The PAFR is unaudited and presented on a non-GAAP (Generally Accepted Accounting Principles) basis, which primarily deals with full disclosure and segregated funds. The statements presented on pages 3 and 8 consist of the General Fund of the District. The General Fund is the general operating fund of the District. It is used to account for all financial resources except those that are required to be accounted for in another fund. The most significant items not reported in the General Fund include debt issuance and retirement, building and permanent improvements and food service. For more detailed financial information, a copy of the Annual Comprehensive Financial Report can be viewed on the District's website at www.dcs.k12.oh.us.

The Delaware City School District is proud of the creation of this report. Ultimately, we would like to thank our citizens for their encouragement in creating a report designed to more adequately address their needs as taxpayers, as well as for the opportunity to serve them. Questions, comments and feedback regarding this report are encouraged, so please do not hesitate to contact the Treasurer's office at (740) 833-1100 or at swearime@delawarecityschools.org.

Respectfully submitted,

Melissa N. Swearingen
Treasurer/CFO

Delaware City Schools Organizational Chart (effective 08/01/2020)



Award for Outstanding Achievement in Popular Annual Financial Reporting

Government Finance Officers Association of the United States and Canada (GFOA) has given an Award for Outstanding Achievement in Popular Annual Financial Reporting to the Delaware City School District for its PAFR for the fiscal year ended June 30, 2020. The Award for Outstanding Achievement in Popular Annual Financial Reporting is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government popular reports.

In order to receive an Award for Outstanding Achievement in Popular Annual Financial Reporting, a government must publish a PAFR, whose contents conform to program standards of creativity, presentation, understandability and reader appeal.

An Award for Outstanding Achievement in Popular Annual Financial Reporting is valid for a period of one year only. Delaware City School District has received a Popular Award for the last six consecutive years (fiscal years 2015-2020). We believe our current report continues to conform to the Popular Annual Financial Reporting requirements, and we are submitting it to the GFOA.



Government Finance Officers Association

Award for
Outstanding
Achievement in
Popular Annual
Financial Reporting

Presented to

Delaware City School District

Ohio

For its Annual Financial Report
for the Fiscal Year Ended

June 30, 2020

Christopher P. Morrell
Executive Director/CEO

General Fund

Revenues & Resources Over Expenditures & Services

Readers of the Financial Activity Statement (below) and Financial Position Statement (page seven) should keep in mind that the numbers in both reports represent only the General Fund and are taken from the district's Annual Comprehensive Financial Report (ACFR), but are presented in a non-GAAP format. The ACFR can be obtained at dcs.k12.oh.us on the Treasurer's Office page.

The Financial Activity Statement, known in accounting terms as the income statement, provides a summary of the resources (revenues) and services (expenditures) of the district.

Income statement data for fiscal years 2018 through 2021 is presented below. In FY 2021, revenues increased by 36.29% from FY 2020 and Expenditures increased by 2.85%. The extended property tax payment dates in the prior year increased the amount of property tax receipts received in FY2021. This was compounded by the return to previous year end receivable calculations. These two components lead to an increase of \$19.4 million. (Last year's decrease was \$8.4 million). The District also received a BWC dividend in FY2021, which was coded as Miscellaneous Revenue.

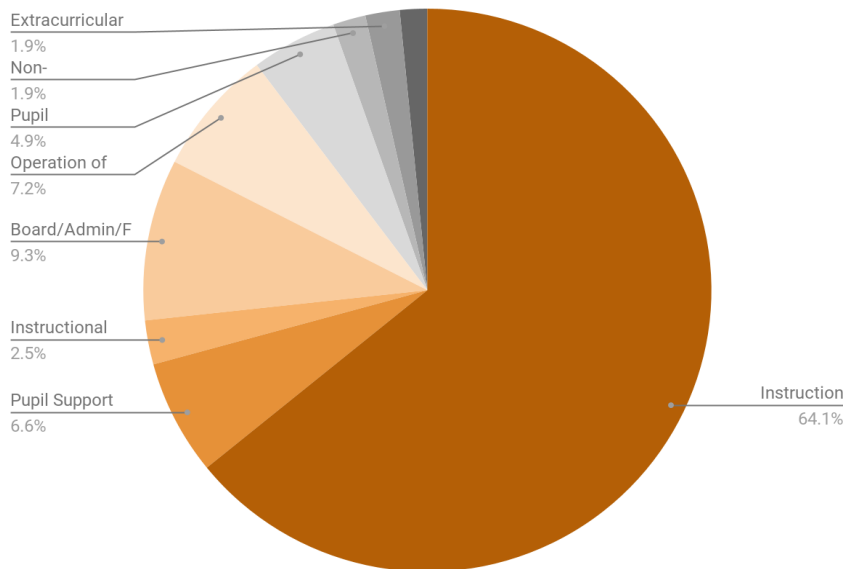
RESOURCES TAKEN IN (in thousands of \$)	FY21	FY20	FY19	FY18
Local Taxes	\$49,321,642	\$29,877,087	\$38,319,516	\$35,078,744
State and Federal Revenue	22,544,597	21,795,098	22,856,823	22,024,034
Investment Income	606,809	944,729	559,918	294,748
Tuition & Fees	1,589,723	1,971,497	2,210,520	2,324,552
Miscellaneous	2,150,385	1,319,661	1,598,654	1,256,537
Total Revenues & Resources	\$76,213,156	\$55,918,072	\$65,545,431	\$60,978,615

