

Delaware City School District

Delaware, Ohio



Comprehensive Annual Financial Report

For Fiscal Year Ended June 30, 2019

Delaware City School District

Delaware, Ohio



BACKSIDE OF FRONT COVER

Delaware City School District

Delaware, Ohio



Comprehensive Annual Financial Report

For Fiscal Year Ended June 30, 2019

Issued by:
Office of the Treasurer

Melissa N. Swearingen
Treasurer/C.F.O

Delaware City School District

Delaware, Ohio



Introductory Section

Introductory Section



Delaware City School District

Delaware, Ohio



BACKSIDE OF INTRODUCTORY SECTION DIVIDER

DELAWARE CITY SCHOOL DISTRICT
COMPREHENSIVE ANNUAL FINANCIAL REPORT
JUNE 30, 2019

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Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**Delaware City School District
Ohio**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2018

Christopher P. Morill

Executive Director/CEO



**Delaware City School District
Elected Officials and Administrative Staff
as of June 30, 2019**

BOARD OF EDUCATION MEMBERS

President	Ms. Jayna McDaniel-Browning
Vice President	Mr. Matt Weller
Member	Mr. Ted Backus
Member	Mrs. Frances O’Flaherty
Member	Mr. Michael Wiener

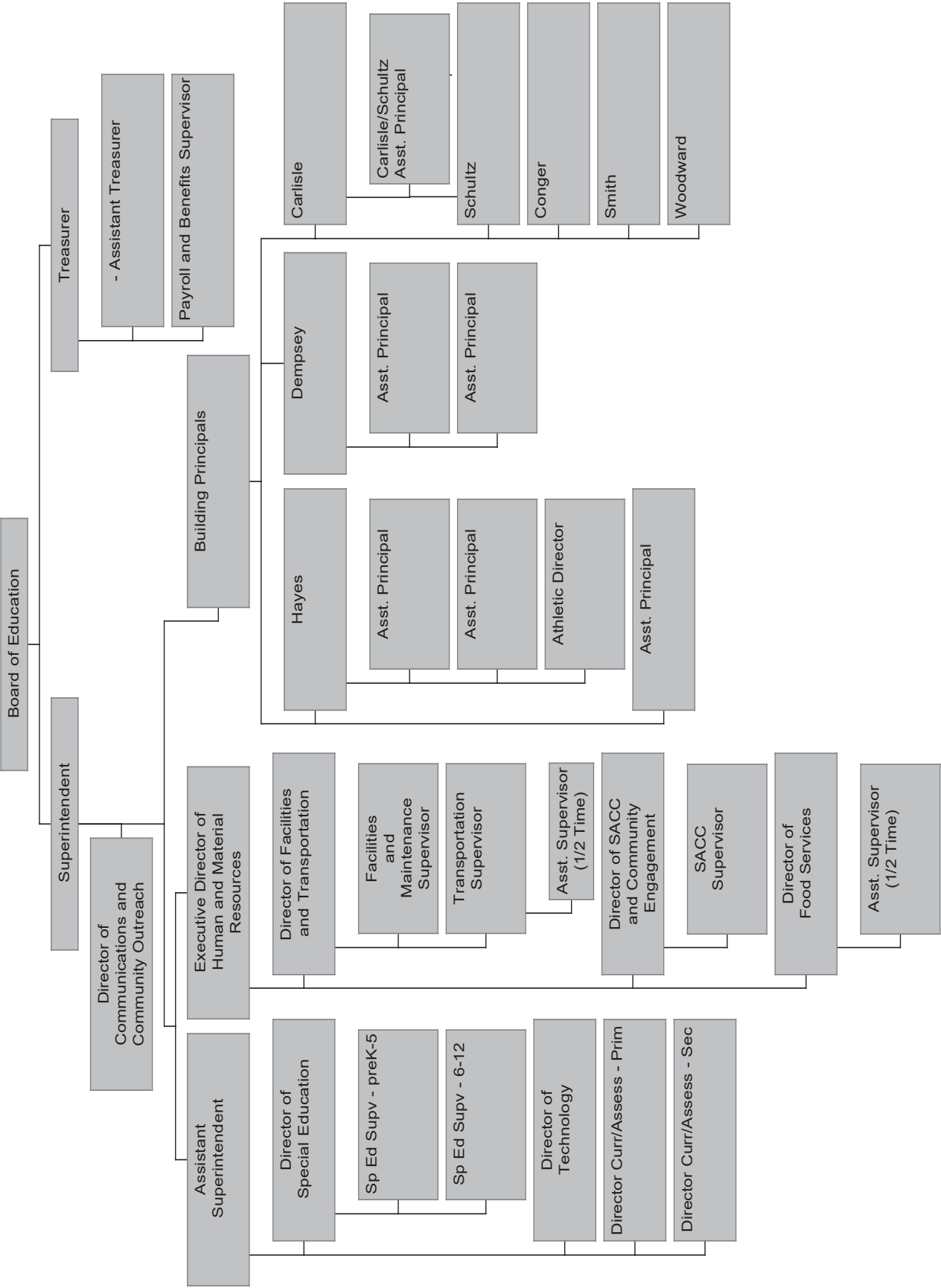
APPOINTED OFFICIALS

Superintendent (resigned July 2019)	Paul A. Craft
Treasurer/CFO	Melissa N. Swearingen

ADMINISTRATIVE STAFF

Assistant Superintendent	Heidi Kegley
Assistant Treasurer	Monika Ray
Executive Director, Communications	Jen Ruhe
Executive Director, Facilities & Transportation	Jason Sherman
Executive Director, Human and Material Resources	Jerry Stewart
Executive Director, Technology	Jennifer Fry
Director, Elementary Curriculum & Assessment	Joseph Uher
Director, Secondary Curriculum & Assessment	Aaron Cook
Director, Food Service	Sally Rathje
Director, School Age Child Care	Pamela Steurer
Director, Special Education	Angela Macwhinney
Supervisor, Custodial and Maintenance	George Harmon
Supervisor, Payroll	Laura Hallett
Supervisor, PreK-5 Special Education	Leanna Ford
Supervisor, Secondary Special Education	Krista Keipper
Supervisor, Elementary Special Education	Laura Shaw
Supervisor, Transportation	Butch Rice
Principal, Delaware Hayes High School	Richard Stranges
Principal, Dempsey Middle School	Daniel Bartha
Principal, Carlisle Elementary School	Paula Vertikoff
Principal, Conger Elementary School	Joshua Page
Principal, Schultz Elementary School	Travis Woodworth
Principal, Smith Elementary School	Rochelle Thompson
Principal, Woodward Elementary School	Ryan Malany

DCS Administrative Organizational Chart





December 18, 2019

To the Citizens and Board of Education of the Delaware City School District:

We are pleased to submit to you the Comprehensive Annual Financial Report (CAFR) of the Delaware City School District (the "District"). This CAFR, which includes an unmodified opinion from the Auditor of the State of Ohio, conforms to accounting principles generally accepted in the United States of America (GAAP) as applicable to governmental entities. Responsibility for the accuracy of the data presented and the completeness and fairness of the presentation, including all disclosures, rest with the District's management. To the best of our knowledge and belief, this CAFR and the enclosed data are accurate in all material respects and are reported in a manner designed to present fairly the financial position and results of operations of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The District's MD&A can be found immediately following the independent auditor's report.

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

In addition to providing these general activities the District has administrative responsibility for State funds distributed to St. Mary's School, Delaware Christian School and Grace Community School, private schools located within the School District boundaries. In accordance with GASB Statement 24, this responsibility is included in the reporting entity as a special revenue fund. While these organizations share operational and service similarity with the District, all are separate and distinct entities. Because of their independent nature, these organizations' financial statements are not included in this report.

PROFILE OF THE SCHOOL DISTRICT

The District was organized in the late 1800's and is a fiscally independent political subdivision of the State of Ohio. The District is a public school system located in Delaware County. The District's area is approximately 36 square miles in and around the City of Delaware. Also included are portions of Troy, Delaware, and Brown Townships. Located approximately 25 miles north of the downtown area of the City of Columbus, the District is largely suburban in character and has experienced significant growth over the past several years.

The Board of Education (the "Board") of the District is composed of five members elected at large by the citizens of the District. The Board serves as the taxing authority, contracting body, and policy initiator for the operation of the District. The Board is responsible for the adoption of the

annual operating budget and the approval of all expenditures of the District. The Board is a body politic and corporate, as defined by Section 3313.02 of the Ohio Revised Code, and has only those powers and authority conferred upon it by the Code.

The District had an enrollment of 5,799 students for the fiscal year end June 30, 2019 compared to 5,769 students for the fiscal year ended June 30, 2018. This makes the District the second largest public school district in Delaware County. These students are housed in 5 elementary schools (grades pre-k to 5), 1 middle school (grades 6 to 8), and 1 comprehensive high school (grades 9 to 12). The age of buildings varies with the oldest built in 1869 and the latest which opened in the fall of 2000. Of the District's 8 instructional buildings, 2 have been built since 1994. Additionally, the District operates an administration building and a transportation compound. The District estimates enrollment to be 5,943; 6,009; and 6,119 for the fiscal years ended June 30, 2020, 2021, and 2022 respectively. The District's enrollment figures do not include students living within the District's attendance area who attend charter schools. In the 2019 fiscal year, the District had 127 students attending 17 different charter schools.

Economic Condition and Outlook

Local Economy - The School District is in the Columbus, Ohio Metropolitan Statistical Area (MSA), which is comprised of the counties of Delaware, Fairfield, Franklin, Licking, Madison, Morrow, Pickaway and Union, and is the thirty-second largest MSA of 362 in the United States at the time of the 2010 census.

The unemployment rate in Delaware County decreased in fiscal year 2019, from 4.0% in June 2018 to 3.3% in June 2019. Employment in the District is diversified with a majority in the service sector. One of the largest employers in the District with approximately 1,170 employees is Delaware County, located within the City of Delaware. Another employer within the City is Grady Memorial Hospital with approximately 1,008 employees. Additionally, the District is home to many small manufacturing companies as a result of State Routes 23, 42, 36 and 37 intersecting the District.

The City of Delaware is aggressive in recruiting new businesses and will make use of all economic incentives to increase the tax base. The city has made use of tax abatements and Tax Increment Financing (TIF) to attract businesses. Through negotiations with the city the District has been reimbursed for property taxes it would have otherwise collected ranging from complete reimbursements to the minimums required by law.

Long-term Financial Planning – The financial forecast of General Fund operations for the next five years demonstrates that the District's fiscal year 2020 ending General Fund cash balance is projected to be approximately at \$10.3 million. One year ago, the District had projected cash deficits for fiscal year 2020 and beyond, however voters approved a 5-year, \$6.2 million Emergency Operating Levy in November 2017, which alleviated that projected deficit until fiscal year 2023.

The need to ask local taxpayers for additional funding frequently is a reflection of the challenge posed by the manner in which Ohio funds its school districts. The District had been essentially flat-funded (no increase in state funding) since 2009. The State of Ohio implemented an Evidence Base Funding Model (EBM) in fiscal year 2010 called PASS (Pathway to Student Success) which resulted in a 2% drop in the fiscal year 2011 foundation revenue. In fiscal year 2012 the Bridge formula replaced the PASS model until a new funding mechanism could be formulated. Under the Bridge formula, the District's fiscal year 2013 total state funding is divided by a per pupil costs formula from the ADM count the first full week of October 2012. The Statewide per pupil adjustment amount must be determined by the Department of Education such that the State's total education aid obligation does not exceed the aggregate appropriated amount. A supplemental funding provision for fiscal year 2013 guaranteed to each school district operating funding in an amount equal to at least the amount of State operating funding (excluding any State Fiscal Stabilization Fund money) the district received for fiscal year 2011 under the Evidence

Based Model. In addition, the Department of Education is required to pay an additional amount for high performing schools equivalent to \$17 per student to each school district that is rated as “Excellent with Distinction” or “Excellent” on the annual district and school academic performance report cards. For the 2012-2013 school year, the District was rated as “Excellent with Distinction” and would have maintained this rating for the 2013-14 school year had those designations had been used. A new funding formula was introduced for fiscal years 2014 and 2015, which allowed the District to see an increase in State foundation revenue. The increases were capped at 6.25% and 10.5% for fiscal years 2014 and 2015, respectively, and at 7.50% for fiscal years 2016 and 2017. This formula remained in place through fiscal year 2019, with increases capped at 3% each year of the two-year period. For fiscal year 2018, the District was nearly \$8.1 million into the cap, which means we did not receive 33% of the funds in which the formula says we are entitled. Fiscal year 2019 foundation revenue increased by 2.4% over those received in fiscal year 2018. For fiscal years 2020 and 2021, HB 166 is in place, which suspends the current funding formula, without creating a new one. We will receive a slight increase in funds, but those increases are earmarked as “Student Wellness and Success” funds and must be receipted and expended through a State grant fund. It is unclear as to whether these funds will continue beyond fiscal year 2021.

In addition, there is no permanent reimbursement plan to replace tangible tax revenues eliminated through Amended Substitute House Bill 66 passed in June 2005, and possible further eroding of the District’s tax base through future legislation. The budget passed in 2009 modified the reimbursement plan for school districts for lost tangible taxes. These reimbursements were to begin to be phased out in 2011, but the reimbursement was extended at 100% for two years to 2014. In fiscal year 2012, the District received approximately \$2.6 million through this reimbursement. The reimbursement dropped to \$1.7 million in fiscal years 2013 and 2014 and was eliminated by fiscal year 2017.

MAJOR INITIATIVES AND ACCOMPLISHMENTS

Accomplishments for 2019

Financial: The District applied for and received the Certificate of Excellence in Financial Reporting from the Government Finance Officers Association for the sixth time. In addition, the District applied for and received the Certificate of Excellence in Popular Reporting for the fourth time. Voters approved a \$36,530,000 bond issue in May 2019 with no increase in taxes.

Instruction:

- ❖ Updated our Balanced Literacy Framework Document
- ❖ Revamped our 4th and 5th grade report card to reflect revised academic content standards
- ❖ Continued Implementation of project based learning instructional design within K - 12 grade classrooms
- ❖ Sheltered Instruction Observation Protocol (SIOP) Job Embedded Professional Development for grade and content level teachers around best practices for working with English Learners.
- ❖ Continued Highly qualified professional development provided to all teachers with cluster groupings and serviced learners identified as being gifted
- ❖ Updated our PBIS framework and all buildings completed the PBIS Tiered Fidelity Inventory for Tier 1.
- ❖ Worked with a consortium of districts known as the Ohio Blended Learning Collaborative (OBC) to develop shared online curriculum resources
- ❖ Updating curriculum documents to reflect revised Ohio Content Standards
- ❖ Professional development in literacy at the middle school and implementation of ThinkCerca for reading and writing improvement.
- ❖ Screen for gifted in creative thinking and service according to state laws

- ❖ Screen for gifted in performing arts and service according to state laws
- ❖ Continued work in blended learning, including the personalization of learning, via our Canvas Learning Management System and job embedded coaching
- ❖ Continued implementation of a credit recovery program to minimize high school dropouts and increase on time graduation

Facilities:

- ❖ Continued the replacement of older diesel buses with new propane autogas-powered buses which are cheaper to operate and more environmentally friendly.
- ❖ Additional safety and security upgrades were completed including glass reinforcement, door hardware upgrades and camera system repair and upgrades.
- ❖ Worked with district Facilities Committee to plan additional building and site upgrades to accommodate future growth and helped plan the successful bond issue campaign to fund improvements.

Initiatives for 2020

Financial: The District will be issuing bonds from the May 2019 voter-approved bond issue and be looking for refunding opportunities on the 2013 Bond issue.

Instruction:

- ❖ Update our Balanced Literacy Framework Document, specifically multi-sensory approach to phonics based lessons.
- ❖ Implement Vertical Instruction Rounds with building and district level administrators
- ❖ Implement Restorative Practices as a part of our PBIS framework
- ❖ Utilize Teaching and Learning meetings to inform leadership about culturally and linguistically responsive practices
- ❖ Explore and investigate research driven instructional design

Facilities:

- ❖ Complete planning and begin construction on upgrades to Dempsey Middle School, Schultz Elementary School, Carlisle Elementary School and Hayes High School.
- ❖ Begin planning upgrades to the playground and parking lot at Smith Elementary School and building additions and upgrades to Conger Elementary School and Woodward Elementary School.
- ❖ Work with other district stakeholders to update the district's strategic plan.

FINANCIAL INFORMATION

Internal Controls

The management of the District is responsible for establishing and maintaining internal controls designed to ensure that the assets of the District are protected from loss, theft or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with GAAP. The internal controls are designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived from its implementation; and (2) the valuation of cost and benefits requires estimates and judgments by management.

Budgetary Controls

The budgetary process is prescribed by provisions of the Ohio Revised Code and entails the preparation of budgetary documents within an established timetable. The major documents prepared are the alternative tax budget document, the certificate of estimated resources, and the appropriations resolution, all of which are prepared on the budgetary basis of accounting. The certificate of estimated resources and the appropriations resolution are subject to amendment

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

Cash Management

Cash temporarily idle during the year was invested in demand deposits, certificates of deposit, commercial papers, agency securities, and the State Treasury Asset Reserve of Ohio (STAR Ohio). At June 30, 2019, the District had \$20.1 million of pooled investments which produced approximately \$560,000 in interest revenues for the year, an increase of 107% over those reported for the prior year.

Independent Audit

Ohio Revised Code Section 117 requires an annual audit by independent auditors. The Ohio Auditor of State conducted the District's 2019 fiscal year audit. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet 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"). The auditor's report on the basic financial statements is included in the financial section of this report.

Awards

GFOA Certificate of Achievement - The Government Finance Officers Association of the United States and Canada (GFOA) awards a Certificate of Achievement for Excellence in Financial Reporting for Comprehensive Annual Financial Reports. In order to be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized Comprehensive Annual Financial Report, whose contents conform to program standards. Such reports must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. We believe our current report conforms to the Certificate of Achievement Program requirements, and we are submitting it to the GFOA for their review.

Acknowledgements

Preparation of this report could not have been accomplished without the support and hard work of the staff of the Treasurer's office, Superintendent's office, and the Communication's office. Credit must also be given to the Board of Education. Without their leadership and commitment to excellence this report would not be possible.

Respectfully submitted,



Melissa N. Swearingen
Treasurer/CFO



Heidi Kegley
Superintendent



Financial Section

Financial Section



Delaware City School District

Delaware, Ohio



BACKSIDE OF FINANCIAL SECTION DIVIDER



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CentralRegion@ohioauditor.gov
(614) 466-3402 or (800) 443-9275

INDEPENDENT AUDITOR'S REPORT

Delaware City School District
Delaware County
74 West William Street
Delaware, OH 43015

To the Board of Education:

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Delaware City School District, Delaware County, Ohio (the School District), as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Delaware City School District, Delaware County, Ohio, as of June 30, 2019 and the respective changes in financial position thereof and, where applicable, cash flows 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.

Other Matters

Required Supplementary Information

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

Supplementary and Other Information

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

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

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 18, 2019, on our consideration of the School District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School District's internal control over financial reporting and compliance.

A handwritten signature in black ink, reading "Keith Faber". The signature is written in a cursive, flowing style.

Keith Faber
Auditor of State

Columbus, Ohio

December 18, 2019

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DELAWARE CITY SCHOOL DISTRICT

Delaware County

Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2019 (Unaudited)

The discussion and analysis of the Delaware City School District's financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2019. 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 financial statements and notes to the basic financial statements to enhance their understanding of the School District's financial performance.

Financial Highlights

Key financial highlights for fiscal year 2019 are as follows:

- Total net position increased by 46.4 percent during fiscal year 2019 due to the increase in total assets, coupled with the decrease in liabilities being larger than the decrease in deferred outflows of resources and the increase in deferred inflows of resources reported at year-end.
- Total assets of governmental activities increased by \$8.6 million (5.9 percent) from one year prior. The increase in current and other assets relate to the passage of a \$6.2 million emergency operating levy in November 2017 with collections beginning in calendar year 2018, therefore fiscal year 2019 was the first full year of collection on the additional taxes. The net OPEB asset (\$3.8 million) resulted from the School District recognizing its proportionate share of the State-wide OPEB plans. Total capital assets decreased by \$1.5 million as current year depreciation expense exceeded current year additions to capital assets. Total liabilities decreased by \$13.0 million from one year prior with the decreases in net pension and OPEB liabilities accounting for 88.2 percent of the total decrease in liabilities. Other long-term liabilities decreased due to scheduled debt service payments made during the fiscal year.
- General revenues accounted for \$70.4 million or 88.8 percent of total revenue. Program specific revenues in the form of charges for services, as well as operating grants and contributions account for \$8.9 million or 11.2 percent of total revenues of \$79.3 million. Total revenue reported for fiscal year 2019 increased 7.1 percent from the amount reported for the prior year as the current fiscal year was the first full year of tax collection associated with the \$6.2 million emergency operating levy passed by voters in November 2017. Program revenue was 2.6 percent higher than prior year amount as increases in operating grants offset the small decrease in charges for services.
- The \$24.6 million increase in program expenses for the current year resulted primarily from the swing in pension and OPEB expense recorded. In the prior year, the School District recorded a negative \$24.7 million in pension and OPEB expense while recording a negative \$1.1 million related to those items for the current year.
- The General Fund, the School District's general operating fund, had an ending fund balance of \$18.4 million or 67.2 percent of the total ending fund balance for governmental funds. The \$17.4 million of unassigned fund balance reported for the General Fund at June 30, 2019 represents 28.8 percent of the disbursements reported for the General Fund for the year.

Using the Basic Financial Statements

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand Delaware City School District as a financial whole, an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities.

DELAWARE CITY SCHOOL DISTRICT

Delaware County

Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2019 (Unaudited)

The Statement of Net Position and Statement of Activities provide information about the activities of the whole School District, presenting both an aggregated view of the School District's finances and a longer-term view of those statements. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. The fund financial statements also look at the School District's most significant funds with all other nonmajor funds presented in total in one column. While the General Fund is the general operating fund of the Delaware City School District, individual fund statements are also presented for the Debt Service, Permanent Improvement and Building Funds since the School District considers those to be major governmental funds.

Reporting the School District as a Whole

Statement of Net Position and the Statement of Activities

While this document contains a large number of funds used by the School District to provide programs and activities, the view of the School District as a whole looks at all financial transactions and asks the question, "How did we do financially during fiscal year 2019?" The Statement of Net Position and the Statement of Activities answers this question. These statements include all assets, deferred outflows of resources, liabilities, and deferred inflows of resources using the accrual basis of accounting. This basis of 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 the change in that net 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 property tax base, current property tax laws in Ohio restricting revenue growth, facility conditions, required educational programs and other factors.

In the Statement of Net Position and the Statement of Activities, the School District reports governmental activities. Governmental activities are the activities where most of the School District's programs and services are including, but not limited to, instruction, support services, operation and maintenance of plant, pupil transportation and extracurricular activities. The School District does not have any business-type activities.

Reporting the School District's Most Significant Funds

Fund Financial Statements

The analysis of the School District's funds begins after the Statement of Activities. The School District uses many funds to account for a multitude of financial transactions. All the funds of the School District can be divided into three categories: governmental, proprietary and fiduciary funds. Some funds are required to be established by State Statute, while many other funds are established by the School District to help manage resources for particular purposes as well as for compliance with various grant provisions. Fund financial statements use different accounting approaches, which are further described in the notes to the financial statements.

DELAWARE CITY SCHOOL DISTRICT

Delaware County

Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2019 (Unaudited)

Governmental Funds

The School District's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in future periods. These funds are reported using an accounting method called modified accrual, 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.

Proprietary Fund

The School District has one proprietary fund which is an internal service fund established to account for the resources used to pay claims and other expenses associated with the self-insured medical benefits program. This fund is reported using the accrual basis of accounting, just as the district-wide statements and focus on the determination of operating income, the change in net position, financial position, and cash flows. On the district-wide financial statements, the assets and liabilities are included with governmental activities and the net revenue or expense of the internal service fund for the year is allocated amount the participating functions within the governmental activities.

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 district-wide financial statements because the resources of those funds are not available to support programs of the School District. The accounting used for fiduciary funds is much like that in the district-wide financial statements.

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 summary of the School District's net position for 2019 compared to 2018:

**TABLE 1
NET POSITION**

	2019	2018
<i>Assets:</i>		
Current and other Assets	\$ 69,158,919	\$ 62,894,703
Net OPEB Asset	3,827,046	-
Capital Assets	81,258,102	82,758,828
Total Assets	154,244,067	145,653,531
<i>Deferred Outflows of Resources:</i>		
Deferred Charge on Refunding	365,486	502,472
Pension and OPEB	20,627,051	23,495,647
Total Deferred Outflows of Resources	20,992,537	23,998,119

(Continued)

DELAWARE CITY SCHOOL DISTRICT

Delaware County

Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2019
(Unaudited)

TABLE 1
NET POSITION
(Continued)

	2019	2018
<i>Liabilities:</i>		
Current Liabilities	8,838,126	7,760,439
Noncurrent Liabilities:		
Due Within One Year	2,887,483	2,809,481
Due in More than One Year:		
Net Pension Liability	66,326,298	69,199,839
Net OPEB Liability	6,839,526	15,456,966
Other Obligations	63,860,051	66,555,129
Total Liabilities	<u>148,751,484</u>	<u>161,781,854</u>
<i>Deferred Inflows of Resources:</i>		
Property Taxes	31,353,812	32,303,169
Pension and OPEB	<u>10,588,492</u>	<u>4,427,131</u>
Total Deferred Inflows of Resources	<u>41,942,304</u>	<u>36,730,300</u>
<i>Net Position:</i>		
Net Investment in Capital Assets	16,855,272	16,153,794
Restricted	9,160,303	8,104,512
Unrestricted	<u>(41,472,759)</u>	<u>(53,118,810)</u>
Total Net Position	<u>\$ (15,457,184)</u>	<u>\$ (28,860,504)</u>

(Concluded)

The net pension liability (NPL) is reported pursuant to GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – an Amendment of GASB Statement No. 27*, and the net OPEB asset/liability is reported pursuant to GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. For reasons discussed below, many end users of this financial statement will gain a clearer understanding of the School District's actual financial condition by adding deferred inflows related to pension and OPEB, the net pension liability and the net OPEB liability to the reported net position and subtracting net OPEB asset and deferred outflows related to pension and OPEB.

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

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

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

DELAWARE CITY SCHOOL DISTRICT

Delaware County

Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2019 (Unaudited)

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.

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

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 pension liability. As explained above, changes in benefits, contribution rates, and return on investments affect the balance of these assets/liabilities but are outside the control of the local government. In the event the contributions, investment returns, and other changes are insufficient to keep up with required payments, State statute does not assign/identify the responsible party for the unfunded portion. Due to the unique nature of how the net pension liability and the net OPEB liability are satisfied, these liabilities are separately identified within the long-term liability section of the statement of net position.

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

The amount by which the School District's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources is called net position. As of June 30, 2019, the School District's total net position was a \$15.5 million deficit. Of that amount, approximately \$16.9 million was the net investment in capital assets. Another \$9.2 million was subject to external restrictions upon its use. The remainder is reported as unrestricted and is available for future use as directed by the Board of Education and the School District's administration. The decrease in the reported unrestricted deficit for the year resulted primarily from the decreases in the proportionate share of the net pension and OPEB liabilities reported by the State-wide pension systems at year-end as well as reported increase in cash and taxes receivable as a result of the new emergency operating levy approved in November 2017. If the amounts related to the net pension and OPEB assets/liabilities calculations are excluded, the unrestricted net position reported by the School District would be a positive \$17.8 million instead of the \$41.5 million deficit currently report. As the operation of the state-wide pension plans is outside the control of the School District and varies significantly from year to year based on performance of investments, it is important to know how significant the recognition of these amounts has on the School District's reported net position.

DELAWARE CITY SCHOOL DISTRICT

Delaware County

Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2019
(Unaudited)

Total assets of governmental activities increased by \$8.6 million (5.9 percent) from the amount reported one year prior. Besides the increases in cash and taxes receivable noted above, the School District recognized a \$3.8 million net OPEB asset for the current fiscal year. Total liabilities of the School District decreased by \$13.0 million over those reported one year prior. Decreases in the net pension and OPEB liabilities amounted to \$2.9 million and \$8.6 million, respectively, based on the results reported by the State-wide plans. The remaining liability accounts decreased by \$1.5 million during the year as scheduled debt service payments reduced debt obligations by \$2.6 million, which was partially offset by the \$1.1 million increase in current liabilities primarily the \$775,000 of claims payable reported at year end for the self-insured medical benefits program started by the School District January 1, 2019.

Table 2 shows the changes in net position for fiscal year 2019 as compared to those for fiscal year 2018.

**TABLE 2
CHANGES IN NET POSITION**

	2019	2018
Revenues		
Program Revenues:		
Charges for Services	\$ 3,619,978	\$ 3,742,641
Operating Grants and Contributions	5,259,887	4,915,057
General Revenues:		
Property Taxes	45,636,220	42,077,584
Grants and Entitlements	22,856,864	21,963,185
Other	1,944,545	1,356,767
Total Revenues	<u>79,317,494</u>	<u>74,055,234</u>
Program Expenses		
Instruction	35,384,909	17,004,873
Support Services:		
Pupil and Instructional Staff	4,736,236	2,175,005
Board of Education, Administration, Fiscal and Business	5,871,372	3,828,687
Plant Operation and Maintenance	5,710,783	4,980,465
Pupil Transportation	3,524,033	3,411,789
Central	804,863	511,744
Operation of Non-Instructional Services	3,900,801	3,500,496
Extracurricular Activities	1,536,197	1,434,272
Unallocated Depreciation	1,771,028	1,682,895
Interest and Fiscal Charges	2,673,952	2,744,325
Total Expenses	<u>65,914,174</u>	<u>41,274,551</u>
Change in Net Position	13,403,320	32,780,683
Net Position, Beginning of Year	<u>(28,860,504)</u>	<u>(61,641,187)</u>
Net Position, End of Year	<u>\$ (15,457,184)</u>	<u>\$ (28,860,504)</u>

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. Property taxes made up 57.5 percent of the total revenue for governmental activities for the Delaware City School District for fiscal year 2019 compared with 56.8 percent for fiscal year 2018. Property tax revenue increased by 8.5 percent as fiscal year 2019 was the first full year of collecting the new emergency property tax levy approved in November 2017. Unrestricted grants and entitlements revenue, or state foundation revenue, increased by 4.1 percent over the state funding received in fiscal year 2018.

DELAWARE CITY SCHOOL DISTRICT

Delaware County

Management's Discussion and Analysis

For the Fiscal Year Ended June 30, 2019

(Unaudited)

Program revenues increased \$222,167, or 2.6 percent, over those reported for the prior year. The increase in operating grants and contribution program revenue was due to additional grant allocations for specific state and federal educational programs which was partially offset by the decrease in charges for service associated with food service and extracurricular activities. The revenue associated with food service and extracurricular activities fluctuate from year to year due to the nature of the activities.

The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services. Table 3 shows the total cost of services for each function for fiscal year 2019 as compared with fiscal year 2018.

TABLE 3
TOTAL AND COST OF PROGRAM SERVICES
GOVERNMENTAL ACTIVITIES (in 000's)

	2019		2018	
	Total Cost of Service	Net Cost of Service	Total Cost of Service	Net Cost of Service
Instruction	\$ 35,385	\$ 31,453	\$ 17,005	\$ 13,258
Support Services:				
Pupil and Instructional Staff	4,736	4,509	2,175	2,101
Board of Education, Administration, Fiscal and Business	5,871	5,619	3,829	3,562
Plant Operation and Maintenance	5,711	5,523	4,980	4,856
Pupil Transportation	3,524	3,247	3,412	3,131
Central	805	792	512	470
Operation of Non-Instructional Services	3,901	258	3,501	(248)
Extracurricular Activities	1,536	1,188	1,434	1,060
Unallocated Depreciation	1,771	2,674	1,683	1,683
Interest and Fiscal Charges	2,674	1,771	2,744	2,744
Total Expenses	<u>\$ 65,914</u>	<u>\$ 57,034</u>	<u>\$ 41,275</u>	<u>\$ 32,617</u>

Total expenses reported by the School District for fiscal year 2019 increased by \$24.6 million, or 59.7 percent, compared to those reported for the prior period. To properly analyze the change in expenses, the reader should remove the effects of recognizing the School District's proportionate share of the pension and OPEB plans from the reported expenses. In the prior year, the School District allocated negative \$28.7 million (total pension/OPEB expense and deferral of pension contributions) of expenses to the functional categories based on the pension plans activity for the measurement period. For the current fiscal year, the amount allocated to the functional expense categories based on the current measurement period was a negative \$6.3 million, or a \$22.4 million swing in total expenses reported. If expenses related to activity of pension and OPEB plans are excluded from each year, total expenses would have increased by approximately 3.2 percent for the current fiscal year, primarily related to increased cost of personnel (wage increases as well as step increases) reported for the current year.

As shown in Table 3 above, the total net cost of service increased by \$24.4 million compared with those reported for the prior fiscal year, which is virtually the same as the overall change in total expenses reported for the fiscal year.

Unallocated depreciation represents depreciation expense associated with capital assets that are commonly utilized by multiple functional areas, typically school buildings and related improvements. Depreciation expense on specific assets of a functional area is included in the expense reported for those functions.

DELAWARE CITY SCHOOL DISTRICT

Delaware County

Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2019 (Unaudited)

The School District's Funds

Governmental funds are accounted for using the modified accrual basis of accounting. All governmental funds had total revenues of \$79.4 million and expenditures of \$73.8 million. The net change in fund balance was most significant in the General Fund, an increase of \$5.0 million due to the additional revenue received from new property tax levy as well as the State Foundation program previously mentioned. The increase in fund balance reported for the General Fund in the prior fiscal year was \$2.1 million. Expenditures of the General Fund increased in fiscal year 2019 by approximately \$1.6 million, or 2.7 percent, over those reported for the prior year due to increases in cost of personnel (wages and benefits) for the year. The ending fund balance of the General Fund was \$18.4 million at June 30, 2019, of which approximately \$17.4 million was reported as unassigned. The ending unassigned fund balance of the general fund at June 30, 2019 represents 28.8 percent of the total general fund expenditures reported for the fiscal year, up from the 21.5 percent at the end of the previous fiscal year.

The remaining major funds are restricted for particular purposes. The Debt Service Fund reported an increase in fund balance of \$959,540 as the increase in property tax revenue offset the increase in scheduled debt service payments on general obligation debt of the School District. The Permanent Improvement Fund reported a slight increase in fund balance for fiscal year 2019 as management limits capital expenditures to anticipated revenues for the year. The final major fund, the Building Fund, is used to account for construction and/or renovation projects within the School District typically funded through debt proceeds. The School District completed the transportation center in fiscal year 2019 which completed the renovations of nearly all District's facilities which began back in 2013. Going forward, this fund will report the construction activity associated with the \$36.5 million school facility construction and improvement bonds issued in September 2019.

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.

For the General Fund, budget basis revenue was \$62.9 million as compared to the original budget estimates of \$64.1 million or a 1.9 percent negative variance. In the original budget, the School District anticipated a larger increase in State Foundation revenue, however as the year progressed it became apparent the additional funding would not be as much as originally anticipated. As a result, the School District amended its original revenue budget during the year by \$1.7 million. Total actual expenditures on the budget basis (cash outlays plus encumbrances) were \$59.5 million, or less than 1.0 percent less than what was anticipated in the original budget adopted for the year. Budgeted expenditure amounts increased by 1.3 percent for the General Fund during the fiscal year primarily to provide for additional expenditures not anticipated when the original budget was adopted.

Actual budgetary fund balance at year end was \$1.7 million more than the ending balance projected in the final budget adopted for the year.

DELAWARE CITY SCHOOL DISTRICT

Delaware County

Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2019 (Unaudited)

Capital Assets

At the end of fiscal year 2019, the School District had \$81.3 million invested in land, buildings, furniture and equipment, and vehicles in governmental activities. Table 4 shows fiscal year 2019 balances compared to 2018, however for greater detail readers should review Note 10 to the basic financial statements.

**TABLE 4
CAPITAL ASSETS AT JUNE 30**

	2019	2018
Land	\$ 3,269,434	\$ 3,269,434
Construction in Progress	-	4,112,108
Buildings and Improvements	108,016,329	103,067,387
Furniture & Equipment	3,129,770	3,141,113
Vehicles	4,652,055	4,551,676
Less: Accumulated Depreciation	(37,809,486)	(35,382,890)
Total Net Capital Assets	<u>\$ 81,258,102</u>	<u>\$ 82,758,828</u>

Overall, net capital assets decreased \$1.5 million from the fiscal year 2018 total net capital assets. The decrease in net capital assets results from depreciation expense being a greater amount than the acquisition of capital assets reported for the year.

Significant capital asset acquisitions by the School District during the fiscal year included; nearly \$4.1 million of general engineering and common costs accumulated within construction in progress related to the school facilities construction and renovation project was allocated to the building category along with the cost of the new transportation center completed during fiscal year 2019. In addition, the School District purchased two new buses costing \$203,654 as well as various other pieces of equipment and vehicles. Total capital asset additions for the year were valued at \$1.2 million with depreciation expense for the year reported at \$2.7 million.

Cost associated with repair and maintenance of the School District's facilities and other assets that do not extend the useful life of the capitalized item, is included within the plant operation and maintenance function.

Debt Administration

At June 30, 2019, the School District had five general obligation bond issues outstanding with a combined outstanding principal of \$61.4 million, of which \$2.5 million is due within one year. Two of the outstanding bond issues were used to advance refund portions of previously issued bond issues to achieve savings on reduced debt service payments in the future, while the remaining three bond issues provided financing for the school construction and renovation projects which are nearing completion.

The School District has \$1.6 million in energy conservation notes outstanding at year-end which were used to finance various building improvements throughout the School District. These notes mature in fiscal year 2027 with \$186,750 being due within one year.

DELAWARE CITY SCHOOL DISTRICT

Delaware County

Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2019 (Unaudited)

At June 30, 2019, the School District had a legal debt margin imposed by State statute of \$17.5 million. The School District has been classified by the State of Ohio as a "special needs" district as it relates to issuing debt for purposes of constructing and renovating classroom facilities. This classification allows the School District to exceed the established voted debt limit, if needed.

For more detailed disclosures regarding the School District's debt obligations the reader should refer to Note 16 to the basic financial statements.

Contacting the School District's Financial Management

This financial report is designed to provide our citizens, taxpayers, 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 the Treasurer's Office at Delaware City School District, 74 West William Street, Delaware, OH 43015 or call (740) 833-1100.

**DELAWARE CITY SCHOOL DISTRICT
DELAWARE COUNTY, OHIO**

STATEMENT OF NET POSITION
JUNE 30, 2019

	Governmental Activities
<u>Assets:</u>	
Equity in pooled cash and cash equivalents	\$ 23,507,532
Investments	5,092
Materials and supplies inventory	89,308
Accrued interest receivable	60
Accounts receivable	139,963
Intergovernmental receivable	462,731
Prepaid items	178,174
Property and other local taxes receivables	44,776,059
Net OPEB asset	3,827,046
Capital assets:	
Non-depreciable	3,269,434
Depreciable, net of accumulated depreciation	<u>77,988,668</u>
Total Assets	154,244,067
<u>Deferred Outflows of Resources:</u>	
Deferred charge on refunding	365,486
Pension and OPEB	<u>20,627,051</u>
Total Deferred Outflows of Resources	20,992,537
<u>Liabilities:</u>	
Accounts payable	556,040
Accrued wages and benefits payable	6,286,676
Intergovernmental payable	938,062
Accrued interest payable	228,105
Matured compensated absences payable	54,243
Claims payable	775,000
Long Term Liabilities:	
Due within one year	2,887,483
Due in more than one year:	
Net pension liability	66,326,298
Net OPEB liability	6,839,526
Other amounts due in more than one year	<u>63,860,051</u>
Total Liabilities	148,751,484
<u>Deferred Inflows of Resources:</u>	
Property taxes levied for subsequent year	31,353,812
Pension and OPEB	<u>10,588,492</u>
Total Deferred Inflows of Resources	41,942,304
<u>Net Position:</u>	
Net investment in capital assets	16,855,272
Restricted	9,160,303
Unrestricted	<u>(41,472,759)</u>
Total Net Position	<u><u>\$ (15,457,184)</u></u>

See accompanying notes to the basic financial statements.



**DELAWARE CITY SCHOOL DISTRICT
DELAWARE COUNTY, OHIO**

STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

		Program Revenues		Net (Expense) Revenue and Changes in Net Position
	Expenses	Charges for services & sales	Operating grants and contributions	Total Governmental Activities
Governmental Activities:				
Instruction:				
Regular	\$ 24,293,323	\$ 1,243,057	\$ 14,687	\$ (23,035,579)
Special	9,841,412	-	1,807,863	(8,033,549)
Vocational	117,224	-	36,636	(80,588)
Student intervention services	1,131,699	-	829,573	(302,126)
Other	1,251	-	-	(1,251)
Support Services:				
Pupils	3,113,469	-	139,730	(2,973,739)
Instructional staff	1,622,767	17,605	70,038	(1,535,124)
Board of education	179,151	-	-	(179,151)
Administration	3,810,767	54,767	197,079	(3,558,921)
Fiscal	1,457,341	-	-	(1,457,341)
Business	424,113	-	-	(424,113)
Operation and maintenance of plant	5,710,783	154,696	32,848	(5,523,239)
Pupil transportation	3,524,033	-	277,124	(3,246,909)
Central	804,863	-	12,600	(792,263)
Operation of non-instructional services	3,900,801	1,840,465	1,802,498	(257,838)
Extracurricular activities	1,536,197	309,388	39,211	(1,187,598)
Interest and fiscal charges	2,673,952	-	-	(2,673,952)
Unallocated depreciation *	1,771,028	-	-	(1,771,028)
Total Governmental Activities	<u>\$ 65,914,174</u>	<u>\$ 3,619,978</u>	<u>\$ 5,259,887</u>	<u>(57,034,309)</u>

General Revenues:

Property taxes and other local taxes:	
Levied for general purposes	38,257,709
Levied for debt service	5,385,132
Levied for capital improvements	1,993,379
Payments in Lieu of Property Taxes	42,477
Grants and entitlements not restricted to specific programs	22,856,864
Investment earnings	560,234
Miscellaneous	1,341,834
Total General Revenues	<u>70,437,629</u>
Change in net position	13,403,320
Net position at beginning of year	<u>(28,860,504)</u>
Net position at end of year	<u>\$ (15,457,184)</u>

* - This amount excludes the depreciation that is included in the direct expense of the various functions.

See accompanying notes to the basic financial statements.

**DELAWARE CITY SCHOOL DISTRICT
DELAWARE COUNTY, OHIO**

BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2019

	General Fund	Debt Service Fund	Permanent Improvement Fund	Building Fund	Other Governmental Funds	Total Governmental Funds
<u>Assets:</u>						
Equity in pooled cash and cash equivalents	\$ 14,550,344	\$ 4,209,690	\$ 2,575,101	\$ 287,978	\$ 515,955	\$ 22,139,068
Investments	-	-	-	-	5,092	5,092
Materials and supplies inventory	84,921	-	-	-	4,387	89,308
Accrued interest receivable	-	-	-	-	60	60
Accounts receivable	125,574	-	7,093	-	3,358	136,025
Interfund receivable	7,193	-	-	-	-	7,193
Intergovernmental receivable	4,214	-	-	-	458,517	462,731
Prepaid items	178,174	-	-	-	-	178,174
Property and other local taxes receivable	37,531,753	5,304,054	1,940,252	-	-	44,776,059
Total Assets	<u>\$ 52,482,173</u>	<u>\$ 9,513,744</u>	<u>\$ 4,522,446</u>	<u>\$ 287,978</u>	<u>\$ 987,369</u>	<u>\$ 67,793,710</u>
<u>Liabilities, Deferred Inflows of Resources and Fund Balances:</u>						
<u>Liabilities:</u>						
Accounts payable	\$ 253,689	\$ -	\$ 230,841	\$ -	\$ 71,510	\$ 556,040
Accrued wages and benefits payable	5,851,375	-	-	-	435,301	6,286,676
Interfund payable	-	-	-	-	7,193	7,193
Intergovernmental payable	883,283	-	-	-	54,779	938,062
Matured compensated absences payable	54,243	-	-	-	-	54,243
Total Liabilities	<u>7,042,590</u>	<u>-</u>	<u>230,841</u>	<u>-</u>	<u>568,783</u>	<u>7,842,214</u>
<u>Deferred Inflows of Resources:</u>						
Property taxes levied for subsequent year	26,290,749	3,702,781	1,360,282	-	-	31,353,812
Unavailable revenue	710,755	90,409	34,239	-	332,766	1,168,169
Total Deferred Inflows of Resources	<u>27,001,504</u>	<u>3,793,190</u>	<u>1,394,521</u>	<u>-</u>	<u>332,766</u>	<u>32,521,981</u>
<u>Fund Balances:</u>						
Nonspendable	263,095	-	-	-	4,200	267,295
Restricted	-	5,720,554	2,897,084	287,978	248,551	9,154,167
Assigned	752,564	-	-	-	-	752,564
Unassigned (Deficit)	17,422,420	-	-	-	(166,931)	17,255,489
Total Fund Balances	<u>18,438,079</u>	<u>5,720,554</u>	<u>2,897,084</u>	<u>287,978</u>	<u>85,820</u>	<u>27,429,515</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 52,482,173</u>	<u>\$ 9,513,744</u>	<u>\$ 4,522,446</u>	<u>\$ 287,978</u>	<u>\$ 987,369</u>	<u>\$ 67,793,710</u>

See accompanying notes to the basic financial statements.

**DELAWARE CITY SCHOOL DISTRICT
DELAWARE COUNTY, OHIO**

RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO
NET POSITION OF GOVERNMENTAL ACTIVITIES
JUNE 30, 2019

Total Governmental Fund Balances:		\$ 27,429,515
<u>Amounts reported for governmental activities in the statement of net position are different because:</u>		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		81,258,102
Other long-term assets are not available to pay for current-period expenditures and therefore are reported as "unavailable" in the funds.		1,168,169
Deferred charge on refunding is not recognized as an expenditure in the period the transaction occurs, therefore it is reported as deferred outflows of resources in the funds. On the full accrual statements, this amount is amortized over a period of time and the unamortized amount is reported on the statement of net position.		365,486
Long-term liabilities which are not due and payable in the current period and therefore not reported in the funds.		
Refunding bonds payable	(11,580,000)	
General obligations bonds payable	(49,770,000)	
Accrued interest payable	(228,105)	
Premium on refunding bonds	(1,827,262)	
Compensated absences	(1,929,412)	
Long-term notes payable	(1,640,860)	
Total		(66,975,639)
The net pension and OPEB liabilities are not due and payable in the current period and the OPEB asset is not available to the School District; therefore, the asset, liabilities and related deferred outflows/inflows of resources associated with the pension and OPEB plans are not reported in governmental funds.		
Net OPEB asset	3,827,046	
Deferred outflows of resources - pension and OPEB	20,627,051	
Deferred inflows of resources - pension and OPEB	(10,588,492)	
Net pension liability	(66,326,298)	
Net OPEB liability	(6,839,526)	
Total		(59,300,219)
Internal service funds are used by management to accumulate sufficient resources to pay health care medical claims as they come due through payroll charges to the individual funds. The assets and liabilities of the internal service fund are included in the governmental activities in the statement of net position.		597,402
Net Position of Governmental Activities		<u>\$ (15,457,184)</u>

See accompanying notes to the basic financial statements.