SERVICES PROVIDED (in thousands of \$)	FY21	FY20	FY19	FY18
Instruction	\$41,476,838	\$39,531,571	\$38,262,943	\$37,264,265
Pupil Support	4,272,776	4,117,639	3,447,217	3,123,523
Instructional Staff	1,636,310	1,720,993	1,662,220	1,495,641
Board/Admin/Fiscal	5,983,376	5,946,253	5,727,748	5,437,429
Business Support	382,950	375,186	361,906	329,192
Plant Operations	4,661,161	4,774,982	4,785,539	4,863,125
Transportation	3,154,727	3,311,389	3,245,093	3,363,242
Central	397,608	367,597	484,003	483,709
Extracurricular	1,260,177	1,305,810	1,223,951	1,214,230
Non-Instructional Services	1,206,494	1,186,583	1,077,375	1,086,297
Debt Service	227,883	227,952	228,009	228,070
Total Expenditures & Services	\$64,660,300	\$62,865,955	\$60,506,004	\$58,888,723

Revenues & Resources Over Expenditures & Services	\$ 11,552,856	\$ (6,947,883)	\$ 5,039,427	\$ 2,089,892
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Our Expenditures & Services: Where the Money Goes

General Fund Total Expenditures & Services = \$64,660,300



Note: Other represents 1.6% in total and includes categories with less than 1% of expenditures (Business Support, Central, & Debt Service)

Definitions

INSTRUCTION is the largest expenditure category. Students are directly impacted by expenditures from this category, which relate to the direct instruction of our students.

PUPIL SUPPORT areas comprise all guidance services, nurses, speech, hearing, occupational therapy, physical therapy, and psychological services.

STAFF SUPPORT costs include library services, technology integration support, and literacy collaborative support.

BOARD/ADMINISTRATION/FISCAL costs represent those of the administration and Board of Education's operation of the District. Also included in this category is school building secretarial support and financial services, such as payroll, accounts payable and receivable, auditing, budgeting and reporting, and fringe benefits administration.

BUSINESS SUPPORT costs include business services such as risk management, safety/security, inventory management and courier services.

PLANT OPERATION expenditures relate to the safe and efficient environment of the school including building maintenance, grounds and custodial services.

TRANSPORTATION expenditures relate to providing transportation (mostly by bus) to all students who live in the Delaware City School District, consistent with Board of Education policies and the laws of the State of Ohio. In FY2021 the bus fleet transported 705 regular and special education students to Delaware City Schools, non-public and community schools daily. The decrease from FY2020 is due to the district being on a hybrid schedule for the 2020-21 school year, due to the pandemic.

CENTRAL SUPPORT expenditures include community relations and technology maintenance staff, computer network maintenance contracts, district wide postage costs, and strategic planning type activities.