**DELAWARE CITY SCHOOL DISTRICT
DELAWARE COUNTY, OHIO**

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	General Fund	Debt Service Fund	Permanent Improvement Fund	Building Fund	Other Governmental Funds	Total Governmental Funds
Revenues:						
Property and other local taxes	\$ 38,319,516	\$ 5,396,427	\$ 1,998,150	\$ -	\$ -	\$ 45,714,093
Intergovernmental	22,856,823	697,759	218,370	-	4,197,436	27,970,388
Interest	559,918	-	-	-	316	560,234
Tuition and fees	2,210,520	-	-	-	-	2,210,520
Rentals	154,696	-	-	-	-	154,696
Extracurricular activities	136,480	-	-	-	219,574	356,054
Gifts and donations	89,829	-	-	-	26,156	115,985
Customer sales and services	84,073	-	-	-	814,635	898,708
Payments in lieu of property taxes	42,477	-	-	-	-	42,477
Miscellaneous	1,091,099	80,329	16,804	-	141,114	1,329,346
Total Revenues	65,545,431	6,174,515	2,233,324	-	5,399,231	79,352,501
Expenditures:						
Current:						
Instruction:						
Regular	27,574,820	-	562,542	-	-	28,137,362
Special	9,925,406	-	-	-	1,033,761	10,959,167
Vocational	150,366	-	-	-	-	150,366
Student intervention services	515,949	-	-	-	778,313	1,294,262
Other instruction	96,402	-	-	-	-	96,402
Support Services:						
Pupils	3,447,217	-	-	-	164,117	3,611,334
Instructional staff	1,662,220	-	-	-	113,813	1,776,033
Board of education	179,348	-	-	-	-	179,348
Administration	4,184,033	-	11,980	-	183,984	4,379,997
Fiscal	1,364,367	72,205	26,599	-	-	1,463,171
Business	361,906	-	84,853	-	-	446,759
Operation and maintenance of plant	4,785,539	-	183,544	-	30,162	4,999,245
Pupil transportation	3,245,093	-	187,376	-	31,400	3,463,869
Central	484,003	-	341,679	-	12,600	838,282
Non-instructional services	1,077,375	-	-	-	2,842,916	3,920,291
Extracurricular activities	1,223,951	-	-	-	295,133	1,519,084
Capital outlay	-	-	725,915	453,447	-	1,179,362
Debt Service:						
Principal retirement	181,900	2,415,000	-	-	-	2,596,900
Interest and fiscal charges	46,109	2,727,770	-	-	-	2,773,879
Total Expenditures	60,506,004	5,214,975	2,124,488	453,447	5,486,199	73,785,113
Excess of Revenues Over(Under) Expenditures	5,039,427	959,540	108,836	(453,447)	(86,968)	5,567,388
Other Financing Sources:						
Proceeds from sale of capital assets	-	-	7,093	-	-	7,093
Insurance recoveries	5,395	-	-	-	-	5,395
Total Other Financing Sources	5,395	-	7,093	-	-	12,488
Net Change in Fund Balance	5,044,822	959,540	115,929	(453,447)	(86,968)	5,579,876
Fund Balance at Beginning of Year	13,393,257	4,761,014	2,781,155	741,425	172,788	21,849,639
Fund Balance at End of Year	\$ 18,438,079	\$ 5,720,554	\$ 2,897,084	\$ 287,978	\$ 85,820	\$ 27,429,515

See accompanying notes to the basic financial statements.

**DELAWARE CITY SCHOOL DISTRICT
DELAWARE COUNTY, OHIO**

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

Net Change in Fund Balances - Total Governmental Funds		\$ 5,579,876
<u>Amounts reported for governmental activities in the statement of activities are different because:</u>		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. The following represents the capital asset activity for the year.		
Capital asset acquisition cost	1,210,871	
Current year depreciation	<u>(2,698,673)</u>	
Total		(1,487,802)
Governmental funds only report the disposal of assets to the extent proceeds are received from the sale. In the statement of activities, a gain or loss is reported for each disposal.		
Carrying value of disposed capital assets		(12,924)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Taxes	(77,873)	
Intergovernmental	<u>30,378</u>	
Total		(47,495)
The repayment of long-term debt principal consumes the current financial resources of the governmental funds. However, within the statement of net position the payments only reduce long-term liabilities. Also, governmental funds report the effects of premiums, discounts, deferred charges on refunding when the debt is issued, whereas these amounts are amortized in the statement of activities.		
Repayment of long-term debt	2,596,900	
Current year amortization of bond premium	230,810	
Current year amortization of deferred charge on refunding	<u>(136,986)</u>	
Total		2,690,724
Some expenses 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.		
Accrued interest payable on long-term debt	6,103	
Compensated absences	<u>(210,633)</u>	
Total		(204,530)
Contractually required contributions are reported as expenditures in the governmental funds, however, the statement of net position reports these amounts as deferred outflows.		
Pension	5,038,326	
OPEB	<u>194,486</u>	
Total		5,232,812
Except for amounts reported as deferred outflows or inflows, changes in the net pension and OPEB liabilities are reported as pension and OPEB expenses which are allocated to the functions in the statement of activities.		
Pension expense	(6,908,937)	
Negative OPEB expense	<u>7,964,194</u>	
Total		1,055,257
Internal service funds are used by management to accumulate sufficient resources to pay health care medical claims as they come due through payroll charges to the individual funds. The net revenue or expense of this fund is allocated among the governmental activities on the statement of activities.		
		<u>597,402</u>
Change in Net Position of Governmental Activities		<u>\$ 13,403,320</u>

See accompanying notes to the basic financial statements.

**DELAWARE CITY SCHOOL DISTRICT
DELAWARE COUNTY, OHIO**

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
GENERAL FUND - BUDGET (NON-GAAP) AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	Budgeted Amounts			
	Original	Final Revised	Actual	Variance with Final Budget
Revenues:				
Taxes	\$ 36,468,642	\$ 37,230,063	\$ 37,257,026	\$ 26,963
Intergovernmental	24,680,638	22,596,908	22,867,012	270,104
Interest	514,061	405,000	476,286	71,286
Tuition and Fees	1,263,922	1,105,000	1,171,044	66,044
Rentals	161,137	145,000	149,296	4,296
Extracurricular Activities	56,600	50,000	52,441	2,441
Payment in Lieu of Taxes	45,846	40,000	42,477	2,477
Miscellaneous	948,299	841,550	878,614	37,064
Total Revenues	64,139,145	62,413,521	62,894,196	480,675
Expenditures:				
Current:				
Instruction:				
Regular	27,649,334	28,095,807	27,490,169	605,638
Special	8,802,853	9,996,384	9,916,479	79,905
Vocational	253,037	145,526	140,777	4,749
Student Intervention Services	363,742	429,081	420,687	8,394
Other Instruction	146,087	174,717	174,031	686
Support Services:				
Pupils	3,311,860	3,401,198	3,405,233	(4,035)
Instructional Staff	1,725,737	1,644,077	1,562,005	82,072
Board of Education	227,265	223,771	192,758	31,013
Administration	4,326,921	4,155,357	4,100,797	54,560
Fiscal	1,474,018	1,387,001	1,373,091	13,910
Business	381,521	373,832	362,706	11,126
Operation and Maintenance of Plant	5,300,998	5,221,503	5,100,812	120,691
Pupil Transportation	3,908,749	3,427,148	3,336,276	90,872
Central	580,135	529,333	503,560	25,773
Extracurricular Activities	1,206,779	1,239,034	1,218,820	20,214
Debt Service:				
Principal Retirement	181,900	181,900	181,900	-
Interest and Fiscal Charges	46,109	46,109	46,109	-
Total Expenditures	59,887,045	60,671,778	59,526,210	1,145,568
Excess of Revenues Over Expenditures	4,252,100	1,741,743	3,367,986	1,626,243
Other Financing Sources:				
Refund of Prior Year Expenditures	220,000	223,102	281,069	57,967
Total Other Financing Sources	220,000	223,102	281,069	57,967
Net Change in Fund Balances	4,472,100	1,964,845	3,649,055	1,684,210
Fund Balance at Beginning of Year	8,480,200	8,480,200	8,480,200	-
Prior Year Encumbrances Appropriated	410,052	410,052	410,052	-
Fund Balance at End of Year	\$ 13,362,352	\$ 10,855,097	\$ 12,539,307	\$ 1,684,210

See accompanying notes to the basic financial statements.

**DELAWARE CITY SCHOOL DISTRICT
DELAWARE COUNTY, OHIO**

STATEMENT OF FUND NET POSITION
INTERNAL SERVICE FUND
JUNE 30, 2019

	<u>Governmental Activities</u>
	<u>Self-Insurance Fund</u>
<u>Assets:</u>	
Equity in pooled cash and cash equivalents	\$ 1,368,464
Accounts receivable	<u>3,938</u>
Total Assets	<u>1,372,402</u>
<u>Liabilities:</u>	
Claims Payable	<u>775,000</u>
Total Liabilities	<u>775,000</u>
<u>Net Position:</u>	
Unrestricted	<u>\$ 597,402</u>

See accompanying notes to the basic financial statements.

**DELAWARE CITY SCHOOL DISTRICT
DELAWARE COUNTY, OHIO**

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
INTERNAL SERVICE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	<u>Governmental Activities</u>
	<u>Self-Insurance Fund</u>
<u>Operating Revenues:</u>	
Charges for Services	\$ 4,400,341
Other	<u>9,844</u>
Total Operating Revenues	<u>4,410,185</u>
<u>Operating Expenses:</u>	
Purchased Services	663,848
Insurance Claims	<u>3,148,935</u>
Total Operating Expenses	<u>3,812,783</u>
Change in Net Position	597,402
Net Position Beginning of Year	<u>-</u>
Net Position End of Year	<u><u>\$ 597,402</u></u>

See accompanying notes to the basic financial statements.

**DELAWARE CITY SCHOOL DISTRICT
DELAWARE COUNTY, OHIO**

STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	Governmental Activities
	Self-Insurance Fund
<i>Increase(Decrease) in Cash and Cash Equivalents:</i>	
<u>Cash Flows from Operating Activities:</u>	
Receipts from Interfund Services Provided	\$ 4,400,341
Receipts from Other Sources	5,906
Cash Payments to Suppliers for Goods and Services	(663,848)
Cash Payments for Insurance Claims	<u>(2,373,935)</u>
Net Cash Provided by Operating Activities	<u>1,368,464</u>
Net Increase in Cash and Cash Equivalents	1,368,464
Cash and Cash Equivalents at Beginning of Year	<u>-</u>
Cash and Cash Equivalents at End of Year	<u>\$ 1,368,464</u>
<i>Reconciliation of Operating Income to Net Cash Provided by Operating Activities:</i>	
Operating Income	\$ 597,402
<u>Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:</u>	
Changes in Assets and Liabilities:	
Increase in Accounts Receivable	(3,938)
Increase in Claims Payable	<u>775,000</u>
Net Cash Provided by Operating Activities	<u>\$ 1,368,464</u>

See accompanying notes to the basic financial statements.

**DELAWARE CITY SCHOOL DISTRICT
DELAWARE COUNTY, OHIO**

STATEMENT OF NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2019

	Private Purpose Trust	Agency Funds
<u>Assets:</u>		
Equity in pooled cash and cash equivalents	\$ 44,392	\$ 278,240
Investments	73,964	-
Accrued interest receivable	931	-
Accounts receivable	-	321
	<hr/>	<hr/>
Total Assets	119,287	278,561
	<hr/>	<hr/>
<u>Liabilities:</u>		
Accounts payable	-	4,652
Undistributed monies	-	2,336
Due to students	-	271,573
	<hr/>	<hr/>
Total Liabilities	-	\$ 278,561
	<hr/>	<hr/>
<u>Net Position:</u>		
Held in trust for scholarships	\$ 119,287	
	<hr/>	

See accompanying notes to the basic financial statements.

**DELAWARE CITY SCHOOL DISTRICT
DELAWARE COUNTY, OHIO**

STATEMENT OF CHANGES IN NET POSITION
FIDUCIARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	Private Purpose Trust
<u>Additions:</u>	
Gifts and Donations	\$ 3,429
Investment Earnings	<u>1,232</u>
Total Additions	<u>4,661</u>
<u>Deductions:</u>	
Payments in accordance with trust agreements	<u>3,497</u>
Total Deductions	<u>3,497</u>
Change in Net Position	1,164
Net Position Beginning of Year	<u>118,123</u>
Net Position End of Year	<u>\$ 119,287</u>

See accompanying notes to the basic financial statements.



DELAWARE CITY SCHOOL DISTRICT

Delaware County, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2019

NOTE 1 - DESCRIPTION OF THE SCHOOL DISTRICT AND REPORTING ENTITY

The Delaware City School District (School District) operates under a locally-elected five member board form of government and provides educational services mandated by state and, or federal agencies. This Board controls the School District's eight instructional/support facilities staffed by 262 non-certificated employees and 381 certificated employees, including 30 administrative employees, to provide services to a student enrollment of 5,799 students.

The School District was established in 1871 through the consolidation of existing land areas and school districts and is organized under Section 2 and 3, Article VI of the Constitution of the State of Ohio. Under such laws, there is no authority for a school district to have a charter or adopt local laws. The legislative power of the School District is vested in the Board of Education, consisting of five members elected at large for staggered four-year terms.

The School District serves an area of approximately 41 square miles within Delaware County, including all of the City of Delaware, Ohio and portions of surrounding townships. The School District is the second largest in Delaware County in terms of enrollment. It currently operates five elementary schools, one middle school and one comprehensive high school.

Reporting Entity

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

The primary government consists of all funds and departments, not legally separate from the School District, which provide various services including instruction, student guidance, extracurricular activities, educational media and care and upkeep of grounds and buildings. The operation of each of these activities is directly controlled by the Board of Education.

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 body 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 for which the School District approves the budget, the issuance of debt or the levying of taxes.

The School District does not have any component units.

The District is associated with two organizations, which are defined as jointly governed. These organizations include META Solutions and the Delaware Area Career Center. These organizations are presented in Note 18 to the basic financial statements.

DELAWARE CITY SCHOOL DISTRICT

Delaware County, Ohio

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2019

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Delaware City 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 below.

A. 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.

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.

The statement of net position presents the financial condition of the governmental activities of the School District at year-end. The government-wide 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 and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues not classified as program revenues are presented as general revenues of the 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 rather than reporting funds by type. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column. Internal service and fiduciary funds are reported by fund type.

B. Fund Accounting

The School District uses funds to maintain its financial records during the fiscal year. Fund accounting is designed to demonstrate legal compliance and to aid management by segregating transactions related to certain School District functions or activities. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The various funds of the School District are grouped into the categories governmental and fiduciary.

DELAWARE CITY SCHOOL DISTRICT

Delaware County, Ohio

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2019

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Governmental Funds

Governmental funds focus 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 less liabilities and deferred inflows of resources is reported as fund balance. The General, Debt Service, Permanent Improvement, and Building Funds are the School District's major funds:

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

Debt Service Fund – The Debt Service Fund is used to account for the accumulation of resources for, and the repayment of, the School District's general obligation debt, including the three school improvement bonds previously approved by voters within the School District's boundaries.

Permanent Improvement Fund – The Permanent Improvement Fund is used to account for financial resources, specifically property and other local taxes generated by the School District's permanent improvement levy, to be used to maintain the School District's facilities, as well as provide for major equipment and instructional material purchases.

Building Fund – The Building Fund is used to account for the resources, received through the issuance of general obligation bonds, which are restricted to significant construction and renovation projects to existing and new school buildings within the School District.

The other governmental funds of the School District account for grants and other resources of the School District whose uses are restricted to a particular purpose.

Proprietary Fund

The proprietary fund focuses on the determination of operating income, the change in net position, financial position, and cash flows. Proprietary funds are classified as enterprise or internal service; the School District has no enterprise funds.

Internal Service Fund – The internal service fund accounts for the financing of services provided by one department or agency to other departments or agencies of the School District on a cost reimbursement basis. For the School District, the internal service fund is used to account for the self-insured, employee medical benefits program.

Fiduciary Funds

Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds, and agency funds. Trust funds are used to account for assets held by the School District under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the School District's own programs. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The School District has various funds established to provide scholarships to its students that are classified as private-purpose trust funds. Funds used to account for OHSA tournament games as well as the activity of the numerous student managed activities within the School District are classified as agency funds.

DELAWARE CITY SCHOOL DISTRICT

Delaware County, Ohio

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2019

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Measurement Focus

Government-wide Financial Statements

The government-wide financial statements are prepared using the economic resources measurement focus. All assets, deferred outflows of resources, liabilities and deferred inflows of resources associated with the operation of the School District are included on the Statement of 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 along with current liabilities and deferred inflows of resources are included on the balance sheet. The statement of revenues, expenditures and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore provide a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

Proprietary and fiduciary funds are reported using the economic resources measurement focus, except for agency funds which have no measurement focus but utilizes the accrual basis of accounting for reporting its assets and liabilities.

D. Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting; as are the internal service and private purpose trust funds. Governmental funds use the modified accrual basis of accounting. Differences in the accrual and modified accrual bases of accounting arise in the recognition of revenue, 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. “Measurable” means the amount of the transaction can be determined, and “available” means collectible within the current fiscal year or 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.

Non-exchange 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 for which the taxes are levied. 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

DELAWARE CITY SCHOOL DISTRICT

Delaware County, Ohio

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2019

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

or the fiscal 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 non-exchange transactions must also be available before it can be recognized.

In applying the susceptible to accrual concept under the modified accrual basis, the following revenue sources are deemed to be both measurable and available: property taxes available as an advance, grants, investment earnings, tuition, and student fees.

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 represent a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. For the School District, deferred outflows of resources are reported on the government-wide statement of net position for deferred charges on refunding, pension, and OPEB. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The deferred outflows of resources related to pension and OPEB plans are explained further in Notes 12 and 13.

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 position that applies to a future period and will not be recognized as an inflow of resources until that time. For the School District, deferred inflows of resources include property taxes, unavailable revenue, pension, and OPEB. Property taxes represent amounts for which there is an enforceable legal claim as of June 30, 2019, but which were levied to finance fiscal year 2020 operations. These amounts have been recorded as a deferred inflow on both the government-wide statement of net position and 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, intergovernmental grants, and student fees. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available. Deferred inflows of resources related to pension and OPEB plans are reported on the government-wide statement of net position (see Notes 12 and 13).

Expenditures/Expenses

The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are recorded when the related liability is incurred, if measurable. Principal and interest on general long-term debt are recorded as fund liabilities when due or when amounts have been accumulated in the debt service fund for payments to be made early in the following year. The costs of accumulated unpaid vacation and sick leave are reported as fund liabilities in the period in which they will be liquidated with available financial resources rather than in the period earned by the employee. Allocation of costs, such as depreciation and amortization, are not recognized in governmental funds.

The accrual basis of accounting utilized on the government-wide financial statements and by internal service and private purpose trust funds recognizes revenues when they are earned, and expenses are recognized at the time they are incurred.

DELAWARE CITY SCHOOL DISTRICT

Delaware County, Ohio

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2019

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Budget Data

All funds, other than agency funds, are legally required to be budgeted and appropriated. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriation resolution, all of which are prepared on the budgetary basis of accounting. The tax budget demonstrates a need for existing or increased tax rates. The certificate of estimated resources establishes a limit on the amount the Board of Education may appropriate. The appropriation resolution is the Board's authorization to spend resources and sets annual limits on expenditures plus encumbrances at a level of control selected by the Board. The Board has established the legal level of control at the individual fund level.

The certificate of estimated resources may be amended during the year if projected increases or decreases in revenue, are identified by the School District. The amounts reported as the original budgeted amounts in the budgetary statements reflect the amounts in the certificate when the original appropriations were adopted. The amounts reported as the final budgeted amounts in the budgetary statements reflect the amounts in the final amended certificate issued during fiscal year 2019.

The appropriation resolution is subject to amendment by the Board throughout the school year with the restriction that appropriations may not exceed estimated revenues. 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 year.

F. Cash and Cash Equivalents

To improve cash management, cash received by the School District is pooled in a central bank account. Monies for all funds are pooled in this account or temporarily used to purchase short-term investments. Individual fund integrity is maintained through the School District's records. Each fund's interest in the pool is presented on the balance sheet as "Equity in Pooled Cash and Cash Equivalents".

During fiscal year 2019, investments were limited to U.S. Treasury securities, federal agency securities, negotiable certificates of deposit, mutual funds, commercial paper and STAR Ohio.

Except for nonparticipating investment contracts, investments are reported at fair value, which is based on quoted market prices. Nonparticipating investment contracts, such as repurchase agreements and nonnegotiable certificates of deposit, are reported at cost.

The School District has invested funds in the State Treasury Assets Reserves of Ohio (STAR Ohio) during fiscal year 2019. STAR Ohio is an investment pool managed by the State Treasurer's Office, which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but has adopted Governmental Accounting Standards Board (GASB), Statement No. 79, "Certain External Investment Pools and Pool Participants". The 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 a NAV per share that approximates fair value.

DELAWARE CITY SCHOOL DISTRICT

Delaware County, Ohio

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2019

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

For fiscal year 2019, there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, notice must be given 24 hours in advance of all deposits and withdrawals exceeding \$25 million. STAR Ohio reserves the right to limit the transaction to \$100 million, requiring the excess amount to be transacted the following business day(s), but only to the \$100 million limit. All accounts of the participant will be combined for these purposes.

The School District has allocated interest according to Ohio statutes. Interest revenue credited to the General Fund during fiscal year 2019 amounted to \$559,918, which includes \$250,224 assigned from other funds.

G. Inventory

On government-wide financial statements, inventories are presented at cost on a first-in, first-out basis and are expensed when used.

On fund financial statements, inventories of governmental funds are stated at cost. For all funds, cost is determined on a first-in, first-out basis. The cost of inventory items is recorded as an expenditure in the governmental fund types when consumed rather than when purchased.

H. Prepaid Items

Payments made to vendors for services that will benefit periods beyond June 30, 2019, are recorded as prepaid items using the consumption method and recording a current asset for the prepaid amount and reflecting the expenditure in the year in which services are consumed.

I. Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America 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.

J. Capital Assets and Depreciation

General capital assets generally result from expenditures in the governmental funds. These assets are reported within the governmental activities on the government-wide statement of net position but are not reported in the fund statements.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements throughout the year. Donated capital assets are recorded at the acquisition value 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 cost of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not.

DELAWARE CITY SCHOOL DISTRICT

Delaware County, Ohio

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2019

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

All reported capital assets except for land and construction in progress are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation is computed using the straight-line method over the following useful lives.

<u>Description</u>	<u>Estimated Lives</u>
Buildings and Improvements	20 to 50 years
Furniture and Equipment	8 to 20 years
Vehicles	10 years

K. Interfund Activity

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures or 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 and uses in governmental funds. Repayments from funds responsible for particular expenditures or expenses to the funds that initially paid for them are not presented on the financial statements.

L. Compensated Absences

Vacation benefits are accrued as a liability as the benefits are earned when both of these conditions are met:

1. The employees' rights to receive compensation are attributable to services already rendered.
2. It is probable that the employer will compensate the employees for the benefits through paid time off or some other means, such as cash payments at termination or retirement.

A liability for sick leave is accrued using the vesting method which states that the School District will estimate its liability based on sick leave accumulated at the balance sheet date by those employees who currently are eligible to receive termination payments as specified by the retirement system as well as other employees who are expected to become eligible in the future to receive such payments. The amount is based on accumulated sick 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 sick leave for all employees after fifteen years of current service with the School District.

The entire compensated absence liability is reported on the government-wide financial statements. For governmental fund financial statements, the current portion of unpaid compensated absences is the amount that is normally expected to be paid using expendable available financial resources. These amounts are recorded in the account "matured compensated absences payable" in the fund from which the employees who have accumulated leave are paid. The noncurrent portion of the liability is not reported.

M. Pensions/Other Postemployment Benefit (OPEB) Plans

For purposes of measuring the net pension and OPEB assets or liabilities, deferred outflows of resources and deferred inflows of resources related to pensions and OPEB, and pension and OPEB expense, information about the fiduciary net position of the pension and 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 and OPEB plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. The pension and OPEB plans report investments at fair value.

DELAWARE CITY SCHOOL DISTRICT

Delaware County, Ohio

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2019

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

N. Accrued Liabilities and Long-Term Obligations

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

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and 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. Net pension and OPEB liabilities should be recognized in the governmental funds to the extent that benefit payments are due and payable and the pension and OPEB plans' fiduciary net position is not sufficient for payment of those benefits.