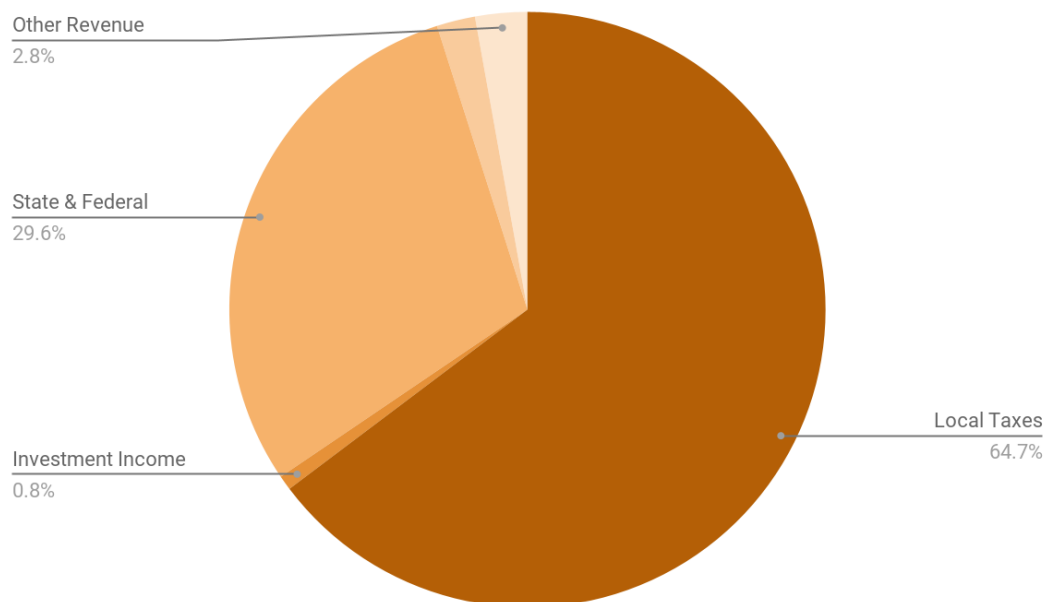
EXTRACURRICULAR expenditures account for the salaries and benefits of club advisors and athletic coaches.

NON-INSTRUCTIONAL expenditures relate to various expenditures that are required to be reported under Generally Accepted Accounting Principles (GAAP). These are School-Aged Childcare expenses for our before/after school program, which are actually accounted for in an Agency fund on a cash basis. The program is self-supporting and no general fund dollars are used in its operations, even though we are required to report it in this manner

DEBT SERVICE expenditures relate to payments on the District's energy conservation bonds.

Our Revenues & Resources: Where the Money Comes From

Total General Fund Revenues \$76,213,156



Note: Other includes categories with less than 1% of expenditures (Donations, Rentals, Extracurricular), and Miscellaneous Revenue Sources.

Delawarecityschools.ohiocheckbook.com



Delaware City Schools believes in transparency and that its community should have access to the district's financial information. In October 2017, the district launched its participation in OhioCheckbook.com, hosted by the Ohio Treasurer's Office. The site provides an overview of district expenditures, using charts, graphs and reports to demonstrate the amounts and percentages of district expenses by category. Data for the 2021 fiscal year is now available on the site.

OhioCheckbook Delaware City Schools

LOCAL PROPERTY TAXES

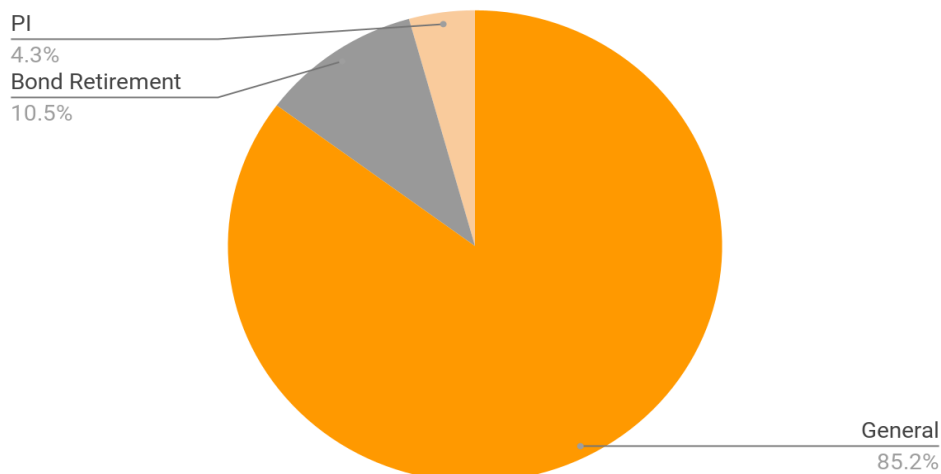
The graph below depicts the amount of cash collections received by the District from real and personal property taxes. Property taxes provide a majority of the local revenue to operate and maintain our schools. Taxes paid on homes and businesses (both property and public utilities) represent 64.7% of all general fund revenues for FY2021.

GENERAL FUND – Tax dollars are received by the District and are utilized to conduct day-to-day operations, which primarily include employee salaries and benefits.