O. Net Position

Net position is the residual amount when comparing assets and deferred outflows of resources to liabilities and deferred inflows of resources. 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 the use either through the enabling legislation adopted by the School District or through external restrictions imposed by creditors, grantors or laws, or regulations of other governments.

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

P. Fund Balance

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

Nonspendable – The nonspendable fund balance category includes amounts that cannot be spent because they are 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's governing board. Those committed amounts cannot be used for any other purpose unless the governing board 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.

DELAWARE CITY SCHOOL DISTRICT

Delaware County, Ohio

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2019

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 represents the remaining amount that is not restricted or committed. These amounts are assigned by the School District's governing board.

In the general fund, assigned amounts represent intended uses established by the governing board or an official delegated that authority by resolution or by State statute. State statute authorizes the Treasurer to assign fund balance via purchase orders, provided such amounts have been lawfully appropriated.

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 resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

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.

NOTE 3 – CHANGE IN ACCOUNTING PRINCIPLE AND RESTATEMENT OF NET POSITION

For fiscal year 2019, the School District implemented the Governmental Accounting Standards Board (GASB) Statements No. 83, *Certain Asset Retirement Obligations* and No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*.

GASB Statement No. 83 establishes uniform criteria for governments to recognize and measure certain asset retirement obligations (AROs), including obligations that may not have been previously reported, including requiring certain disclosures regarding AROs. The implementation of this accounting standard had no effect on the School District's financial statements for the current year.

GASB Statement No. 88 clarifies what information is to be disclosed in the notes to the financial statements related to debt, including direct borrowings and direct placements. It also clarifies which liabilities governments should include when disclosing information related to debt. Debt is defined for disclosure purposes as a liability that arises from a contractual obligation to pay cash (or other assets that may be used in lieu of cash) in one or more payments to settle an amount that is fixed at the date the contractual obligation is established. Required disclosure include, unused line(s) of credit, assets pledged as collateral for the debt, terms specified in debt agreement related to defaults, significant termination events and significant subjective acceleration clauses. The implementation of this accounting standard had no effect on the School District's financial statements for the current year.

DELAWARE CITY SCHOOL DISTRICT

Delaware County, Ohio

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2019

NOTE 4 – NET POSITION AND FUND BALANCES**Net Position**

On the Statement of Net Position, the restricted net position is aggregated for reporting purposes. The following describes the constraints placed on the net position of the governmental activities: Debt Service \$5,582,858, Capital Projects \$3,169,495, Student Activities \$202,113, Federal and State Grants \$189,080, Local and Other \$11,567, Perpetual Care – Expendable \$990, and Perpetual Care – Nonexpendable \$4,200.

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 governmental funds. The constraints placed on fund balance for the major governmental funds and all other governmental funds are presented below:

Fund Balances	General	Debt Service	Permanent Improvement	Building	Nonmajor Governmental Funds	Total
Nonspendable for:						
Inventory and Prepaids	\$ 263,095	\$ -	\$ -	\$ -	\$ -	\$ 263,095
Library and Land Trust	-	-	-	-	4,200	4,200
Total Nonspendable	<u>263,095</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,200</u>	<u>267,295</u>
Restricted for:						
Debt Service	-	5,720,554	-	-	-	5,720,554
Capital Improvements	-	-	2,897,084	287,978	-	3,185,062
Library and Land Trust	-	-	-	-	990	990
District Managed Activities	-	-	-	-	202,113	202,113
Other Purpose	-	-	-	-	11,567	11,567
State Educational Grants	-	-	-	-	22,415	22,415
Federal Educational Grants	-	-	-	-	11,466	11,466
Total Restricted	<u>-</u>	<u>5,720,554</u>	<u>2,897,084</u>	<u>287,978</u>	<u>248,551</u>	<u>9,154,167</u>
Assigned for:						
School Programs	143,581	-	-	-	-	143,581
Subsequent Expenditures	608,983	-	-	-	-	608,983
Total Assigned	<u>752,564</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>752,564</u>
Unassigned (Deficit)	<u>17,422,420</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(166,931)</u>	<u>17,255,489</u>
Total Fund Balances	<u>\$ 18,438,079</u>	<u>\$ 5,720,554</u>	<u>\$ 2,897,084</u>	<u>\$ 287,978</u>	<u>\$ 85,820</u>	<u>\$ 27,429,515</u>

Fund balance restricted for state and federal educational grants represent fund balance that must be spent in accordance within specific grant requirements on educational programs targeted to enhance student learning. Nonspendable fund balance is not reported in the nonmajor governmental funds for materials and supplies inventory as the inventory will ultimately be utilized by the food service fund for sales which are restricted to meet the ongoing food service operations.

DELAWARE CITY SCHOOL DISTRICT

Delaware County, Ohio

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2019

NOTE 5 – ACCOUNTABILITY AND COMPLIANCE

Deficit Fund Balances

At June 30, 2019, the following nonmajor special revenue funds reported fund deficits: Food Service (\$14,363), Title VI(B) Grant (\$69,714), Title III Grant (\$1,567), Title I Grant (\$44,790), Preschool Special Education Grant (\$24,830), and Improving Teacher Quality Grant (\$11,667)

These deficits resulted from adjustments for accrued liabilities. Management expects the deficits, in the funds mentioned above, to be corrected early in the next fiscal year. The General Fund is liable for any deficit in other funds and provides operating transfers when cash is required, not when accruals occur.

NOTE 6 – BUDGETARY BASIS OF ACCOUNTING

While the School District is reporting financial position, results of operations, and changes in fund balances 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 – 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 for the general fund are as follows:

1. Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis).
2. Expenditures are recorded when paid in cash (budget basis) as opposed to when the fund liability is incurred (GAAP basis).
3. Encumbrances are treated as expenditures (budget basis) rather than as an assignment of fund balance (GAAP basis).
4. For GAAP reporting purposes, certain funds which are budgeted separately from the general fund, are reported as part of the general fund.

The following table summarizes the adjustments necessary to reconcile the GAAP basis statements to the budgetary basis statements for the General Fund.

<u>Net Change in Fund Balance</u> <u>General Fund</u>	
GAAP Basis	\$ 5,044,822
Revenue Accruals	(1,339,626)
Expenditure Accruals	352,360
Encumbrances	(754,422)
Other Financing Sources	275,674
Change in Fund Balance of Funds Combined with General Fund for Reporting Purposes	<u>70,247</u>
Budget Basis	<u>\$ 3,649,055</u>

DELAWARE CITY SCHOOL DISTRICT

Delaware County, Ohio

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2019

NOTE 7 – DEPOSITS AND INVESTMENTS

State statutes require the classification of monies held by the School District into three categories.

Active Monies – Those monies required to be kept in a “cash” or “near-cash” status for the immediate use of the district. Such monies must be maintained either as cash in the treasury, in depository accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.

Inactive Monies – Those monies not required for use within the current five-year period of designation of depositories. Inactive monies may be deposited or invested as certificate of deposit maturing no later than the end of the current period of designation of depositories, or as savings or deposit accounts including, but not limited to, passbook accounts.

Interim Monies – 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. Ohio law permits interim monies to be invested in legal securities (see Note 2F).

The following information classifies deposits and investments by categories of risk as defined in GASB Statement No. 3, “Deposits with Financial Institutions, Investments and Reverse Repurchase Agreements” and amended by GASB Statement No. 40, “Deposit and Investment Risk Disclosure”.

Deposits

Custodial credit risk is the risk that in the event of bank failure, the School District’s deposits may not be returned to it. The School District does not have a custodial credit risk policy. At fiscal year-end, \$1,610,537 was exposed to custodial credit risk since it was uninsured and collateralized with securities under the Ohio Treasurer’s Ohio Pooled Collateral System, but not in the School District’s name.

Investments

As of June 30, 2019, the School District’s investments consisted of the following:

Investment Type	Measurement Value	Matures in		% of Portfolio
		less than One Year	One to Three Years	
Commercial Paper	\$ 6,292,999	\$ 6,292,999	\$ -	31.2%
Negotiable CDs	3,603,092	2,247,304	1,355,788	17.9%
U.S. Treasury Note	1,100,997	1,100,997	-	5.5%
Federal Agency	250,550	250,550	-	1.2%
Mutual Fund	28,093	28,093	-	0.2%
STAR Ohio	8,868,044	8,868,044	-	44.0%
Total	<u>\$ 20,143,775</u>	<u>\$ 18,787,987</u>	<u>\$ 1,355,788</u>	

The School District’s investment policy permits the purchase of any security specifically authorized by the Ohio Revised Code (the ORC) and includes the following:

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

DELAWARE CITY SCHOOL DISTRICT

Delaware County, Ohio

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2019

NOTE 7 - DEPOSITS AND INVESTMENTS (Continued)

Credit Risk – The School District has no policy limiting investments based on credit risk other than those established in the ORC. The School District's investments had the following credit risk ratings:

Investment Type	Credit Rating	Rating Agency
Mutual Fund	AAAm	Standard Poor's
Federal Agency	AA+	Standard Poor's
Commercial Paper	P-1	Moody's
STAROhio	AAAm	Standard Poor's

Custodial Credit Risk – All investments shall be issued in the name of the School District.

Concentration of Credit Risk – Diversification shall ensure potential losses on individual securities do not exceed the income generated from the remainder of the initial investment.

Fair Value Measurement

The School District's investments measured and reported at fair value are classified according to the following hierarchy:

Level 1 – Investments reflect prices quoted in active markets.

Level 2 – Investments reflect prices that are based on a similar observable asset either directly, or indirectly, which may include inputs in markets that are not considered to be active.

Level 3 – Investments reflect prices based upon unobservable sources.

The categorization of investments within the hierarchy is based upon the transparency of the instrument and should not be perceived as the particular investment's risk. The School District had the following reoccurring fair value measurements as of June 30, 2019:

Investment Type	Measurement Value	Identical Assets (Level 1)	Observable Inputs (Level 2)	Unobservable Inputs (Level 3)
Commercial Paper	\$ 6,292,999	\$ -	\$ 6,292,999	\$ -
Negotiable CDs	3,603,092	-	3,603,092	-
U.S. Treasury Note	1,100,997	1,100,997	-	-
Federal Agency	250,550	-	250,550	-
Mutual Fund (amortized cost)	28,093	-	-	-
STAR Ohio (NAV)	8,868,044	-	-	-
Total	<u>\$ 20,143,775</u>	<u>\$ 1,100,997</u>	<u>\$ 10,146,641</u>	<u>\$ -</u>

Investments classified in Level 2 of the fair value hierarchy are valued using pricing sources as provided by the investment managers. The School District's investments in Mutual Funds and STAR Ohio are not reported by category as they are reported at amortized cost and net asset value, respectively, instead of at fair value.

DELAWARE CITY SCHOOL DISTRICT

Delaware County, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2019

NOTE 8 - PROPERTY TAXES

Property taxes are levied and assessed on a calendar year basis. Second half distributions occur in a new fiscal year. Property taxes include amounts levied against all real and public utility tangible personal property located in the School District. Real property taxes are levied after April 1 on the assessed value listed as of the prior January 1, the lien date. Public utility property taxes attached as a lien on December 31 of the prior year were levied April 1 and are collected with real property taxes. Assessed values for real property taxes are established by State Law at 35 percent of appraised market value. All property is required to be reevaluated every six years. Public utility property taxes are assessed on tangible personal property at 88 percent of true value (with certain exceptions) and on real property at 35 percent of true value and are levied after April 1 on the value listed as of December 31 of the current year.

Real property taxes are payable annually or semi-annually. The first payment is due February 10, with the remainder payable by July 10.

The County Treasurer collects property taxes on behalf of all taxing districts in the County, including the Delaware City School District. The County Auditor periodically remits to the School District its portion of the taxes collected. The full tax rate for all School District operations for the year ended June 30, 2019 was \$83.35 per \$1,000 of assessed value. The assessed values upon which the fiscal year 2019 taxes were collected are as follows:

	<u>2019 First Half Collections</u>	<u>2018 Second Half Collections</u>
Agricultural/residential and other real estate property	\$ 801,440,170	\$ 793,376,590
Public utility personal property	<u>31,634,190</u>	<u>29,333,820</u>
Total	<u>\$ 833,074,360</u>	<u>\$ 822,710,410</u>

Property taxes receivables represent real and tangible personal property taxes, public utility taxes and outstanding delinquencies that are measurable as of June 30, 2019. Although total property tax collections for the next year are measurable, only the amount available as an advance at June 30 is intended to finance current year operations. For the governmental fund financial statements, the receivable is therefore offset by a credit to deferred inflows of resources for that portion not intended to finance current year operations. The amount available as an advance at June 30, 2019 was recognized as revenue.

On a full accrual basis, collectible delinquent property taxes have been recorded as a receivable and revenue, while on a modified accrual basis this amount is reported as deferred inflows of resources – unavailable revenue.

NOTE 9 - RISK MANAGEMENT

The School District is exposed to various risks of loss related to torts, thefts-of, damage to, and destruction of assets, errors and omissions, injuries to employees and natural disasters. During fiscal year 2019, the School District contracted with Liberty Mutual Insurance Company for general liability insurance with a \$1 million single occurrence and a \$3 million aggregate limit and property insurance which holds a \$1,000 deductible per occurrence. There have been no significant reductions in coverage from the prior year and settlements have not exceeded coverage for any part of the last three years.

DELAWARE CITY SCHOOL DISTRICT

Delaware County, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2019

NOTE 9 - RISK MANAGEMENT (Continued)

Effective January 1, 2019, the School District began providing employee medical benefits through a self-insured program in which claims are processed by United Health Care, the third-party administrator. The School District purchases stop loss insurance coverage to cover catastrophic medical claims which exceed \$100,000 for individual claims and \$2.0 million in the aggregate. The Board picks up 80% of the monthly medical premiums established. The following table summarizes the actuarially determined claims payable for the past six-month period.

<u>Fiscal Year</u>	<u>Beginning Claims Payable</u>	<u>Claims Incurred</u>	<u>Claims Paid</u>	<u>Ending Claims Payable</u>
2019	\$ -	\$ 3,148,935	\$ 2,373,935	\$ 775,000

NOTE 10 - CAPITAL ASSETS

A summary of the School District's general capital assets for fiscal year 2019 is as follows:

	<u>Balance June 30, 2018</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2019</u>
<u>Capital Assets, not being depreciated</u>				
Land	\$ 3,269,434	\$ -	\$ -	\$ 3,269,434
Construction in Progress	4,112,108	-	(4,112,108)	-
	<u>7,381,542</u>	<u>-</u>	<u>(4,112,108)</u>	<u>3,269,434</u>
<u>Capital Assets, being depreciated</u>				
Buildings and Improvements	103,067,387	4,961,432	(12,490)	108,016,329
Furniture and Equipment	3,141,113	118,859	(130,202)	3,129,770
Vehicles	4,551,676	242,688	(142,309)	4,652,055
Total Depreciable Capital Assets	<u>110,760,176</u>	<u>5,322,979</u>	<u>(285,001)</u>	<u>115,798,154</u>
<u>Less: Accumulated Depreciation</u>				
Buildings and Improvements	(29,857,104)	(2,250,930)	2,623	(32,105,411)
Furniture and Equipment	(2,272,022)	(120,262)	127,145	(2,265,139)
Vehicles	(3,253,764)	(327,481)	142,309	(3,438,936)
Total Accumulated Depreciation	<u>(35,382,890)</u>	<u>(2,698,673) *</u>	<u>272,077</u>	<u>(37,809,486)</u>
Depreciable Capital Assets, Net	<u>75,377,286</u>	<u>2,624,306</u>	<u>(12,924)</u>	<u>77,988,668</u>
Total Capital Assets, Net	<u>\$ 82,758,828</u>	<u>\$ 2,624,306</u>	<u>\$ (4,125,032)</u>	<u>\$ 81,258,102</u>

* - Depreciation expense was charged to governmental functions as follows:

Instruction:	
Regular	\$ 22,232
Special	610
Support Services:	
Instructional support	1,742
Administration	2,031
Operation and maintenance of plant	493,146
Pupil transportation	334,512
Central	6,671
Operation of non-instructional services	26,228
Extracurricular activities	40,473
Unallocated depreciation	<u>1,771,028</u>
Total Depreciation Expense	<u>\$ 2,698,673</u>

Unallocated depreciation is depreciation of the individual school buildings throughout the School District, which essentially serve all functions/programs, and therefore is not included as a direct expense of any function or program but disclosed as a separate expense.

DELAWARE CITY SCHOOL DISTRICT

Delaware County, Ohio

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2019

NOTE 11 - RECEIVABLES

Receivables at June 30, 2019, consisted of current and delinquent property taxes, accounts (rent and student fees), 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 fiscal year guarantee of federal funds. A summary of the principal items of intergovernmental receivables follows:

General Fund:

Miscellaneous amounts due from	
other governments	\$ 4,214

Non-major Governmental Funds:

Title VI-B Grant	213,349
Title I Grant	76,145
Special Education - Preschool	27,811
Title II-A	21,414
Twenty-First Century Grant	100,239
Other non-major funds	19,559
Non-major Governmental Funds	<u>458,517</u>
Total Intergovernmental Receivables	<u>\$ 462,731</u>

NOTE 12 - DEFINED BENEFIT PENSION PLANS

Net Pension Liability

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

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

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

GASB Statement No. 68 assumes the liability is solely the obligation of the employer, because (1) they benefit from employee services; and (2) State statute requires all funding to come from these employers. All contributions to date have come solely from these employers (which also includes costs paid in the form of withholdings from employees). State statute requires the pension plans to amortize unfunded liabilities within 30 years. If the amortization period exceeds 30 years, each pension plan's board must propose corrective

DELAWARE CITY SCHOOL DISTRICT

Delaware County, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2019

NOTE 12 - DEFINED BENEFIT PENSION PLANS (Continued)

action to the State legislature. Any resulting legislative change to benefits or funding could significantly affect the net pension liability. Resulting adjustments to the net pension liability would be effective when the changes are legally enforceable.

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

Plan Description - School Employees Retirement System (SERS)

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, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by Ohio Revised Code Chapter 3309. SERS issues a publicly available, stand-alone financial report that includes financial statements, required supplementary information and detailed information about SERS' fiduciary net position. That report can be obtained by visiting the SERS website at www.ohsers.org under Employers/Audit Resources.

Age and service requirements for retirement are as follows:

	Eligible to Retire on or before August 1, 2017 **	Eligible to retire 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; or age 55 with 25 years of service credit	Age 62 with 10 years of service credit; or age 60 with 25 years of service credit

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

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

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

Funding Policy – Plan members are required to contribute 10% of their annual covered salary and the School District is required to contribute 14% of annual covered payroll. The contribution requirements of plan members and employers are established and may be amended by the SERS' Retirement Board up to statutory maximum amounts of 10% for plan members and 14% for employers. The Retirement Board, acting with the advice of the actuary, allocates the employer contribution rate among four of the System's funds (Pension

DELAWARE CITY SCHOOL DISTRICT

Delaware County, Ohio

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2019

NOTE 12 - DEFINED BENEFIT PENSION PLANS (Continued)

Trust Fund, Death Benefit Fund, Medicare B Fund, and Health Care Fund). For the fiscal year ended June 30, 2019, the allocation to pension, death benefits, and Medicare B was 13.5%. The remaining 0.5% of the 14% employer contribution rate was allocated to the Health Care Fund.

The School District's contractually required contribution to SERS was \$1,134,597 for fiscal year 2019. Of this amount, \$213,076 is reported as an intergovernmental payable.

Plan Description - State Teachers Retirement System (STRS)

School District licensed teachers and other faculty members participate in STRS Ohio, a cost-sharing multiple-employer public employee retirement system administered by STRS. STRS provides retirement and disability benefits to members and death and survivor benefits to beneficiaries. STRS issues a stand-alone financial report that includes financial statements, required supplementary information and detailed information about STRS' fiduciary net position. That report can be obtained by writing to STRS, 275 E. Broad St., Columbus, OH 43215-3771, by calling (888) 227-7877, or by visiting the STRS 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. The DB plan offers an annual retirement allowance based on final average salary multiplied by a percentage that varies based on years of service. Effective August 1, 2015, the calculation will be 2.2% of final average salary for the five highest years of earnings multiplied by all years of service. Members are eligible to retire at age 60 with five years of qualifying service credit, or at age 55 with 26 years of service credit, or with 31 years of service credit regardless of age. Eligibility changes will be phased in until August 1, 2026, when retirement eligibility for unreduced benefits will be five years of service credit and age 65, or 35 years of service credit and at least age 60.

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

The Combined Plan offers features of both the DB Plan and the DC Plan. In the Combined Plan, 12% of the 14%-member rate goes to the DC Plan and 2% goes the DB Plan. Member contributions to the DC Plan are allocated among investment choices by the member, and employer contributions 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 5 years of services. The defined contribution portion of the account may be taken as a lump sum payment or converted to a lifetime monthly annuity at age 50.

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 Statement No. 68 reporting purposes.

DELAWARE CITY SCHOOL DISTRICT

Delaware County, Ohio

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2019

NOTE 12 - DEFINED BENEFIT PENSION PLANS (Continued)

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

Funding Policy – Employer and member contribution rates are established by the State Teachers Retirement Board and limited by Chapter 3307 of the Ohio Revised Code. For the fiscal year ended June 30, 2019, plan members were required to contribute 14% of their annual covered salary. The School District was required to contribute 14%; the entire 14% was the portion used to fund pension obligations. The fiscal year 2019 contribution rates were equal to the statutory maximum rates.

The School District's contractually required contribution to STRS was \$3,903,729 for fiscal year 2019. Of this amount, \$652,765 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, 2018, 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 projected contributions of all participating entities. Following is information related to the proportionate share and pension expense:

	SERS	STRS	Total
Proportionate share of the net pension liability	\$ 13,959,465	\$ 52,366,833	\$ 66,326,298
Proportion of the net pension liability	0.2437404%	0.2381636%	
Change in proportionate share	0.0088328%	0.0059425%	
Pension expense	\$ 1,143,384	\$ 5,765,553	\$ 6,908,937

At June 30, 2019 the School District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	SERS	STRS	Total
<u>Deferred Outflows of Resources:</u>			
Differences between expected and actual experience	\$ 765,588	\$ 1,208,787	\$ 1,974,375
Change in assumptions	315,235	9,280,389	9,595,624
Change in School District's proportionate share and difference in employer contributions	275,573	2,384,886	2,660,459
School District contributions subsequent to the measurement date	1,134,597	3,903,729	5,038,326
Total	<u>\$ 2,490,993</u>	<u>\$ 16,777,791</u>	<u>\$ 19,268,784</u>

(Continued)

DELAWARE CITY SCHOOL DISTRICT

Delaware County, Ohio

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2019

NOTE 12 - DEFINED BENEFIT PENSION PLANS (Continued)

	SERS	STRS	Total
<u>Deferred Inflows of Resources:</u>			
Differences between expected and actual experience	\$ -	\$ 341,988	\$ 341,988
Net difference between projected and actual earnings on pension plan investments	386,774	3,175,467	3,562,241
Change in School District's proportionate share and difference in employer contributions	146,559	-	146,559
Total	<u>\$ 533,333</u>	<u>\$ 3,517,455</u>	<u>\$ 4,050,788</u>

\$5,038,326 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 year ending June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

	SERS	STRS	Total
Fiscal Year Ending June 30:			
2020	\$ 1,092,831	\$ 5,327,543	\$ 6,420,374
2021	306,964	3,682,324	3,989,288
2022	(458,112)	804,828	346,716
2023	<u>(118,620)</u>	<u>(458,088)</u>	<u>(576,708)</u>
	<u>\$ 823,063</u>	<u>\$ 9,356,607</u>	<u>\$ 10,179,670</u>

Actuarial Assumptions - SERS

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

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

Actuarial calculations reflect a long-term perspective. For a newly hired employee, actuarial calculations will consider the employee's entire career with the employer and 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.