PERMANENT IMPROVEMENT (PI) – Tax dollars are received by the District and can only be used for repairs, improvements to facilities and grounds, and capital assets with a useful life of five years or more. These funds cannot be used for salaries or benefits.

BOND RETIREMENT – Tax dollars are received for the payment of principal and interest on voter approved bond issues related to the construction of buildings. The County Auditor reviews information provided by the District to set the bond issue millage rate. The District must generate sufficient revenue to pay the principal and interest on the bonds issued.

Tax Dollars Collected



Unbundling the Tax Rate

In accordance with House Bill 920, as property values increase, voted millage rates are decreased so that school districts do not collect any additional money on voted millage due to inflationary increases in property values. Over time, millage rates could be reduced to near zero. To prevent this from happening, Ohio law also establishes a minimum millage level, or floor, whereby millage rates cannot fall below 20 mills. Once a district's total millage is reduced to 20 mills, it cannot be reduced any further, hence the 20 mill floor.

The chart on the right shows the difference in the District's "Gross" or voted tax rates, as compared to the "Effective" rates, which are what is being collected for Residential/Agricultural class properties.

Tax Burden on Owner of a \$100,000 Home

TYPE	GROSS RATE	EFFECTIVE RATE	YEAR APPROVED	LENGTH APPROVED
Inside – Operating	4.40	4.40	N/A	Permanent
Voted – Operating	64.68	38.19	Various	Various
Bond Retirement	5.10	5.10	Various	Various
Permanent Improvement	3.00	2.05	2019	Continuing
Total Rates	77.18	49.74		

*Rates are for the 2020 tax year collected in calendar year 2021

Assessed Values Of Property for Real Estate Taxes

COLLECTION YEAR	RESIDENTIAL/ AGRICULTURAL	COMMERCIAL/ INDUSTRIAL	PUBLIC UTILITY REAL	PUBLIC UTILITY PERSONAL PROPERTY	TOTAL
**2021	\$ 784,701,340	\$ 198,070,640	\$ 273,780	\$ 44,263,800	\$ 1,027,309,560
2020	640,847,720	190,028,020	264,020	40,766,180	871,905,940
2019	621,048,220	180,142,620	249,330	31,634,190	833,074,360
*2018	610,880,730	182,244,770	251,090	29,333,820	822,710,410
2017	544,462,350	170,828,510	256,600	27,806,060	743,355,520

* 2018 was a reappraisal year for Delaware County; ** 2021 was a triennial update year.

State & Federal Sources – General Fund

State and Federal sources of revenue generated \$22.5 million or 29.6% of all general fund revenue. Due to a relatively higher property valuation per pupil, and other demographic factors, the District is considered wealthy and receives less State foundation funding (32.6%) than the State average of 41.59% (FY2020). State support comes mostly from State Aid, which is a formula calculation based upon student enrollment. HB 166 was implemented for FY20 and FY21. With this budget, the district was to remain essentially flat funded in this category for the 2 fiscal years it encompasses. This budget capped the increase in State revenue at 3% and prevented the District from receiving the additional \$7.3 million (cash basis) that enrollment dictated it should have received. The increase in state revenue provided under this budget is all posted to a State grant fund and is restricted for Student Wellness and Success.

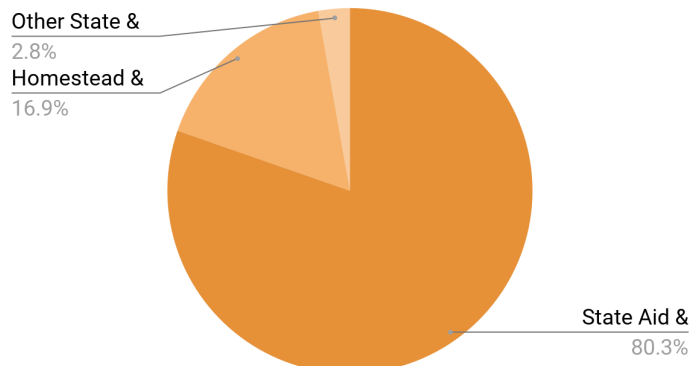
In May 2020, the State announced that K-12 Districts would have their State Aid cut for FY20. Our district was cut 4.7% or \$773,391 from the original allocation. For FY2021, \$349,235 of this cut was restored.