DELAWARE CITY SCHOOL DISTRICT

Delaware County, Ohio

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2019

NOTE 12 - DEFINED BENEFIT PENSION PLANS (Continued)

Key methods and assumptions used in calculating the total pension liability in the latest actuarial valuation, prepared as of June 30, 2018, are presented below:

Wage inflation	3.00 percent
Future salary increases, including inflation	3.50 percent to 18.20 percent
COLA or Ad Hoc COLA	2.50 percent on and after April 1, 2018; COLA's for retirees will be delayed for three years following retirement
Investment rate of return	7.50 percent of net investments expense, including inflation
Actuarial cost method	Entry Age Normal

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

The actuarial assumptions used were based on the results of an actuarial experience study for the period ending July 1, 2010 to June 30, 2015 adopted by the Board on April 21, 2016.

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	1.00%	0.50%
US stocks	22.50%	4.75%
Non-US stocks	22.50%	7.00%
Fixed income	19.00%	1.50%
Private equity	10.00%	8.00%
Real assets	15.00%	5.00%
Multi-asset strategies	<u>10.00%</u>	3.00%
Total	<u>100.00%</u>	

DELAWARE CITY SCHOOL DISTRICT

Delaware County, Ohio

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2019

NOTE 12 - DEFINED BENEFIT PENSION PLANS (Continued)

Discount Rate – Total pension liability was calculated using the discount rate of 7.5%. The projection of cash flows used to determine the discount rate assumed the contributions from employers and from the members would be computed based on contribution requirements as stipulated by State statute. Projected inflows from investment earning were calculated using the long-term assumed investment rate of return (7.5%). Based on those assumptions, the plan's fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefits to determine the total pension liability.

Sensitivity of the 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 7.5%, 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 (6.5%), or one percentage point higher (8.5%) than the current rate.

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
School District's proportionate share of the net pension liability	\$ 19,662,959	\$ 13,959,465	\$ 9,177,467

Actuarial Assumptions - STRS

The total pension liability in the July 1, 2018 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50 percent
Salary increases	12.50 percent at age 20 to 2.50 percent at age 65
Payroll increases	3.00 percent
Investment rate of return	7.45 percent, net of investment expenses, including inflation
Discount rate of return	7.45 percent
Cost-of-living adjustments (COLA)	0.00 percent

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

The actuarial assumptions were based on the results of an actual experience study for the period July 1, 2011 through June 30, 2016.

DELAWARE CITY SCHOOL DISTRICT

Delaware County, Ohio

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2019

NOTE 12 - DEFINED BENEFIT PENSION PLANS (Continued)

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

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

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

Discount Rate – The discount rate used to measure the total pension liability was 7.45% as of June 30, 2018. The projection of cash flows used to determine the discount rate assumes member and employer contributions will be made at the statutory contribution rates in accordance with rate increases described above. For this purpose, only employer contributions that are intended to fund benefits of current plan members and their beneficiaries are included. 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, 2018. Therefore, the long-term expected rate of return on pension plan investments of 7.45% was applied to all periods of projected benefit payment to determine the total pension liability as of June 30, 2018.

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 7.45%, 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 (6.45%) or one-percentage-point higher (8.45%) than the current rate:

	<u>1% Decrease (6.45%)</u>	<u>Current Discount Rate (7.45%)</u>	<u>1% Increase (8.45%)</u>
School District's proportionate share of the net pension liability	\$ 76,474,865	\$ 52,366,833	\$ 31,962,654

DELAWARE CITY SCHOOL DISTRICT

Delaware County, Ohio

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2019

NOTE 13 – OTHER POSTEMPLOYMENT BENEFITS (OPEB) PLANS

Net OPEB Liability (Asset)

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

The net OPEB liability (asset) represents the School District's proportionate share of each OPEB plan's collective actuarial present value of projected benefit payments attributable to past periods of service, net of each OPEB plan's fiduciary net position. The net OPEB liability (asset) calculation is dependent on critical long-term variables, including estimated average life expectancies, earnings on investments, cost of living adjustments, health care cost trend rates 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 OPEB are financed; however, the School District does receive the benefit of employees' services in exchange for compensation including OPEB.

GASB Statement No. 75 assumes the liability is solely the obligation of the employer, because they benefit from employee services. OPEB contributions come from these employers and health care plan enrollees which pay a portion of the health care costs in the form of a monthly premium. The Ohio Revised Code permits, but does not require, the retirement systems to provide healthcare to eligible benefit recipients. Any change to benefits or funding could significantly affect the net OPEB liability (asset). Resulting adjustments to the net OPEB liability (asset) would be effective when the changes are legally enforceable. The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits.

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

Plan Description - 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 Statement No. 75 purposes, this plan is considered a cost-sharing other postemployment benefit (OPEB) plan. SERS' Health Care Plan provides healthcare benefits to eligible individuals receiving retirement, disability, and survivor benefits, and to their eligible dependents. Members who retire after June 1, 1986, need 10 years of service credit, exclusive of most types of purchased credit, to qualify to participate in SERS' health care coverage. In addition to age and service retirees, disability benefit recipients and beneficiaries who are receiving monthly benefits due to the death of a member or retiree, are eligible for SERS' health care coverage.

DELAWARE CITY SCHOOL DISTRICT

Delaware County, Ohio

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2019

NOTE 13 – OTHER POSTEMPLOYMENT BENEFITS (OPEB) PLANS (Continued)

Most retirees and dependents choosing SERS' health care coverage are over the age of 65 and therefore enrolled in a fully insured Medicare Advantage plan; however, SERS maintains a traditional, self-insured preferred provider organization for its non-Medicare retiree population. For both groups, SERS offers a self-insured prescription drug program. Health care is a benefit that is permitted, not mandated, by statute. The financial report of the Plan is included in the SERS Comprehensive Annual Financial Report which can be obtained on SERS' website at www.ohsers.org under Employers/Audit Resources.

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

Funding Policy—State statute permits SERS to fund the health care benefits through employer contributions. Each year, after the allocation for statutorily required pensions and benefits, the Retirement Board may allocate the remainder of the employer contribution of 14% of covered payroll to the Health Care Fund in accordance with the funding policy. For fiscal year 2019, 0.5% of covered payroll was made to health care. An additional health care surcharge on employers is collected for employees earning less than an actuarially determined minimum compensation amount, pro-rated if less than a full year of service credit was earned. For fiscal year 2019, the minimum compensation amount was \$21,600. Statutes provide that no employer shall pay a health care surcharge greater than 2% of that employer's SERS-covered payroll; nor may SERS collect in aggregate more than 1.5% of the total statewide SERS-covered payroll for the health care surcharge. For fiscal year 2019, the School District's surcharge obligation was \$152,464.

The surcharge, added to the 0.5% allocated portion of the 14% employer contribution rate is the total amount assigned to the Health Care Fund. The School District's contractually required contribution to SERS, including surcharge, was \$194,486 for fiscal year 2019. Of this amount \$7,892 is reported as an intergovernmental payable.

Plan Description - State Teachers Retirement System (STRS)

Plan Description—The State Teachers Retirement System of Ohio (STRS) administers a cost-sharing Health Plan administered for eligible retirees who participated in the defined benefit or combined pension plans offered by STRS. Ohio law authorizes STRS to offer this plan. Benefits include hospitalization, physicians' fees, prescription drugs and partial reimbursement of monthly Medicare Part B premiums. Medicare Part B premium reimbursements will be discontinued effective January 1, 2020. The Plan is included in the report of STRS which can be obtained by visiting www.strsoh.org or by calling (888) 227-7877.

Funding Policy—Ohio Revised Code Chapter 3307 authorizes STRS to offer the Plan and gives the Retirement Board discretionary authority over how much, if any, of the health care costs will be absorbed by STRS. Active employee members do not contribute to the Health Care Plan. Nearly all health care plan enrollees, for the most recent year, pay a portion of the health care costs in the form of a monthly premium. Under Ohio law, funding for post-employment health care may be deducted from employer contributions, currently 14% of covered payroll. For the fiscal year ended June 30, 2019, STRS did not allocate any employer contributions to post-employment health care.

DELAWARE CITY SCHOOL DISTRICT

Delaware County, Ohio

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2019

NOTE 13 – OTHER POSTEMPLOYMENT BENEFITS (OPEB) PLANS (Continued)***OPEB Liabilities (Assets), OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB***

The net OPEB liability (asset) was measured as of June 30, 2018, and the total OPEB liability used to calculate the net OPEB liability (asset) was determined by an 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:

	SERS	STRS	Total
Proportionate share of the net OPEB liability (asset)	\$ 6,839,526	\$ (3,827,046)	\$ 3,012,480
Proportion of the net OPEB liability (asset)	0.2465342%	0.2381636%	
Change in proportionate share	0.0081892%	0.0059425%	
OPEB (negative) expense	\$ 265,533	\$ (8,229,727)	\$ (7,964,194)

At June 30, 2019, the School District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	SERS	STRS	Total
<u>Deferred Outflows of Resources:</u>			
Differences between expected and actual experience	\$ 111,646	\$ 447,005	\$ 558,651
Difference between employer contributions and proportionate share of contributions	214,638	390,492	605,130
School District contributions subsequent to the measurement date	194,486	-	194,486
Total	<u>\$ 520,770</u>	<u>\$ 837,497</u>	<u>\$ 1,358,267</u>

<u>Deferred Inflows of Resources:</u>			
Differences between expected and actual experience	\$ -	\$ 222,978	\$ 222,978
Net difference between projected and actual earnings on OPEB plan investments	10,260	437,207	447,467
Change in assumptions	614,478	5,214,653	5,829,131
Difference between employer contributions and proportionate share of contributions	38,128	-	38,128
Total	<u>\$ 662,866</u>	<u>\$ 5,874,838</u>	<u>\$ 6,537,704</u>

\$194,486 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 (asset) in the year ending June 30, 2020. Other amounts reported as deferred outflows and inflows of resources related to OPEB will be recognized in OPEB expense as follows:

DELAWARE CITY SCHOOL DISTRICT

Delaware County, Ohio

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2019

NOTE 13 – OTHER POSTEMPLOYMENT BENEFITS (OPEB) PLANS (Continued)

	SERS	STRS	Total
Fiscal Year Ending June 30:			
2020	\$ (232,070)	\$ (900,749)	\$ (1,132,819)
2021	(172,274)	(900,749)	(1,073,023)
2022	17,078	(900,749)	(883,671)
2023	21,446	(801,456)	(780,010)
2024	20,735	(766,621)	(745,886)
2025	8,503	(767,017)	(758,514)
	<u>\$ (336,582)</u>	<u>\$ (5,037,341)</u>	<u>\$ (5,373,923)</u>

Actuarial Assumptions – SERS

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

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

Actuarial calculations reflect a long-term perspective. For a newly hired employee, actuarial calculations will consider the employee's entire career with the employer and 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, prepared as of June 30, 2018, are presented below:

Investment rate of return, including inflation	7.50% net of investment expense
Wage inflation	3.00%
Future salary increases, including inflation	3.50% to 18.20%
Municipal bond index rate:	
Prior measurement date	3.56%
Measurement date	3.62%
Single equivalent interest rate, net of plan investment expense, including price inflation:	
Prior measurement date	3.63%
Measurement date	3.70%
Municipal bond index rate:	
Pre-Medicare	7.25% - 4.75%
Medicare	5.375% - 4.75%

DELAWARE CITY SCHOOL DISTRICT

Delaware County, Ohio

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2019

NOTE 13 – OTHER POSTEMPLOYMENT BENEFITS (OPEB) PLANS (Continued)

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

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

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	1.00%	0.50%
US stocks	22.50%	4.75%
Non-US stocks	22.50%	7.00%
Fixed income	19.00%	1.50%
Private equity	10.00%	8.00%
Real assets	15.00%	5.00%
Multi-asset strategies	<u>10.00%</u>	3.00%
Total	<u>100.00%</u>	

Discount Rate – The discount rate used to measure the total OPEB liability at June 30, 2018 was 3.70%. The discount rate used to measure total OPEB liability prior to June 30, 2018 was 3.63%. The projection of cash flows used to determine the discount rate assumed that contributions will be made from members and SERS at the state statute contribution rate of 2.00% of projected covered employee payroll each year, which includes a 1.50% payroll surcharge and 0.50% of contributions from basic benefits plan. Based on these assumptions, the OPEB plan's fiduciary net position was projected to become insufficient to make future benefit payments during the fiscal year ending June 30, 2025. Therefore, the long-term expected rate of return on OPEB plan assets was used to present value the projected benefit payments through the fiscal year ending June 30, 2024 and the Fidelity General Obligation 20-year Municipal Bond Index rate of 3.62% as of June 30, 2018 (i.e., municipal bond rate) was used to present value the projected benefit payments for the remaining years in the projection. The total present value of projected benefit payments from all years was then used to determine the single rate of return that was used as the discount rate. The projection of future benefit payments for all current plan members was until the benefit payments ran out.

DELAWARE CITY SCHOOL DISTRICT

Delaware County, Ohio

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2019

NOTE 13 – OTHER POSTEMPLOYMENT BENEFITS (OPEB) PLANS (Continued)

Sensitivity of the School District's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate and 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 calculated using the discount rate of 3.70%, as well as what the School District's net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (2.70%) and one percentage point higher (4.70%) than the current rate.

	1% Decrease (2.70%)	Current Discount Rate (3.70%)	1% Increase (4.70%)
School District's proportionate share of the net OPEB liability	\$ 8,299,227	\$ 6,839,526	\$ 5,683,716

The following table presents the net OPEB liability calculated using current health care cost trend rates, as well as what the School District's net OPEB liability would be if it were calculated using health care cost trend rates that are one percentage point lower (6.25% decreasing to 3.75%) and one percentage point higher (8.25% decreasing to 5.75%) than the current rates.

	1% Decrease (6.25% decreasing to 3.75%)	Current Trend Rate (7.25% decreasing to 4.75%)	1% Increase (8.25% decreasing to 5.75%)
School District's proportionate share of the net OPEB liability	\$ 5,518,243	\$ 6,839,526	\$ 8,589,142

Actuarial Assumptions - STRS

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results used in the June 30, 2018 actuarial valuation are presented below:

Salary increases	12.50% at age 20 to 2.50% at age 65	
Payroll increases	3.00%	
Investment rate of return	7.45%, net of investment expenses, including inflation	
Discount rate of return	7.45%	
Health care cost trends	<u>Initial</u>	<u>Ultimate</u>
Medical		
Pre-Medicare	6.00%	4.00%
Medicare	5.00%	4.00%
Prescription Drug		
Pre-Medicare	8.00%	4.00%
Medicare	-5.23%	4.00%

DELAWARE CITY SCHOOL DISTRICT

Delaware County, Ohio

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2019

NOTE 13 – OTHER POSTEMPLOYMENT BENEFITS (OPEB) PLANS (Continued)

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

Actuarial assumptions used in the June 30, 2018 valuation are based on the results of an actuarial experience study for the period July 1, 2011 through June 30, 2016.

Since the prior measurement date, the discount rate was increased from 4.13% to 7.45% based on the methodology defined under GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans (OPEB)*. Valuation year per capita health care costs were updated.

Also since the prior measurement date, the subsidy multiplier for non-Medicare benefit recipients was increased from 1.9% to 1.944% per year of service. The non-Medicare frozen subsidy base premium was increased effective January 1, 2019 and the remaining Medicare Part B premium reimbursements will be discontinued beginning January 1, 2020.

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

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

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

Discount Rate – The discount rate used to measure the total OPEB liability was 7.45% as of June 30, 2018. The projection of cash flows used to determine the discount rate assumes STRS continues to allocate no employer contributions to the health care fund. Based on these assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB plan assets of 7.45% was used to measure the total OPEB liability as of June 30, 2018.

DELAWARE CITY SCHOOL DISTRICT

Delaware County, Ohio

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2019

NOTE 13 – OTHER POSTEMPLOYMENT BENEFITS (OPEB) PLANS (Continued)

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

	1% Decrease (6.45%)	Current Discount Rate (7.45%)	1% Increase (8.45%)
School District's proportionate share of the net OPEB asset	\$ 3,280,137	\$ 3,827,046	\$ 4,286,697
	1% Decrease In Trend Rates	Current Trend Rates	1% Increase In Trend Rates
School District's proportionate share of the net OPEB asset	\$ 4,260,750	\$ 3,827,046	\$ 3,386,587

NOTE 14 – OTHER EMPLOYEE BENEFITS***A. Accumulated Unpaid Vacation***

School District classified employees earn vacation leave at varying rates based upon negotiated agreements and State laws. In the case of death or retirement, an employee (or his estate) is paid for his unused vacation leave.

B. Accumulated Unpaid Sick Leave

School District employees may accumulate sick leave. Upon retirement, payment is made for one-fourth of the total unused sick leave balance up to a maximum of sixty days for certified and classified employees. As of June 30, 2019, the School District's total obligation for sick leave accrual as a whole was \$1,983,655.

NOTE 15 – INTER-FUND TRANSACTIONS

At year end, the following non-major special revenue funds owed the General Fund for deficit positions within the School District's pooled cash and cash equivalents at year end that was covered by the General Fund; Preschool Special Education Grant (\$4,021) and Miscellaneous Federal Grants (\$3,172). These amounts are reported as interfund payables in the non-major governmental funds with a corresponding interfund receivable in the General Fund. The negative position within the cash pool corrected itself shortly into the subsequent fiscal year when grant funding was received.

DELAWARE CITY SCHOOL DISTRICT

Delaware County, Ohio

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2019

NOTE 16 - LONG-TERM OBLIGATIONS

The activity of the School District's long-term obligations during fiscal year 2019 was as follows:

	Balance June 30, 2018	Increase	Decrease	Balance June 30, 2019	Due within One Year
General Obligation Bonds:					
2013 Refunding					
Current Interest Serial 2.0-5.0%	\$ 4,050,000	\$ -	\$ 1,300,000	\$ 2,750,000	\$ 1,350,000
2013 School Construction & Improvement					
Current Interest Serial 2.0-5.25%	19,870,000	-	10,000	19,860,000	10,000
2014 School Construction & Improvement					
Current Interest Serial 2.5-4.0%	2,720,000	-	5,000	2,715,000	5,000
Current Interest Term 2.25%-4.0%	7,265,000	-	-	7,265,000	-
2015A School Construction & Improvement					
Current Interest Serial 2.0-5.0%	7,120,000	-	25,000	7,095,000	25,000
Current Interest Term 3.75%-5.0%	12,835,000	-	-	12,835,000	-
2015B Refunding					
Current Interest Serial 0.75-4.0%	9,905,000	-	1,075,000	8,830,000	1,105,000
Deferred Amounts:					
Add: Bond Premium	2,058,072	-	230,810	1,827,262	-
Total General Obligation Bonds	65,823,072	-	2,645,810	63,177,262	2,495,000
Long-Term Notes Payable	1,822,760	-	181,900	1,640,860	186,750
Compensated Absences	1,718,778	341,038	130,404	1,929,412	205,733
Net Pension Liability:					
SERS	14,035,213	-	75,748	13,959,465	-
STRS	55,164,626	-	2,797,793	52,366,833	-
Net OPEB Liability:					
SERS	6,396,555	442,971	-	6,839,526	-
STRS	9,060,411	-	9,060,411	-	-
Total Long-Term Obligations	\$ 154,021,415	\$ 784,009	\$ 14,892,066	\$ 139,913,358	\$ 2,887,483

General Obligation Bonds

The general obligation bond issues will be paid through the debt service fund from property taxes collected by the County Auditor. The School District issued general obligation debt for the following purposes:

- \$8,720,000, issued in fiscal year 2013 and maturing in fiscal year 2021, for the partial advance refunding of \$8,790,000 of refunding general obligation bonds issued in 2004. These bonds are current interest serial bonds.
- \$19,910,000, issued in fiscal year 2014 and maturing in fiscal year 2050, to provide financing for the construction and improvement of certain school facilities of the School District. These bonds are current interest serial bonds.
- \$30,000,000, issued in fiscal year 2015 (two different series) and maturing in fiscal year 2046, to provide financing for the construction and improvement of certain school facilities of the School District. These bonds are current interest serial and term bonds.
- \$11,580,000 (series 2015B), issued in fiscal year 2015 and maturing in fiscal year 2026, for the advance refunding of \$8,730,000 and \$2,995,000 in general obligation refunding bonds issued in 2005 and 2006, respectively. These bonds are current interest serial bonds.

DELAWARE CITY SCHOOL DISTRICT

Delaware County, Ohio

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2019

NOTE 16 - LONG-TERM OBLIGATIONS (Continued)

Principal and interest requirements to retire the District's long-term general obligation bonds outstanding at June 30, 2019 are shown in the table below.

Fiscal Year Ended June 30,	Principal	Interest	Total
2020	\$ 2,495,000	\$ 2,656,207	\$ 5,151,207
2021	2,580,000	2,571,131	5,151,131
2022	1,245,000	2,499,114	3,744,114
2023	1,630,000	2,445,570	4,075,570
2024	1,695,000	2,385,708	4,080,708
2025-2029	7,960,000	10,943,851	18,903,851
2030-2034	8,055,000	9,194,811	17,249,811
2035-2039	7,560,000	6,959,018	14,519,018
2040-2044	10,810,000	4,383,312	15,193,312
2045-2049	15,925,000	1,457,880	17,382,880
2050	1,395,000	40,106	1,435,106
Total	<u>\$ 61,350,000</u>	<u>\$ 45,536,708</u>	<u>\$ 106,886,708</u>

Long-Term Notes Payable

In December 2012, the School District issued \$2,819,270 of energy conservation notes payable to finance various building improvements throughout the District. These notes carry an interest rate of 2.6625 percent and mature in fiscal year 2027. Debt service payments will be made from the General Fund using savings in utility costs realized as a result of the projects. Principal and interest requirements to retire the long-term notes payable are shown in the table below.

Fiscal Year Ended June 30,	Principal	Interest	Total
2020	\$ 186,750	\$ 41,202	\$ 227,952
2021	191,720	36,163	227,883
2022	196,820	30,991	227,811
2023	202,060	25,681	227,741
2024	207,440	20,229	227,669
2025-2027	656,070	26,507	682,577
Total	<u>\$ 1,640,860</u>	<u>\$ 180,773</u>	<u>\$ 1,821,633</u>

DELAWARE CITY SCHOOL DISTRICT

Delaware County, Ohio

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2019

NOTE 16 - LONG-TERM OBLIGATIONS (Continued)

Legal Debt Margins

At June 30, 2019, the School District's legal debt, unvoted, and energy conservation debt margins were \$17.5 million, \$833,074 and \$5.9 million, respectively. The School District has been classified by the State of Ohio as a "special needs" district as it relates to issuing debt for purposes of constructing and renovating classroom facilities. This classification allows the School District to exceed the established voted debt limit, if necessary.

Other Long-Term Obligations

The School District pays obligations related to employee compensation (compensated absences and required pension and OPEB plan contributions) from the fund benefitting from their service. If no funds are available within those funds, the general fund will assume responsibility for payment.

NOTE 17 - CONTINGENCIES

A. 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 subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the general fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the School District at June 30, 2019.

B. Full-Time Equivalency Review

The School District funding is based on the annualized full-time equivalent (FTE) enrollment of each student. The Ohio Department of Education (ODE) is legislatively required to adjust/reconcile funding as enrollment information is updated by schools throughout the State, which can extend past the end of the fiscal year. In December 2019, ODE finalized the enrollment reconciliation process for fiscal year 2019 which indicated no significant adjustments were necessary to the State funding received by the School District during fiscal year 2019.

C. Litigation

The School District is not currently party to any legal proceedings.

DELAWARE CITY SCHOOL DISTRICT

Delaware County, Ohio

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2019

NOTE 18 – JOINTLY GOVERNED ORGANIZATIONS

META Solutions

The School District is a member of META Solutions which is an association of public entities throughout Ohio. The 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 while providing an open marketplace where customer choice is not limited by geography.

The governing board of META Solutions consists of an eight person Board of Directors, with each of the directors elected by a majority vote of all members within each county in META Solutions membership. Financial information can be obtained from Wade Lucas, who serves as Chief Executive Officer, at 100 Executive Drive, Marion, Ohio 43302. The School District paid \$405,642 to META Solutions during fiscal year 2019.

Delaware Area Career Center

The Delaware Area Career Center (Career Center) is a distinct political subdivision of the State of Ohio, which provides vocational education. The Career Center operates under the direction of a Board consisting of one representative from each of the five participating school district's Board of Education. The degree of control exercised by the School District is limited to its representation on the Board. The Board possesses its own budgeting and taxing authority. Financial information can be obtained from the Treasurer's Office at 4565 Columbus Pike Road, Delaware, Ohio 43015.

NOTE 19 – COMMITMENTS - ENCUMBRANCES

At year end the School District had the following amounts encumbered for future purchase obligations:

<u>Fund</u>	<u>Year-End Encumbrances</u>
General Fund	\$ 809,782
Permanent Improvement Fund	398,426
Building Fund	148,379
Non-major Governmental Funds	219,967
	<u>\$ 1,576,554</u>

NOTE 20 - SET-ASIDE CALCULATION

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 fiscal year-end or offset by similarly restricted resources received during the year must be held in cash at fiscal year-end and carried forward to be used for the same purposes in future fiscal years.

DELAWARE CITY SCHOOL DISTRICT

Delaware County, Ohio

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2019

NOTE 20 - SET-ASIDE CALCULATION (Continued)

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

	Capital Improvements
Set-aside Reserve Balance as of June 30, 2018	\$ -
Current Year Set-aside Requirement	987,260
Current Year Offsets	<u>(2,159,514)</u>
Total	<u>\$ (1,172,254)</u>
Balance Carried forward to FY 2020	<u>\$ -</u>
Set-aside Reserve Balance June 30, 2019	<u>\$ -</u>

Although the School District had qualifying disbursements during the year that reduced the set-aside below zero due to current year offsets, the extra amounts may not be used to reduce the set-aside requirements of future years.

NOTE 21 – TAX ABATEMENTS

Pursuant to GASB Statement No. 77, Tax Abatement Disclosures, the School District is required to disclose certain information on its use of tax abatement incentives. A tax abatement incentive, under this Statement, is an agreement between the local government and an individual or entity in which the local government promises to forgo tax revenue, while the individual or entity promises to take a specific action after the agreement has been entered into that contributes to the economic development or otherwise benefits the local government or the citizens of the local government.

During fiscal year 2019, the School District's property tax revenues were reduced by \$826,555 and \$0 under Community Reinvestment Area (CRA) and Enterprise Zone (EZ) agreements, respectively, entered into by the City of Delaware. Under Ohio Revised Code Sections 3735 and 5709, the City of Delaware may offer a property tax incentive to an individual or entity for improvements within certain targeted areas of the City. The CRA program abates 100 percent of the additional property tax resulting from the increase in assessed value as a result of the improvements, which are administered as a reduction in the property tax bill, and last for 7 years after the improvements are completed. The EZ program enables property tax abatements to encourage improvements and reinvestment to buildings and unimproved or redeveloped land in the EZ zones following a specific return on investment formula and guidelines. Retail or restaurant project abatements are limited to the Downtown Historic Districts. Commercial and industrial project abatements may not exceed 15 years for CRAs or 10 years for EZs. During fiscal year 2019, the School District received \$61,567 from the City related to property tax revenues lost under these abatement agreements.

NOTE 22 – SUBSEQUENT EVENTS

On September 11, 2019, the School District issued \$36,530,000 of School Facilities Construction and Improvement Bonds, Series 2019. These bonds are voted general obligations of the School District which have stated interest rates from 3.00% to 5.00% that fully mature on December 1, 2053.



REQUIRED SUPPLEMENTARY INFORMATION

**DELAWARE CITY SCHOOL DISTRICT
DELAWARE COUNTY, OHIO**

SCHEDULE OF THE SCHOOL DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
SCHOOL EMPLOYEES RETIREMENT SYSTEM OF OHIO
LAST SIX FISCAL YEARS (1) (2)

	School District's Proportion of the Net Pension Liability	School District's Proportionate Share of the Net Pension Liability	School District's Covered Payroll	School District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2014	0.244813%	\$ 14,558,243	\$ 7,450,470	195.40%	65.52%
2015	0.244813%	12,389,847	7,185,642	172.43%	71.70%
2016	0.243347%	13,885,586	7,781,791	178.44%	69.16%
2017	0.237491%	17,382,145	7,375,586	235.67%	62.98%
2018	0.234908%	14,035,213	7,767,186	180.70%	69.50%
2019	0.243740%	13,959,465	7,952,822	175.53%	71.36%

(1) Information prior to 2014 is not available. The School District will continue to present information for years available until a full ten-year trend is compiled.

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

Notes to Schedule:

Change in assumptions. In measurement year 2017, changes in assumptions were made based upon an updated experience study that was completed for the five-year period ended June 30, 2015. Significant changes included a reduction of the discount rate from 7.75% to 7.50%, a reduction in the wage inflation rate from 3.25% to 3.00%, a reduction in the payroll growth assumption used from 4.00% to 3.50%, reduction in the assumed real wage growth rate from 0.75% to 0.50%, update of the rates of withdrawal, retirement and disability to reflect recent experience, and transition from the RP-2000 mortality tables to the RP-2014 mortality tables for active members and service retired members and beneficiaries.

Changes of benefit and funding terms. In measurement year 2018, post-retirement increases in benefits included the following changes:

1. Members, or their survivors, retiring prior to January 1, 2018, receive a COLA increase of 3% of their base benefit on the anniversary of their initial date of retirement.
2. Members, or their survivors, retiring on and after January 1, 2018, receive a COLA increase on each anniversary of their initial date of retirement equal to 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%, nor greater than 2.5%. COLAs are suspended for calendar years 2018, 2019, and 2020.
3. Members, or their survivors, retiring on and after April 1, 2018, will have their COLA delayed for three years following their initial date of retirement.

**DELAWARE CITY SCHOOL DISTRICT
DELAWARE COUNTY, OHIO**

**SCHEDULE OF THE SCHOOL DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
STATE TEACHERS RETIREMENT SYSTEM OF OHIO
LAST SIX FISCAL YEARS (1) (2)**

	School District's Proportion of the Net Pension Liability	School District's Proportionate Share of the Net Pension Liability	School District's Covered Payroll	School District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2014	0.218413%	\$ 63,282,865	23,879,077	265.01%	69.30%
2015	0.218413%	53,125,597	24,032,369	221.06%	74.70%
2016	0.222874%	61,595,805	23,253,150	264.89%	72.10%
2017	0.227542%	76,165,310	23,941,836	318.13%	66.80%
2018	0.232221%	55,164,626	25,529,864	216.08%	75.30%
2019	0.238164%	52,366,833	27,075,186	193.41%	77.30%

(1) Information prior to 2014 is not available. The School District will continue to present information for years available until a full ten-year trend is compiled.

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

Notes to Schedule:

Change in assumptions. In measurement year 2017, changes in assumptions were made based upon an updated experience study that was completed for the five-year period ended June 30, 2016. Significant changes included a reduction of the discount rate from 7.75% to 7.45%, the inflation assumption was lowered from 2.75% to 2.50%, the payroll growth assumption was lowered to 3.00%, and total salary increases rate was lowered by decreasing the merit component of the individual salary increases, in addition to a decrease of 0/25% due to lower inflation. The healthy and disabled mortality assumptions were updated to the RP-2014 mortality tables with generational improvement scale MP-2016. Rates of retirement, termination and disability were modified to better reflect anticipated future experience.

Change in benefit terms. Effective July 1, 2017, the COLA was reduced to zero.

**DELAWARE CITY SCHOOL DISTRICT
DELAWARE COUNTY, OHIO**

SCHEDULE OF THE SCHOOL DISTRICT'S PENSION CONTRIBUTION
SCHOOL EMPLOYEES RETIREMENT SYSTEM OF OHIO
LAST NINE FISCAL YEARS (1)

	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	School District's Covered Payroll	Contributions as a Percentage of Covered Payroll
2011	\$ 918,181	\$ (918,181)	\$ -	\$ 7,304,543	12.57%
2012	911,702	(911,702)	-	6,778,454	13.45%
2013	1,031,145	(1,031,145)	-	7,450,470	13.84%
2014	995,930	(995,930)	-	7,185,642	13.86%
2015	1,025,640	(1,025,640)	-	7,781,791	13.18%
2016	1,032,582	(1,032,582)	-	7,375,586	14.00%
2017	1,087,406	(1,087,406)	-	7,767,186	14.00%
2018	1,073,631	(1,073,631)	-	7,952,822	13.50%
2019	1,134,597	(1,134,597)	-	8,404,422	13.50%

(1) The School District elected not to present information prior to 2011. The School District will continue to present information for years available until a full ten-year trend is compiled.

**DELAWARE CITY SCHOOL DISTRICT
DELAWARE COUNTY, OHIO**

SCHEDULE OF THE SCHOOL DISTRICT'S PENSION CONTRIBUTION
STATE TEACHERS RETIREMENT SYSTEM OF OHIO
LAST NINE FISCAL YEARS (1)

	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	School District's Covered Payroll	Contributions as a Percentage of Covered Payroll
2011	\$ 3,176,904	\$ (3,176,904)	\$ -	\$ 24,437,723	13.00%
2012	3,043,008	(3,043,008)	-	23,407,754	13.00%
2013	3,104,280	(3,104,280)	-	23,879,077	13.00%
2014	3,124,208	(3,124,208)	-	24,032,369	13.00%
2015	3,255,441	(3,255,441)	-	23,253,150	14.00%
2016	3,351,857	(3,351,857)	-	23,941,836	14.00%
2017	3,574,181	(3,574,181)	-	25,529,864	14.00%
2018	3,790,526	(3,790,526)	-	27,075,186	14.00%
2019	3,903,729	(3,903,729)	-	27,883,779	14.00%

(1) The School District elected not to present information prior to 2011. The School District will continue to present information for years available until a full ten-year trend is compiled.

**DELAWARE CITY SCHOOL DISTRICT
DELAWARE COUNTY, OHIO**

**SCHEDULE OF THE SCHOOL DISTRICT'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY
SCHOOL EMPLOYEES RETIREMENT SYSTEM OF OHIO
LAST THREE FISCAL YEARS (1) (2)**

	School District's Proportion of the Net OPEB Liability	School District's Proportionate Share of the Net OPEB Liability	School District's Covered Payroll	School District's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability
2017	0.240472%	\$ 6,854,348	\$ 7,375,586	92.93%	11.49%
2018	0.238345%	6,396,555	7,767,186	82.35%	12.46%
2019	0.246534%	6,839,526	7,952,822	86.00%	13.57%

(1) Information prior to 2017 is not available. The School District will continue to present information for years available until a full ten-year trend is compiled.

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

Notes to Schedule:

Change in assumptions. In measurement year 2017, changes in assumptions were made based upon an updated experience study that was completed for the five-year period ended June 30, 2015. Significant changes included a reduction in the rate of inflation from 3.25% to 3.00%, a reduction in the payroll growth assumption from 4.00% to 3.50%, a reduction in assumed real wage growth from 0.75% to 0.50%, an update in rates of withdrawal, retirement and disability, and transitioning to the following mortality tables: RP-2014 Blue Collar Mortality Table with fully generational projection and a five-year age set back for both active male and female members; RP-2014 Blue Collar Mortality Table with fully generational projection with Scale BB (120% of male rates, and 110% of female rates) for service retired members and beneficiaries; and RP-2000 Disabled Mortality Table, 90% for male rates and 100% for female rates, set back five years is used for the period after disability retirement among disabled members.

In measurement year 2018, medical trend rates have been adjusted to reflect premium decreases.

Change in benefit and funding terms. In measurement year 2018, SERS' funding policy allowed a 2.0% health care contribution rate to be allocated to the Health Care fund. The 2.0% is a combination of 0.5% employer contributions and 1.5% surcharge.

**DELAWARE CITY SCHOOL DISTRICT
DELAWARE COUNTY, OHIO**

**SCHEDULE OF THE SCHOOL DISTRICT'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY
STATE TEACHERS RETIREMENT SYSTEM OF OHIO
LAST THREE FISCAL YEARS (1) (2)**

	School District's Proportion of the Net OPEB Liability (Asset)	School District's Proportionate Share of the Net OPEB Liability (Asset)	School District's Covered Payroll	School District's Proportionate Share of the Net OPEB Liability (Asset) as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability (Asset)
2017	0.227542%	\$ 12,169,028	\$ 23,941,836	50.83%	37.3%
2018	0.232221%	9,060,411	25,529,864	35.49%	47.1%
2019	0.238164%	(3,827,046)	27,075,186	(14.13%)	176.0%

(1) Information prior to 2017 is not available. The School District will continue to present information for years available until a full ten-year trend is compiled.

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

Notes to Schedule:

Change in assumption. For measurement year 2017, the discount rate was increased from 3.26% to 4.13% based on the methodology defined under GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans (OPEB)*, and the long-term expected rate of return was reduced from 7.75% to 7.45%. 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.

For measurement year 2018, the discount rate was increased from the blended rate of 4.13% to the long-term expected rate of return of 7.45% based on the methodology defined under GASB Statement No. 74. Valuation year per capital health care costs were updated.

Change in benefit terms. For measurement year 2017, the subsidy multiplier for non-Medicare benefit recipient was reduced from 2.1% to 1.9% per year of service. Medicare Part B premium reimbursements were discontinued for certain survivors and beneficiaries and all remaining Medicare Part B premium reimbursements will be discontinued beginning January 2019.

For measurement year 2018, the subsidy multiplier for non-Medicare benefit recipients was increased from 1.9% to 1.944% 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.

**DELAWARE CITY SCHOOL DISTRICT
DELAWARE COUNTY, OHIO**

SCHEDULE OF THE SCHOOL DISTRICT'S OPEB CONTRIBUTION
SCHOOL EMPLOYEES RETIREMENT SYSTEM OF OHIO
LAST FOUR FISCAL YEARS (1)

	Contractually Required Contributions (2)	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	School District's Covered Payroll	Contributions as a Percentage of Covered Payroll
2016	\$ 120,823	\$ (120,823)	\$ -	\$ 7,375,586	1.64%
2017	134,133	(134,133)	-	7,767,186	1.73%
2018	169,664	(169,664)	-	7,952,822	2.13%
2019	194,486	(194,486)	-	8,404,422	2.31%

(1) The School District elected not to present information prior to 2016. The School District will continue to present information for years available until a full ten-year trend is compiled.

(2) Includes Surcharge

**DELAWARE CITY SCHOOL DISTRICT
DELAWARE COUNTY, OHIO**

SCHEDULE OF THE SCHOOL DISTRICT'S OPEB CONTRIBUTION
STATE TEACHERS RETIREMENT SYSTEM OF OHIO
LAST FOUR FISCAL YEARS (1)

	Contractually Required Contributions (2)	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	School District's Covered Payroll	Contributions as a Percentage of Covered Payroll
2016	\$ -	\$ -	\$ -	\$ 23,941,836	0.00%
2017	-	-	-	25,529,864	0.00%
2018	-	-	-	27,075,186	0.00%
2019	-	-	-	27,883,779	0.00%

(1) The School District elected not to present information prior to 2016. The School District will continue to present information for years available until a full ten-year trend is compiled.

(2) STRS allocated the entire 14% employer contribution rate toward pension benefits.



Governmental Fund Types

Combining and Individual Fund Financial Statements and Schedules

General Fund

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

Since the Board of Education adopts the annual appropriations for the General Fund at the fund level and the Statement of Revenues, Expenditures, and Changes in Fund Balance – General Fund – Budget (Non-GAAP) and Actual presented in the basic financial statements reports at the functional level within the fund, a separate schedule to demonstrate budgetary compliance with the legal level of control is not necessary.

Special Revenue Funds

Special revenue funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditure for specified purposes other than debt service or capital projects. The School District has several special revenue funds, none of which are deemed to be major funds.

Food Service

To account for and report the financial transactions related to the restricted food service operation of the School District.

Local and Other Grants

To account for and report the proceeds of specific revenue sources, except for state and federal grants, that are legally restricted to expenditures for a specific purpose.

District Managed Student Activities

To account for and report local funds generated to assist student activities, which are managed by District personnel. This fund includes athletic programs and other similar types of activities.

Auxiliary Services

To account for and report monies which provide services and materials to pupils attending non-public schools within the School District.

Data Communications

To account for and report restricted monies for the purpose of accessing the Ohio Education Computer Network.

Miscellaneous State Grants

To account for and report restricted revenues received from state agencies which are not classified elsewhere.

Title VI(B) Grant

To account for and report restricted monies received under a federal grant to assist schools in the identification of handicapped children, development of procedural safeguards, implementation of least restrictive alternative service patterns, and provision of full education opportunities to handicapped children at the elementary and secondary levels.

Governmental Fund Types

Combining and Individual Fund Financial Statements and Schedules

Special Revenue Funds (continued)

Title III Grant

To account for and report federal monies restricted for elementary and secondary school programs designed to assist students to meet grade promotion and graduation standards.

Title I Grant

To account for and report monies received under a federal grant to assist schools in meeting the special needs of educationally deprived children.

Preschool Special Education Grant

To account for and report restricted federal monies received under a federal grant program to improve and expand the services for handicapped children ages three to five years.

Improving Teacher Quality Grant

To account for and report restricted monies received under a federal grant to help improve the quality of educational services delivered to students by district teachers.

Miscellaneous Federal Grants

To account for and report restricted monies received under federal grants which are not classified elsewhere.

Delaware Foundation

A fund used to account for and report gifts, donations and other resources provided to the School District without condition or limitations. Funds are to be used for operating or capital costs for programs designed to enhance or promote education within the School District. This fund is budgeted as a special revenue fund, but is included with the General Fund for GAAP reporting as it does not have restricted or committed revenue source.

Public School Support

A fund used to account for and report local revenue sources (other than taxes) generated by the individual school buildings (i.e. sale of pictures, profits from vending machines, etc.). Expenditures include field trips, materials, equipment and other items to supplement co-curricular and extra-curricular programs. This fund is budgeted as a special revenue fund, but is included with the General Fund for GAAP reporting as it does not have restricted or committed revenue source.

After School Childcare

A fund used to account for and report the tuition and fees, and other revenue, generated by the School District's "latch-key" program which provides childcare to students during the hours following the end of the school day. This fund is budgeted as a special revenue fund, but is included with the General Fund for GAAP reporting as it does not have restricted or committed revenue source.

Governmental Fund Types

Combining and Individual Fund Financial Statements and Schedules

Debt Service Fund

Debt service funds are used to account for and report the accumulation of restricted local property taxes received and the payment of general long-term obligations, specifically the refunding general obligations bonds issued. The School District has one debt service fund which is reported as a major fund.

Capital Project Funds

Capital projects funds are used to account for and report financial resources that are restricted for the financing and acquisition or construction of major capital facilities, such as new school buildings and additions to existing buildings, or for major renovation projects. The School District has two capital projects funds, both of which are reported as major funds.

Permanent Improvement

To account for and report restricted resources, including a local property tax levy, to be used for the acquisition or maintenance of general capital assets.

Building

To account for and report restricted local resources, including proceeds from long-term obligations, related to school construction, additions and renovation projects.

Permanent Fund

Permanent funds are used to account for and report resources that are restricted to the extent that only earnings, and not principal, may be used for purposes that support the School District's programs. The School District has one permanent fund, the Land Grant Fund which accounts for and reports the endowments established to support the School District's library and land lab programs. The original principal of these endowments must be maintained, however the School District may spend the interest earnings as long as those expenditures benefit the operations and maintenance of the land lab or libraries within the School District.



**DELAWARE CITY SCHOOL DISTRICT
DELAWARE COUNTY, OHIO**

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2019

	Special Revenue Funds	Permanent Fund	Total Nonmajor Governmental Funds
<u>Assets:</u>			
Equity in pooled cash and cash equivalents	\$ 515,917	\$ 38	\$ 515,955
Investments	-	5,092	5,092
Materials and supplies inventory	4,387	-	4,387
Accrued interest receivable	-	60	60
Accounts receivable	3,358	-	3,358
Intergovernmental receivable	458,517	-	458,517
Total Assets	<u>\$ 982,179</u>	<u>\$ 5,190</u>	<u>\$ 987,369</u>
<u>Liabilities, Deferred Inflows of Resources and Fund Balances:</u>			
<u>Liabilities:</u>			
Accounts payable	\$ 71,510	\$ -	\$ 71,510
Accrued wages and benefits	435,301	-	435,301
Interfund payable	7,193	-	7,193
Intergovernmental payable	54,779	-	54,779
Total Liabilities	<u>568,783</u>	<u>-</u>	<u>568,783</u>
 Deferred Inflows of Resources:			
Unavailable revenue	<u>332,766</u>	<u>-</u>	<u>332,766</u>
 Fund Balances:			
Nonspendable	-	4,200	4,200
Restricted	247,561	990	248,551
Unassigned (Deficit)	(166,931)	-	(166,931)
Total Fund Balances	<u>80,630</u>	<u>5,190</u>	<u>85,820</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 982,179</u>	<u>\$ 5,190</u>	<u>\$ 987,369</u>

**DELAWARE CITY SCHOOL DISTRICT
DELAWARE COUNTY, OHIO**

COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2019

	Food Service	Local and Other Grants	District Managed Student Activities	Auxiliary Services
<u>Assets:</u>				
Equity in pooled cash and cash equivalents	\$ 100,973	\$ 24,607	\$ 209,466	\$ 116,167
Materials and supplies inventory	4,387	-	-	-
Accounts receivable	3,358	-	-	-
Intergovernmental receivable	-	-	-	-
Total Assets	<u>\$ 108,718</u>	<u>\$ 24,607</u>	<u>\$ 209,466</u>	<u>\$ 116,167</u>
<u>Liabilities, Deferred Inflows of Resources and Fund Balances:</u>				
Liabilities:				
Accounts payable	\$ 1,346	\$ 11,861	\$ 7,353	\$ 13,213
Accrued wages and benefits	106,101	6	-	78,122
Interfund payable	-	-	-	-
Intergovernmental payable	15,634	1,173	-	3,596
Total Liabilities	<u>123,081</u>	<u>13,040</u>	<u>7,353</u>	<u>94,931</u>
Deferred Inflows of Resources:				
Unavailable revenue	-	-	-	-
Fund Balances:				
Restricted	-	11,567	202,113	21,236
Unassigned (Deficit)	<u>(14,363)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Fund Balances	<u>(14,363)</u>	<u>11,567</u>	<u>202,113</u>	<u>21,236</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 108,718</u>	<u>\$ 24,607</u>	<u>\$ 209,466</u>	<u>\$ 116,167</u>

<u>Data Communications</u>	<u>Miscellaneous State Grants</u>	<u>Title VI(B) Grant</u>	<u>Title III Grant</u>	<u>Title I Grant</u>	<u>Preschool Special Education Grant</u>	<u>Improving Teacher Quality Grant</u>
\$ -	\$ 4,139	\$ 41,620	\$ 1,097	\$ 14,666	\$ -	\$ 3,182
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>-</u>	<u>7,604</u>	<u>213,349</u>	<u>11,955</u>	<u>76,145</u>	<u>27,811</u>	<u>21,414</u>
<u>\$ -</u>	<u>\$ 11,743</u>	<u>\$ 254,969</u>	<u>\$ 13,052</u>	<u>\$ 90,811</u>	<u>\$ 27,811</u>	<u>\$ 24,596</u>

\$ -	\$ -	\$ 6,845	\$ 2,664	\$ 1,925	\$ 18,292	\$ -
-	3,650	142,964	-	73,999	3,654	19,746
-	-	-	-	-	4,021	-
<u>-</u>	<u>566</u>	<u>19,907</u>	<u>-</u>	<u>9,734</u>	<u>554</u>	<u>2,519</u>
<u>-</u>	<u>4,216</u>	<u>169,716</u>	<u>2,664</u>	<u>85,658</u>	<u>26,521</u>	<u>22,265</u>
<u>-</u>	<u>6,348</u>	<u>154,967</u>	<u>11,955</u>	<u>49,943</u>	<u>26,120</u>	<u>13,998</u>
-	1,179	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>(69,714)</u>	<u>(1,567)</u>	<u>(44,790)</u>	<u>(24,830)</u>	<u>(11,667)</u>
<u>-</u>	<u>1,179</u>	<u>(69,714)</u>	<u>(1,567)</u>	<u>(44,790)</u>	<u>(24,830)</u>	<u>(11,667)</u>
<u>\$ -</u>	<u>\$ 11,743</u>	<u>\$ 254,969</u>	<u>\$ 13,052</u>	<u>\$ 90,811</u>	<u>\$ 27,811</u>	<u>\$ 24,596</u>