A significant portion of State revenue also comes from Rollback and Homestead payments, which represents the portion of the local tax bill paid by the State instead of the local taxpayer. Currently, the State pays 10% of the taxes due on all property and an additional 2.5% on residential and agricultural owner-occupied property. An additional exemption is provided to senior and disabled citizens, regardless of income. The prior State budget, however, eliminated the property tax rollback on any new levy passed after August of 2013. Current Emergency levies need to be passed as renewals, rather than replacements in order to maintain their eligibility for Homestead and Rollback exemptions. The newest Emergency

Levy passed in November 2017 is not eligible for the State homestead/rollback exemptions. Other State/Federal revenue includes the public utility reimbursement, tangible personal property tax loss reimbursement, Medicaid reimbursement, catastrophic cost reimbursement, and casino revenue. Federal sources in this category include E-rate reimbursements for telecommunications services, internet access, and internal connections. The District receives these reimbursements based on its percentage of students qualifying for free and reduced-price lunches and other socio-economic factors.

The chart below depicts the District's state and federal revenue in actual cash receipts for the General Fund for fiscal year 2021.

State & Federal Revenue - General Fund



General Fund Assets Over Liabilities

The Financial Position Statement, known in accounting terms as the balance sheet, reports the assets available to provide services. Liabilities are the amounts for which the district is obligated to pay in the future. The amount below represents the difference between the assets of the district and the liabilities, which it must pay. This amount provides the “net worth” of the district. Information is provided for the district’s General Fund.

ASSETS:

CASH is the amount of physical cash held by the District in checking accounts and on hand for purposes of paying expenses.

INVESTMENTS are made up of the funds not needed to pay expenses. The Treasurer invests these funds in a variety of accounts. This allows the District to earn interest on its cash.

RECEIVABLES represent the amounts that are owed to the District as of June 30, 2021.

LIABILITIES & DEFERRED INFLOWS/OUTFLOWS:

LIABILITIES are those amounts the District owed to employees, other governments or vendors for items or services that have been provided to the District, for which payment is expected to be made within twelve months.

DEFERRED INFLOWS OF RESOURCES AND DEFERRED OUTFLOWS OF RESOURCES are neither assets nor liabilities as they relate to the current fiscal year. Unlike current assets and liabilities, amounts classified as “deferred inflows” or “deferred outflows” are amounts which will not be recognized as a revenue or an expense until the future period to which the inflows or outflows are related. For FY21, the District’s General Fund reported deferred inflows related to tax revenue received but not available for use until a future period, and no deferred outflows.

ASSETS (in thousands of \$)	FY21	FY20	FY19	FY18
Cash and Investments	\$ 18,398	\$ 16,117	\$ 14,550	\$10,381
Receivables	42,721	38,689	37,670	37,594
Other Assets	352	277	262	251
Total Assets	\$ 61,471	\$ 55,083	\$ 52,482	\$ 48,226

LIABILITIES (in thousands of \$)	FY21	FY20	FY19	FY18
Accounts Payable	\$ 94	\$ 148	\$ 254	\$ 234
Due to Other Govt’s/Employees	7,544	7,456	6,789	6,727
Total Liabilities	\$ 7,638	\$ 7,604	\$ 7,043	\$ 6,961

DEFERRED INFLOWS (in thousands of \$)	FY21	FY20	FY19	FY18
Property Taxes	\$ 30,489	\$ 35,476	\$ 26,291	\$ 27,099
Other Revenues	300	514	711	772
Total Deferred Inflows	\$ 30,789	\$ 35,990	\$ 27,002	\$ 27,871

Total Liabilities and Deferred Inflows	\$ 38,427	\$ 43,594	\$ 34,045	\$ 34,832
Assets over Liabilities & Deferred Inflows	\$ 23,044	\$ 11,489	\$ 18,437	\$ 13,394

Building Our Future

In May 2019, our voters approved a \$36.5 million bond levy for improvements and additions at all of our buildings, with no additional bond millage to be collected. As of the date of this report, we are in the construction phase of the projects at Conger Elementary and Woodward Elementary. Conger has had its staff parking lot relocated and playground equipment installed in the new playground area. A classroom addition is also underway. At Woodward, projects include an art and music addition, as well as preschool classroom and office additions.



Photos of construction at Conger (top) and Woodward (bottom).

VISION

The Delaware City Schools will promote a culture of excellence that engages and empowers students and staff to embrace the challenges of our global society. We will build on our traditions, respect our diversity and partner for a strong community.



74 West William Street
Delaware, Ohio 43015
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<http://www.dcs.k12.oh.us/>