(Continued)

**DELAWARE CITY SCHOOL DISTRICT
DELAWARE COUNTY, OHIO**

COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS

JUNE 30, 2019

(Continued)

	Miscellaneous Federal Grants	Total
<u>Assets:</u>		
Equity in pooled cash and cash equivalents	\$ -	\$ 515,917
Materials and supplies inventory	-	4,387
Accounts receivable	-	3,358
Intergovernmental receivable	<u>100,239</u>	<u>458,517</u>
Total Assets	<u>\$ 100,239</u>	<u>\$ 982,179</u>
<u>Liabilities, Deferred Inflows of Resources and Fund Balances:</u>		
Liabilities:		
Accounts payable	\$ 8,011	\$ 71,510
Accrued wages and benefits	7,059	435,301
Interfund payable	3,172	7,193
Intergovernmental payable	<u>1,096</u>	<u>54,779</u>
Total Liabilities	<u>19,338</u>	<u>568,783</u>
Deferred Inflows of Resources:		
Unavailable revenue	<u>69,435</u>	<u>332,766</u>
Fund Balances:		
Restricted	11,466	247,561
Unassigned (Deficit)	<u>-</u>	<u>(166,931)</u>
Total Fund Balances	<u>11,466</u>	<u>80,630</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 100,239</u>	<u>\$ 982,179</u>

(Concluded)

**DELAWARE CITY SCHOOL DISTRICT
DELAWARE COUNTY, OHIO**

COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	Special Revenue Funds	Permanent Fund	Total Nonmajor Governmental Funds
Revenues:			
Intergovernmental	\$ 4,197,436	\$ -	\$ 4,197,436
Interest	232	84	316
Extracurricular activities	219,574	-	219,574
Gifts and donations	26,156	-	26,156
Customer sales and services	814,635	-	814,635
Miscellaneous	141,114	-	141,114
Total Revenues	<u>5,399,147</u>	<u>84</u>	<u>5,399,231</u>
Expenditures:			
Current:			
Instruction:			
Special	1,033,761	-	1,033,761
Student intervention services	778,313	-	778,313
Support Services:			
Pupils	164,117	-	164,117
Instructional staff	113,813	-	113,813
Administration	183,984	-	183,984
Operation and maintenance of plant	30,162	-	30,162
Pupil transportation	31,400	-	31,400
Central	12,600	-	12,600
Non-instructional services	2,842,916	-	2,842,916
Extracurricular activities	295,133	-	295,133
Total Expenditures	<u>5,486,199</u>	<u>-</u>	<u>5,486,199</u>
Net Change in Fund Balance	(87,052)	84	(86,968)
Fund Balance at Beginning of Year	<u>167,682</u>	<u>5,106</u>	<u>172,788</u>
Fund Balance at End of Year	<u>\$ 80,630</u>	<u>\$ 5,190</u>	<u>\$ 85,820</u>

**DELAWARE CITY SCHOOL DISTRICT
DELAWARE COUNTY, OHIO**

COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	Food Service	Local and Other Grants	District Managed Student Activities	Auxiliary Services
Revenues:				
Intergovernmental	\$ 1,147,788	\$ -	\$ -	\$ 633,665
Interest	-	-	-	232
Extracurricular activities	-	-	219,574	-
Gifts and Donations	-	-	26,156	-
Customer sales and services	814,635	-	-	-
Miscellaneous	-	117,287	23,827	-
	<u>1,962,423</u>	<u>117,287</u>	<u>269,557</u>	<u>633,897</u>
Total Revenues				
Expenditures:				
Current:				
Instruction:				
Special	-	-	-	-
Student intervention services	-	-	-	-
Support Services:				
Pupils	-	-	-	-
Instructional staff	-	-	-	-
Administration	-	-	-	-
Operation and maintenance of plant	-	-	-	-
Pupil transportation	-	-	-	-
Central	-	-	-	-
Non-instructional services	1,969,054	123,048	57	699,895
Extracurricular activities	-	-	295,133	-
	<u>1,969,054</u>	<u>123,048</u>	<u>295,190</u>	<u>699,895</u>
Total Expenditures				
Net Change in Fund Balance	(6,631)	(5,761)	(25,633)	(65,998)
Fund Balance at Beginning of Year	<u>(7,732)</u>	<u>17,328</u>	<u>227,746</u>	<u>87,234</u>
Fund Balance at End of Year	<u><u>\$ (14,363)</u></u>	<u><u>\$ 11,567</u></u>	<u><u>\$ 202,113</u></u>	<u><u>\$ 21,236</u></u>

<u>Data Communications</u>	<u>Miscellaneous State Grants</u>	<u>Title VI(B) Grant</u>	<u>Title III Grant</u>	<u>Title I Grant</u>	<u>Preschool Special Education Grant</u>	<u>Improving Teacher Quality Grant</u>
\$ 12,600	\$ 88,215	\$ 1,290,232	\$ 20,749	\$ 535,360	\$ 43,439	\$ 140,289
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>12,600</u>	<u>88,215</u>	<u>1,290,232</u>	<u>20,749</u>	<u>535,360</u>	<u>43,439</u>	<u>140,289</u>
-	-	981,137	-	-	52,624	-
-	-	-	13,346	528,102	-	131,243
-	25,640	66,894	7,681	-	8,366	-
-	-	18,045	1,989	-	5,000	86
-	-	172,356	-	-	-	-
-	30,162	-	-	-	-	-
-	26,000	-	-	400	-	-
12,600	-	-	-	-	-	-
-	-	34,680	-	4,601	-	6,899
-	-	-	-	-	-	-
<u>12,600</u>	<u>81,802</u>	<u>1,273,112</u>	<u>23,016</u>	<u>533,103</u>	<u>65,990</u>	<u>138,228</u>
-	6,413	17,120	(2,267)	2,257	(22,551)	2,061
-	(5,234)	(86,834)	700	(47,047)	(2,279)	(13,728)
<u>\$ -</u>	<u>\$ 1,179</u>	<u>\$ (69,714)</u>	<u>\$ (1,567)</u>	<u>\$ (44,790)</u>	<u>\$ (24,830)</u>	<u>\$ (11,667)</u>

(Continued)

**DELAWARE CITY SCHOOL DISTRICT
DELAWARE COUNTY, OHIO**

COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(Continued)

	Miscellaneous Federal Grants	Total
Revenues:		
Intergovernmental	\$ 285,099	\$ 4,197,436
Interest	-	232
Extracurricular activities	-	219,574
Gifts and Donations	-	26,156
Customer sales and services	-	814,635
Miscellaneous	-	141,114
	<hr/>	<hr/>
Total Revenues	285,099	5,399,147
	<hr/>	<hr/>
Expenditures:		
Current:		
Instruction:		
Special	-	1,033,761
Student intervention services	105,622	778,313
Support Services:		
Pupils	55,536	164,117
Instructional staff	88,693	113,813
Administration	11,628	183,984
Fiscal	-	30,162
Pupil transportation	5,000	31,400
Central	-	12,600
Non-instructional services	4,682	2,842,916
Extracurricular activities	-	295,133
	<hr/>	<hr/>
Total Expenditures	271,161	5,486,199
	<hr/>	<hr/>
Net Change in Fund Balance	13,938	(87,052)
Fund Balance at Beginning of Year	<hr/> (2,472)	<hr/> 167,682
Fund Balance at End of Year	<hr/> <u>\$ 11,466</u>	<hr/> <u>\$ 80,630</u>

(Concluded)

**DELAWARE CITY SCHOOL DISTRICT
DELAWARE COUNTY, OHIO**

Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2019

	Final Budget	Actual	Variance with Final Budget
Food Service Fund			
Total Revenues and Other Sources	\$ 1,954,876	\$ 1,775,458	\$ (179,418)
Total Expenditures and Other Uses	<u>1,978,064</u>	<u>1,785,868</u>	<u>192,196</u>
Net Change in Fund Balances	(23,188)	(10,410)	12,778
Fund Balance, July 1	87,673	87,673	-
Prior Year Encumbrances	<u>23,062</u>	<u>23,062</u>	<u>-</u>
Fund Balance, June 30	<u><u>\$ 87,547</u></u>	<u><u>\$ 100,325</u></u>	<u><u>\$ 12,778</u></u>
Local and Other Grants Fund			
Total Revenues and Other Sources	\$ 117,289	\$ 117,287	\$ (2)
Total Expenditures and Other Uses	<u>136,023</u>	<u>115,523</u>	<u>20,500</u>
Net Change in Fund Balances	(18,734)	1,764	20,498
Fund Balance, July 1	15,716	15,716	-
Prior Year Encumbrances Appropriated	<u>3,019</u>	<u>3,019</u>	<u>-</u>
Fund Balance, June 30	<u><u>\$ 1</u></u>	<u><u>\$ 20,499</u></u>	<u><u>\$ 20,498</u></u>
District Managed Student Activities Fund			
Total Revenues and Other Sources	\$ 269,000	\$ 269,557	\$ 557
Total Expenditures and Other Uses	<u>368,487</u>	<u>291,762</u>	<u>76,725</u>
Net Change in Fund Balances	(99,487)	(22,205)	77,282
Fund Balance, July 1	219,315	219,315	-
Prior Year Encumbrances	<u>8,188</u>	<u>8,188</u>	<u>-</u>
Fund Balance, June 30	<u><u>\$ 128,016</u></u>	<u><u>\$ 205,298</u></u>	<u><u>\$ 77,282</u></u>

(Continued)

**DELAWARE CITY SCHOOL DISTRICT
DELAWARE COUNTY, OHIO**

Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2019
(Continued)

	Final Budget	Actual	Variance with Final Budget
Auxiliary Services Fund			
Total Revenues and Other Sources	\$ 712,614	\$ 705,772	\$ (6,842)
Total Expenditures and Other Uses	<u>853,954</u>	<u>801,788</u>	<u>52,166</u>
Net Change in Fund Balances	(141,340)	(96,016)	45,324
Fund Balance, July 1	92,619	92,619	-
Prior Year Encumbrances	<u>48,952</u>	<u>48,952</u>	<u>-</u>
Fund Balance, June 30	<u>\$ 231</u>	<u>\$ 45,555</u>	<u>\$ 45,324</u>
Data Communication Fund			
Total Revenues and Other Sources	\$ 12,600	\$ 12,600	\$ -
Total Expenditures and Other Uses	<u>12,600</u>	<u>12,600</u>	<u>-</u>
Net Change in Fund Balances	-	-	-
Fund Balance, July 1	-	-	-
Prior Year Encumbrances	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Miscellaneous State Grants Fund			
Total Revenues and Other Sources	\$ 91,600	\$ 88,619	\$ (2,981)
Total Expenditures and Other Uses	<u>90,884</u>	<u>88,065</u>	<u>2,819</u>
Net Change in Fund Balances	716	554	(162)
Fund Balance, July 1	(2,515)	(2,515)	-
Prior Year Encumbrances	<u>2,782</u>	<u>2,782</u>	<u>-</u>
Fund Balance, June 30	<u>\$ 983</u>	<u>\$ 821</u>	<u>\$ (162)</u>

(Continued)

**DELAWARE CITY SCHOOL DISTRICT
DELAWARE COUNTY, OHIO**

Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2019
(Continued)

	Final Budget	Actual	Variance with Final Budget
Title VI(B) Grant Fund			
Total Revenues and Other Sources	\$ 1,351,258	\$ 1,324,697	\$ (26,561)
Total Expenditures and Other Uses	<u>1,337,289</u>	<u>1,312,675</u>	<u>24,614</u>
Net Change in Fund Balances	13,969	12,022	(1,947)
Fund Balance, July 1	(24,194)	(24,194)	-
Prior Year Encumbrances Appropriated	<u>12,273</u>	<u>12,273</u>	<u>-</u>
Fund Balance, June 30	<u>\$ 2,048</u>	<u>\$ 101</u>	<u>\$ (1,947)</u>
Title III Grant Fund			
Total Revenues and Other Sources	\$ 31,044	\$ 21,239	\$ (9,805)
Total Expenditures and Other Uses	<u>31,756</u>	<u>27,820</u>	<u>3,936</u>
Net Change in Fund Balances	(712)	(6,581)	(5,869)
Fund Balance, July 1	(3,354)	(3,354)	-
Prior Year Encumbrances	<u>4,156</u>	<u>4,156</u>	<u>-</u>
Fund Balance, June 30	<u>\$ 90</u>	<u>\$ (5,779)</u>	<u>\$ (5,869)</u>
Title I Grant Fund			
Total Revenues and Other Sources	\$ 552,253	\$ 553,803	\$ 1,550
Total Expenditures and Other Uses	<u>535,469</u>	<u>535,028</u>	<u>441</u>
Net Change in Fund Balances	16,784	18,775	1,991
Fund Balance, July 1	(6,647)	(6,647)	-
Prior Year Encumbrances Appropriated	<u>470</u>	<u>470</u>	<u>-</u>
Fund Balance, June 30	<u>\$ 10,607</u>	<u>\$ 12,598</u>	<u>\$ 1,991</u>

(Continued)

**DELAWARE CITY SCHOOL DISTRICT
DELAWARE COUNTY, OHIO**

Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2019
(Continued)

	Final Budget	Actual	Variance with Final Budget
Preschool Special Education Grant Fund			
Total Revenues and Other Sources	\$ 73,070	\$ 47,800	\$ (25,270)
Total Expenditures and Other Uses	<u>72,542</u>	<u>66,725</u>	<u>5,817</u>
Net Change in Fund Balances	528	(18,925)	(19,453)
Fund Balance, July 1	(6,070)	(6,070)	-
Prior Year Encumbrances	<u>5,542</u>	<u>5,542</u>	<u>-</u>
Fund Balance, June 30	<u>\$ -</u>	<u>\$ (19,453)</u>	<u>\$ (19,453)</u>
Improving Teacher Quality Grant Fund			
Total Revenues and Other Sources	\$ 142,923	\$ 143,509	\$ 586
Total Expenditures and Other Uses	<u>142,423</u>	<u>141,031</u>	<u>1,392</u>
Net Change in Fund Balances	500	2,478	1,978
Fund Balance, July 1	550	550	-
Prior Year Encumbrances	<u>423</u>	<u>423</u>	<u>-</u>
Fund Balance, June 30	<u>\$ 1,473</u>	<u>\$ 3,451</u>	<u>\$ 1,978</u>
Miscellaneous Federal Grants Fund			
Total Revenues and Other Sources	\$ 322,185	\$ 262,095	\$ (60,090)
Total Expenditures and Other Uses	<u>316,524</u>	<u>304,411</u>	<u>12,113</u>
Net Change in Fund Balances	5,661	(42,316)	(47,977)
Fund Balance, July 1	(16,254)	(16,254)	-
Prior Year Encumbrances Appropriated	<u>11,525</u>	<u>11,525</u>	<u>-</u>
Fund Balance, June 30	<u>\$ 932</u>	<u>\$ (47,045)</u>	<u>\$ (47,977)</u>

(Continued)

**DELAWARE CITY SCHOOL DISTRICT
DELAWARE COUNTY, OHIO**

Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2019
(Continued)

	Final Budget	Actual	Variance with Final Budget
Delaware Foundation Fund			
Total Revenues and Other Sources	\$ 75,000	\$ 75,000	\$ -
Total Expenditures and Other Uses	<u>376,378</u>	<u>292,049</u>	<u>84,329</u>
Net Change in Fund Balances	(301,378)	(217,049)	84,329
Fund Balance, July 1	276,053	276,053	-
Prior Year Encumbrances	<u>118,758</u>	<u>118,758</u>	<u>-</u>
Fund Balance, June 30	<u>\$ 93,433</u>	<u>\$ 177,762</u>	<u>\$ 84,329</u>
Public School Support Fund			
Total Revenues and Other Sources	\$ 190,900	\$ 203,129	\$ 12,229
Total Expenditures and Other Uses	<u>257,803</u>	<u>157,668</u>	<u>100,135</u>
Net Change in Fund Balances	(66,903)	45,461	112,364
Fund Balance, July 1	99,794	99,794	-
Prior Year Encumbrances	<u>8,632</u>	<u>8,632</u>	<u>-</u>
Fund Balance, June 30	<u>\$ 41,523</u>	<u>\$ 153,887</u>	<u>\$ 112,364</u>
After School Childcare Fund			
Total Revenues and Other Sources	\$ 1,116,000	\$ 1,053,835	\$ (62,165)
Total Expenditures and Other Uses	<u>1,271,563</u>	<u>1,090,380</u>	<u>181,183</u>
Net Change in Fund Balances	(155,563)	(36,545)	119,018
Fund Balance, July 1	980,820	980,820	-
Prior Year Encumbrances	<u>16,559</u>	<u>16,559</u>	<u>-</u>
Fund Balance, June 30	<u>\$ 841,816</u>	<u>\$ 960,834</u>	<u>\$ 119,018</u>

(Concluded)

**DELAWARE CITY SCHOOL DISTRICT
DELAWARE COUNTY, OHIO**

Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Debt Service Fund
For the Fiscal Year Ended June 30, 2019

	Final Budget	Actual	Variance with Final Budget
Debt Service Fund			
Total Revenues and Other Sources	\$ 6,020,000	\$ 6,020,362	\$ 362
Total Expenditures and Other Uses	<u>5,214,975</u>	<u>5,214,975</u>	<u>-</u>
Net Change in Fund Balances	805,025	805,387	362
Fund Balance, July 1	3,404,299	3,404,299	-
Prior Year Encumbrances	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance, June 30	<u><u>\$ 4,209,324</u></u>	<u><u>\$ 4,209,686</u></u>	<u><u>\$ 362</u></u>

**DELAWARE CITY SCHOOL DISTRICT
DELAWARE COUNTY, OHIO**

Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Capital Projects Funds
For the Fiscal Year Ended June 30, 2019

	Final Budget	Actual	Variance with Final Budget
Permanent Improvement Fund			
Total Revenues and Other Sources	\$ 2,175,000	\$ 2,176,318	\$ 1,318
Total Expenditures and Other Uses	<u>2,611,786</u>	<u>2,293,941</u>	<u>317,845</u>
Net Change in Fund Balances	(436,786)	(117,623)	319,163
Fund Balance, July 1	2,018,927	2,018,927	-
Prior Year Encumbrances	<u>311,786</u>	<u>311,786</u>	<u>-</u>
Fund Balance, June 30	<u><u>\$ 1,893,927</u></u>	<u><u>\$ 2,213,090</u></u>	<u><u>\$ 319,163</u></u>
Building Fund			
Total Revenues and Other Sources	\$ -	\$ -	\$ -
Total Expenditures and Other Uses	<u>776,409</u>	<u>637,199</u>	<u>139,210</u>
Net Change in Fund Balances	(776,409)	(637,199)	139,210
Fund Balance, July 1	537,046	537,046	-
Prior Year Encumbrances Appropriated	<u>239,752</u>	<u>239,752</u>	<u>-</u>
Fund Balance, June 30	<u><u>\$ 389</u></u>	<u><u>\$ 139,599</u></u>	<u><u>\$ 139,210</u></u>

**DELAWARE CITY SCHOOL DISTRICT
DELAWARE COUNTY, OHIO**

Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Permanent Fund
For the Fiscal Year Ended June 30, 2019

	Final Budget	Actual	Variance with Final Budget
Land Grant Fund			
Total Revenues and Other Sources	\$ 53	\$ 63	\$ 10
Total Expenditures and Other Uses	<u>38</u>	<u>-</u>	<u>38</u>
Net Change in Fund Balances	15	63	48
Fund Balance, July 1	5,066	5,066	-
Prior Year Encumbrances	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance, June 30	<u><u>\$ 5,081</u></u>	<u><u>\$ 5,129</u></u>	<u><u>\$ 48</u></u>

Fiduciary Fund Types

Combining and Individual Fund Financial Statements and Schedules

Private-Purpose Trust Funds

Private-purpose trust funds are used to account for assets held by the School District, which have been restricted so that the principal and income of the fund benefit individuals, private organizations, or other governments and are not available to support the operations of the School District. The School District reports two individual private-purpose trust funds.

Scholarship Trust

To account for restricted donations, where the donations themselves may be used, to provide scholarships to selected students graduating from the School District.

Memorial Scholarship Trust

To account for the restricted donations, where the corpus of the donations may not be used, which were provided in memory of individuals to provide scholarship to selected School District students.

Agency Fund

Agency funds account for monies held by the School District in a purely custodial nature for other organizations. Accordingly, all assets reported in an agency fund are offset by a liability to the party on whose behalf they are held. The School District reports two individual agency funds.

OHSAA Tournaments

To account for revenue received for hosting tournament games operated by the Ohio High School Athletic Association which are used in facilitating future tournament events.

Student Managed Activities

To account for the resources belonging to the various student groups in the School District, including sales and other revenue generating activities by student activity programs that have students involved in the management of the program.

**DELAWARE CITY SCHOOL DISTRICT
DELAWARE COUNTY, OHIO**

COMBINING STATEMENT OF NET POSITION
PRIVATE-PURPOSE TRUST FUNDS
JUNE 30, 2019

	<u>Scholarship Trust Fund</u>	<u>Memorial Scholarship Trust Fund</u>	<u>Total</u>
Assets:			
Equity in pooled cash and cash equivalents	\$ 38,793	\$ 5,599	\$ 44,392
Investments	14,181	59,783	73,964
Accrued interest receivable	<u>177</u>	<u>754</u>	<u>931</u>
Total Assets	<u>53,151</u>	<u>66,136</u>	<u>119,287</u>
Net Position:			
Held in trust for scholarships	<u>53,151</u>	<u>66,136</u>	<u>119,287</u>
Total Net Position	<u>\$ 53,151</u>	<u>\$ 66,136</u>	<u>\$ 119,287</u>

**DELAWARE CITY SCHOOL DISTRICT
DELAWARE COUNTY, OHIO**

COMBINING STATEMENT OF CHANGES IN
FIDUCIARY NET POSITION
PRIVATE-PURPOSE TRUST FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

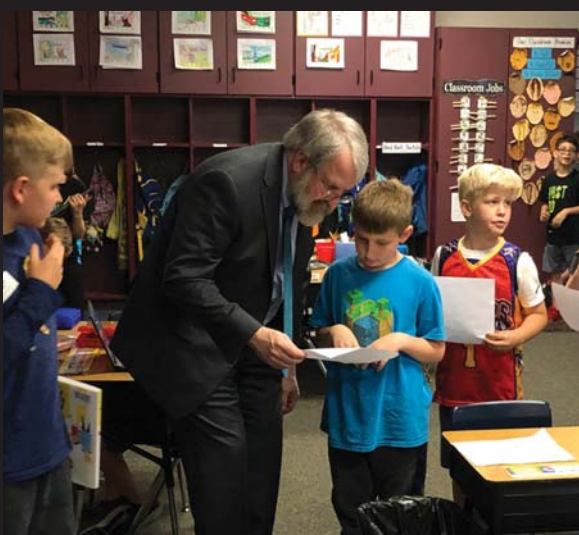
	Scholarship Trust Fund	Memorial Scholarship Trust Fund	Total
Additions:			
Gifts and donations	\$ 2,977	\$ 452	\$ 3,429
Investment earnings	<u>232</u>	<u>1,000</u>	<u>1,232</u>
Total Additions	3,209	1,452	4,661
Deductions:			
Payments in accordance with trust agreements	<u>2,691</u>	<u>806</u>	<u>3,497</u>
Total Deductions	<u>2,691</u>	<u>806</u>	<u>3,497</u>
Change in Net Position	518	646	1,164
Net Position, Beginning of Year	<u>52,633</u>	<u>65,490</u>	<u>118,123</u>
Net Position, End of Year	<u>\$ 53,151</u>	<u>\$ 66,136</u>	<u>\$ 119,287</u>

**DELAWARE CITY SCHOOL DISTRICT
DELAWARE COUNTY, OHIO**

STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	Balance July 1, 2018	Additions	Deletions	Balance June 30, 2019
<u>Student Managed Activities</u>				
Assets:				
Equity in pooled cash and cash equivalents	\$ 265,362	\$ 585,892	\$ 575,350	\$ 275,904
Accounts receivable	<u>3,864</u>	<u>321</u>	<u>3,864</u>	<u>321</u>
Total Assets	<u>\$ 269,226</u>	<u>\$ 586,213</u>	<u>\$ 579,214</u>	<u>\$ 276,225</u>
Liabilities:				
Accounts Payable	\$ 292	\$ 4,652	\$ 292	\$ 4,652
Due to Students	<u>268,934</u>	<u>581,561</u>	<u>578,922</u>	<u>271,573</u>
Total Liabilities	<u>\$ 269,226</u>	<u>\$ 586,213</u>	<u>\$ 579,214</u>	<u>\$ 276,225</u>
<u>OHSAA Tournaments</u>				
Assets:				
Equity in pooled cash and cash equivalents	\$ 5,335	\$ 3,124	\$ 6,123	\$ 2,336
Total Assets	<u>\$ 5,335</u>	<u>\$ 3,124</u>	<u>\$ 6,123</u>	<u>\$ 2,336</u>
Liabilities:				
Undistributed Monies	\$ 5,335	\$ 3,124	\$ 6,123	\$ 2,336
Total Liabilities	<u>\$ 5,335</u>	<u>\$ 3,124</u>	<u>\$ 6,123</u>	<u>\$ 2,336</u>
<u>All Agency Funds</u>				
Assets:				
Equity in pooled cash and cash equivalents	\$ 270,697	\$ 589,016	\$ 581,473	\$ 278,240
Accounts receivable	<u>3,864</u>	<u>321</u>	<u>3,864</u>	<u>321</u>
Total Assets	<u>\$ 274,561</u>	<u>\$ 589,337</u>	<u>\$ 585,337</u>	<u>\$ 278,561</u>
Liabilities:				
Accounts Payable	\$ 292	\$ 4,652	\$ 292	\$ 4,652
Undistributed Monies	5,335	3,124	6,123	2,336
Due to Students	<u>268,934</u>	<u>581,561</u>	<u>578,922</u>	<u>271,573</u>
Total Liabilities	<u>\$ 274,561</u>	<u>\$ 589,337</u>	<u>\$ 585,337</u>	<u>\$ 278,561</u>

Statistical Section



Delaware City School District

Delaware, Ohio



BACKSIDE OF STATISTICAL SECTION DIVIDER

STATISTICAL SECTION

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

<u>Contents</u>	<u>Page</u>
Financial Trends	103
These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time.	
Revenue Capacity	108
These schedules contain information to help the reader assess the affordability of the District's most significant local revenue source, the property tax.	
Debt Capacity	117
These schedules present information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future.	
Demographic and Economic Information	121
These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place.	
Operating Information	123
These schedules contain service data to help the reader understand how the information in the District's financial report relates to the services the District provides and the activities it performs.	

Sources: Unless otherwise noted, the information in these schedules is derived from the annual financial statements for the relevant year.



Delaware City School District
Net Position by Component
Last Ten Fiscal Years
(accrual basis of accounting)

	2019	2018	2017 (2)	2016	2015	2014 (1)	2013	2012	2011	2010
Governmental Activities										
Net Investment in										
Capital Assets	\$ 16,855,272	\$ 16,153,794	\$ 14,834,201	\$ 13,548,590	\$ 13,135,136	\$ 11,096,878	\$ 9,770,962	\$ 9,102,298	\$ 8,255,663	\$ 7,106,503
Restricted	9,160,303	8,104,512	7,474,969	6,923,338	5,239,203	5,593,311	4,672,508	3,669,938	3,193,505	3,389,257
Unrestricted	(41,472,759)	(53,118,810)	(83,950,357)	(59,967,924)	(61,172,695)	(63,049,565)	8,848,140	5,062,383	1,572,829	3,181,418
Total Governmental Activities	\$ (15,457,184)	\$ (28,860,504)	\$ (61,641,187)	\$ (39,495,996)	\$ (42,798,356)	\$ (46,359,376)	\$ 23,291,610	\$ 17,834,619	\$ 13,021,997	\$ 13,677,178
Net Position										

(1) - Restated for implementation of GASB 68 during fiscal year 2015. The District has elected to not restate prior fund balance amounts for fiscal years prior to implementation.

(2) - Restated for implementation of GASB 75 during fiscal year 2018. The District has elected to not restate prior fund balance amounts for fiscal years prior to implementation.

Delaware City School District
Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)

	2019	2018 (1)	2017	2016	2015	2014	2013	2012	2011	2010
Expenses:										
Governmental Activities:										
Instruction										
Regular	\$ 24,293,323	\$ 10,382,778	\$ 27,871,427	\$ 24,777,810	\$ 23,802,440	\$ 24,021,141	\$ 24,083,445	\$ 21,730,895	\$ 22,539,999	\$ 21,794,461
Special	9,841,412	5,621,522	9,700,013	8,804,863	8,208,897	8,153,629	6,669,914	5,731,574	6,254,257	5,210,222
Vocational	117,224	123,794	218,526	209,063	186,286	191,199	156,843	175,938	307,590	366,978
Student Intervention Services	1,131,699	1,038,810	1,119,597	1,132,341	1,028,329	896,541	43,894	87,694	108,645	88,162
Other	1,251	(162,031)	329,076	53,412	-	196,803	186,635	2,300,758	2,138,369	2,010,131
Support Services										
Pupils	3,113,469	1,188,719	3,482,764	3,076,941	2,962,830	2,879,114	2,631,496	2,519,897	2,468,366	2,562,505
Instructional Staff	1,622,767	986,286	1,710,439	1,714,957	1,284,377	1,176,256	2,854,028	2,589,706	3,153,118	3,301,322
Board of Education	179,151	188,644	166,893	148,854	188,355	179,140	176,816	173,989	163,664	187,628
General Administrative	3,810,767	2,038,594	4,237,249	3,763,992	3,361,037	3,329,166	3,080,098	2,942,025	2,930,373	3,014,373
Fiscal Services	1,457,341	1,312,276	1,420,869	1,371,514	1,207,386	1,250,327	1,154,372	1,105,356	1,135,862	1,032,913
Business	424,113	289,173	427,406	439,882	387,910	397,547	406,366	331,725	372,744	377,507
Operation & Maintenance of Plant	5,710,783	4,980,465	5,829,134	5,218,451	4,783,456	4,637,195	4,487,853	4,339,248	4,547,833	4,939,323
Pupil Transportation	3,524,033	3,411,789	3,492,357	3,409,485	2,749,739	3,618,131	3,164,713	3,222,859	3,374,544	3,587,477
Central	804,863	511,744	747,366	698,167	1,511,065	290,933	136,137	264,800	152,308	156,573
Operation of Non-Instructional Services	3,900,801	3,500,496	3,656,700	3,690,012	3,442,372	3,327,846	3,266,319	2,002,275	1,781,285	1,842,216
Extra Curricular Activities	1,536,197	1,434,272	1,486,499	1,483,181	1,362,236	1,563,002	1,265,322	1,173,635	1,166,815	1,372,834
Interest and Fiscal Charges	2,673,952	2,744,325	2,813,989	2,906,250	2,469,601	2,092,170	1,158,713	1,293,359	1,378,204	1,473,101
Unallocated Depreciation	1,771,028	1,682,895	949,989	894,345	918,393	861,035	989,183	947,128	949,603	951,944
Total Governmental Activities	65,914,174	41,274,551	69,660,293	63,793,520	59,854,709	59,060,975	55,912,147	52,932,861	54,923,579	54,269,670
Expenses										

Delaware City School District
Changes in Net Position (continued)
Last Ten Fiscal Years
(accrual basis of accounting)

	2019	2018 (1)	2017	2016	2015	2014	2013	2012	2011	2010
Program Revenues										
Governmental Activities:										
Charges for Services										
Instruction	\$ 1,243,057	\$ 1,284,822	\$ 655,281	\$ 746,128	\$ 1,439,531	\$ 1,560,282	\$ 1,521,079	\$ 1,536,768	\$ 1,361,358	\$ 1,350,446
Support Services										
Instructional Staff	17,605	-	-	-	-	-	-	-	-	-
General Administrative	54,767	74,610	94,936	135,796	74,072	69,699	91,204	79,856	95,836	101,160
Operation & Maintenance of Plant	154,696	124,176	104,306	120,045	33,739	72,002	90,891	81,507	18,971	21,702
Pupil Transportation	-	-	-	-	1,017	5,226	2,683	10,449	1,595	4,178
Operation of Non-Instructional Services	1,840,465	1,932,290	1,897,179	1,940,927	855,383	915,838	919,965	1,009,024	976,268	997,008
Extra Curricular Activities	309,388	326,743	303,535	291,370	258,280	322,152	297,105	388,271	297,351	310,701
Operating Grants and Contributions	5,259,887	4,915,057	4,999,228	5,034,606	4,503,129	4,735,840	4,864,556	4,705,078	5,288,347	5,389,975
Total Governmental Activities										
Program Revenues	8,879,865	8,657,698	8,054,465	8,268,872	7,165,151	7,681,039	7,787,483	7,810,954	8,039,726	8,175,170
Net (Expense)/Revenue										
Governmental Activities	\$ (57,034,309)	\$ (32,616,853)	\$ (61,605,828)	\$ (55,524,648)	\$ (52,689,558)	\$ (51,379,936)	\$ (48,124,664)	\$ (45,121,907)	\$ (46,883,853)	\$ (46,094,500)
General Revenues and Other										
Changes in Net Position										
Governmental Activities										
Property Taxes Levied for:										
General Purposes (2)	\$ 38,257,709	\$ 35,139,687	\$ 29,379,701	\$ 29,960,282	\$ 28,236,313	\$ 29,222,750	\$ 29,753,957	\$ 27,391,062	\$ 22,881,148	\$ 22,450,075
Debt Service	5,385,132	5,055,287	4,801,469	4,892,178	4,478,533	4,087,819	3,364,962	3,120,099	3,013,956	2,972,585
Permanent Improvement	1,993,379	1,882,610	1,860,836	1,880,614	1,784,464	1,827,705	1,878,323	1,822,135	1,769,698	1,746,642
Payments in Lieu of Property Taxes	42,477	46,856	35,616	14,554	43,581	27,857	-	-	-	-
Grants and Entitlements not										
Restricted to Specific Programs	22,856,864	21,963,185	21,264,771	20,961,724	20,572,119	18,949,100	17,700,452	17,179,605	18,094,408	17,780,710
Investment Earnings	560,234	271,197	271,846	296,388	217,474	152,459	112,157	4,576	18,970	16,871
Miscellaneous	1,341,834	1,038,714	735,641	821,268	918,094	1,182,230	771,804	724,782	450,492	420,930
Total Governmental Activities	70,437,629	65,397,536	58,349,880	58,827,008	56,250,578	55,449,920	53,581,655	50,242,259	46,228,672	45,387,813
Change in Net Position										
Governmental Activities	\$ 13,403,320	\$ 32,780,683	\$ (3,255,948)	\$ 3,302,360	\$ 3,561,020	\$ 4,069,984	\$ 5,456,991	\$ 5,120,352	\$ (655,181)	\$ (706,687)

(1) - Significant decreases in expenses for 2018 resulted from negative pension and OPEB expense recorded for fiscal year.

(2) - In November 2017, the District passed a five-year, \$6.2 million emergency operating levy, which began collections in calendar year 2018.

Delaware City School District
Fund Balances, Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010 *
General Fund										
Nonspendable	\$ 263,095	\$ 250,697	\$ 237,643	\$ 241,488	\$ 256,692	\$ 266,032	\$ 214,363	\$ 221,327	\$ 224,542	\$ -
Reserved	-	-	-	-	-	-	-	-	-	3,509,603
Unreserved	-	-	-	-	-	-	-	-	-	103,384
Assigned	752,564	455,692	1,948,998	4,242,346	202,011	469,327	90,959	329,579	2,703,072	-
Unassigned	17,422,420	12,686,868	9,116,724	8,217,526	11,046,402	10,488,446	9,255,756	4,853,390	-	-
Total General Fund	\$ 18,438,079	\$ 13,393,257	\$ 11,303,365	\$ 12,701,360	\$ 11,505,105	\$ 11,223,805	\$ 9,561,098	\$ 5,404,296	\$ 2,927,614	\$ 3,612,987
All Other Governmental Funds										
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,517,845
Unreserved, reported in:										
Special Revenue Funds	-	-	-	-	-	-	-	-	-	1,315,386
Debt Service Fund	-	-	-	-	-	-	-	-	-	1,493,054
Capital Projects Fund	-	-	-	-	-	-	-	-	-	1,533,534
Permanent Fund	-	-	-	-	-	-	-	-	-	4,954
Nonspendable	4,200	4,200	4,200	39,200	30,952	33,323	35,408	26,052	22,025	-
Restricted	9,154,167	8,617,508	11,549,867	29,424,840	48,298,429	25,475,598	5,174,017	5,361,893	4,857,178	-
Unassigned	(166,931)	(165,326)	(123,871)	(180,209)	(122,931)	(94,535)	(86,413)	(55,070)	(10,207)	-
Total All Other Governmental Funds	\$ 8,991,436	\$ 8,456,382	\$ 11,430,196	\$ 29,283,831	\$ 48,206,450	\$ 25,414,386	\$ 5,123,012	\$ 5,332,875	\$ 4,868,996	\$ 5,864,773

* - Restated for implementation of GASB 54 during fiscal year 2011. The District has elected to not restate prior fund balance amounts for fiscal years prior to implementation.

Delaware City School District
Changes in Fund Balances, Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Revenues:										
Property and Other Local Taxes	\$ 45,714,093	\$ 42,019,348	\$ 36,311,526	\$ 36,697,189	\$ 34,303,596	\$ 34,696,452	\$ 35,491,288	\$ 31,839,905	\$ 28,155,939	\$ 26,841,849
Intergovernmental	27,970,388	26,804,606	26,157,152	25,786,372	25,155,914	23,706,698	22,252,327	21,591,349	23,477,846	22,840,044
Interest	560,234	288,560	255,921	306,841	222,495	135,547	112,157	4,576	18,970	16,871
Tuition and Fees	2,210,520	2,324,552	1,644,520	1,744,258	1,439,531	1,560,282	1,521,079	1,536,768	1,360,505	1,345,298
Rentals	154,696	124,176	104,306	120,045	33,739	72,002	90,891	81,507	18,971	21,702
Extracurricular Activities	356,054	428,787	389,567	413,981	322,053	418,822	370,972	450,404	375,297	404,044
Gifts and Donations	115,985	114,967	118,475	105,472	97,651	230,750	137,710	126,850	100,147	82,484
Customer Sales and Services	898,708	865,126	916,820	955,982	866,699	894,093	939,985	1,037,196	996,606	1,014,151
Payment in Lieu of Property Taxes	42,477	46,856	35,616	14,554	27,857	-	-	-	-	-
Miscellaneous	1,329,346	1,038,714	735,641	821,268	918,094	1,193,823	584,146	724,782	450,492	420,930
Total Revenues	79,352,501	74,055,692	66,669,568	66,965,962	63,403,353	62,936,326	61,500,555	57,393,337	54,954,773	52,987,373
Expenditures										
Current:										
Instruction										
Regular	28,137,362	27,364,990	25,864,821	24,364,282	24,500,853	23,793,783	23,644,328	21,874,431	22,440,012	21,608,728
Special	10,959,167	10,080,110	9,160,554	8,730,695	8,403,417	8,210,721	6,631,601	5,782,525	6,223,816	5,150,845
Vocational	150,366	200,283	201,880	194,430	189,790	178,911	156,218	216,310	310,320	353,597
Student Intervention	1,294,262	1,039,312	1,119,597	1,160,091	1,032,622	896,083	43,894	87,694	108,645	98,747
Other Instruction	96,402	666,683	204,184	53,412	3,779	152,642	186,635	2,300,758	2,138,369	2,010,131
Support Services										
Pupils	3,611,334	3,196,120	3,264,970	3,051,046	3,040,376	2,863,936	2,618,690	2,585,628	2,488,683	2,518,564
Instructional Staff	1,776,033	1,592,479	1,604,171	1,714,547	1,343,293	1,196,884	2,845,809	2,591,311	3,131,096	3,254,374
Board of Education	179,348	194,562	164,984	144,773	191,129	179,140	176,816	173,989	163,664	187,628
Administration	4,379,997	4,122,524	3,989,378	3,747,771	3,507,893	3,298,393	3,064,169	2,946,144	2,917,671	3,042,611
Fiscal Services	1,463,171	1,399,270	1,402,883	1,346,056	1,225,486	1,250,327	1,169,027	1,086,479	1,093,959	1,007,557
Business	446,759	437,159	404,057	440,405	397,924	400,554	398,364	329,307	372,441	377,307
Operation &										
Maintenance of Plant	4,999,245	4,936,181	4,847,773	4,848,526	4,714,751	4,403,107	4,016,730	3,988,792	4,496,769	4,686,135
Pupil Transportation	3,463,869	3,738,447	3,306,471	3,315,130	2,994,124	3,326,771	2,865,062	2,929,899	3,122,007	3,148,229
Central	838,282	730,642	683,359	708,072	1,576,372	290,702	136,137	264,800	148,832	156,573
Non-Instructional Services	3,920,291	3,863,027	3,544,750	3,635,699	3,470,873	3,336,134	3,241,302	2,003,170	1,776,700	1,828,851
Extra Curricular Activities	1,519,084	1,538,218	1,437,579	1,424,513	1,345,343	1,530,591	1,226,922	1,144,501	1,155,990	1,332,903
Capital Outlay	1,179,362	4,483,748	19,363,193	20,060,870	8,047,884	1,392,554	1,722,954	3,331,643	997,972	1,062,903
Debt Service										
Principal Retirement	2,596,900	2,512,180	2,442,590	2,763,110	2,768,750	2,749,510	2,565,327	2,427,197	2,328,452	2,299,953
Interest and Fiscal Charges	2,773,879	2,843,679	2,914,004	2,988,898	1,929,826	1,804,956	1,122,901	1,207,468	1,220,525	1,258,605
Issuance Costs	-	-	-	-	478,789	200,263	-	-	-	-
Total Expenditures	\$ 73,785,113	\$ 74,939,614	\$ 85,921,198	\$ 84,692,326	\$ 71,163,274	\$ 61,454,962	\$ 57,832,886	\$ 57,272,046	\$ 56,635,923	\$ 55,384,241
Excess (deficiency) of revenue over (under) expenditures	\$ 5,567,388	\$ (883,922)	\$ (19,251,630)	\$ (17,726,364)	\$ (7,759,921)	\$ 1,481,364	\$ 3,667,669	\$ 121,291	\$ (1,681,150)	\$ (2,396,868)
Other Financing (Sources) Uses										
Miscellaneous Sources	12,488	-	-	-	-	-	187,658	-	-	-
Transfers In	-	-	-	-	-	30,000	-	-	20,000	31,411
Transfers (out)	-	-	-	-	-	(30,000)	-	-	(20,000)	(31,411)
Premium on Bonds Issued	-	-	-	-	1,519,061	562,717	-	-	-	-
Premium and Interest on Bonds Sold	-	-	-	-	-	-	1,011,208	-	-	-
General Obligation Bonds Issued	-	-	-	-	30,000,000	19,910,000	-	-	-	-
Refunding Bonds Issued	-	-	-	-	11,580,000	-	8,720,000	-	-	-
Notes Issued	-	-	-	-	-	-	-	2,819,270	-	-
Payments to Refunded Bond Escrow	-	-	-	-	(12,265,776)	-	(9,639,596)	-	-	-
Total Other Financing Sources (Uses)	12,488	-	-	-	30,833,285	20,472,717	279,270	2,819,270	-	-
Net Change in Fund Balance	\$ 5,579,876	\$ (883,922)	\$ (19,251,630)	\$ (17,726,364)	\$ 23,073,364	\$ 21,954,081	\$ 3,946,939	\$ 2,940,561	\$ (1,681,150)	\$ (2,386,868)
Debt Service as a Percentage of Noncapital Expenditures	7.40%	7.65%	8.01%	8.86%	7.43%	7.58%	7.04%	7.23%	6.81%	7.01%

**Delaware City School District
Assessed Valuation and Estimated Actual Value of Taxable Property
Last Ten Collection Years**

Collection Year	Real Property (a)		Tangible Personal Property (b)		Public Utility (c)		Total		Tax Rate (d)
	Assessed Value	Est. Actual Value	Assessed Value	Est. Actual Value	Assessed Value	Est. Actual Value	Assessed Value	Est. Actual Value	
2019	\$ 801,440,170	\$ 2,289,829,057	\$ -	\$ -	\$ 31,634,190	\$ 90,383,400	\$ 833,074,360	\$ 2,380,212,457	52.94
2018	793,376,590	2,266,790,257	-	-	29,333,820	83,810,914	822,710,410	2,350,601,171	52.94
2017	715,549,460	2,044,427,029	-	-	27,806,060	79,445,886	743,355,520	2,123,872,915	52.94
2016	696,740,830	1,990,688,086	-	-	27,342,750	78,122,143	724,083,580	2,068,810,229	52.95
2015	685,495,130	1,958,557,514	-	-	25,425,030	72,642,943	710,920,160	2,031,200,457	52.93
2014	670,008,010	1,914,308,600	-	-	25,111,470	71,747,057	695,119,480	1,986,055,657	52.93
2013	668,802,840	1,910,865,257	-	-	24,059,460	68,741,314	692,862,300	1,979,606,571	51.43
2012	670,334,220	1,915,240,629	-	-	24,044,560	68,698,743	694,378,780	1,983,939,372	51.04
2011	703,647,190	2,010,420,543	-	-	22,653,280	64,723,657	726,300,470	2,075,144,200	40.45
2010	706,235,230	2,017,814,943	769,695	2,026,288	20,223,180	57,780,514	727,228,105	2,077,621,745	40.35

Source: Office of the County Auditor, Delaware County, Ohio

(a) The assessed value of real property is fixed at 35% of true value and is determined pursuant to the rules of the State Tax Commissioner.

(b) The rate at which tangible personal property used in business is assessed for purposes of ad valorem property taxation decreased one percent each year from 35% in 1983 until it reached 25% in 1993. The rate decreased by 6.25% in 2006 and by an additional 6.25% to 12.5% in 2007. The rate continued to decrease by 6.25% in 2008 and will reach 0 in 2009. Personal property assessed for collection year 2010 is for delinquent taxes outstanding.

(c) Assumes public utilities are assessed at true value which is 35%.

(d) Tax rates are per \$1,000 of assessed value. The rate represents the weighted average of all the effective (assessed) rates applied by property type.

Delaware City School District
Real Property Tax Rates - Direct and Overlapping Governments
Last Ten Years
Delaware Township
(Per \$1000 Assessed Value)

Collection Year	Delaware City		Delaware County		Delaware Area Career Center		Delaware Health Dept		Tri-Twp Fire District		Township		Other		Total Rate		Residential/ Agriculture Effective Rate		Commercial/ Industrial Effective Rate	
	School District	County	District Library	County	Area Career Center	Health Dept	Fire District	Township	Other	Total Rate	Residential/ Agriculture Effective Rate	Commercial/ Industrial Effective Rate								
2019	83.35	6.37	1.00	3.20	0.70	6.40	2.40	2.53	105.95	75.571600	81.237100									
2018	83.55	5.86	1.00	3.20	0.70	6.40	2.40	2.23	105.34	75.016364	80.762779									
2017	77.94	5.88	1.00	1.50	0.70	6.40	2.40	2.23	98.05	70.926764	75.344835									
2016	78.24	5.90	1.00	3.20	0.70	6.40	2.40	1.30	99.14	71.371094	75.780621									
2015	78.51	5.91	1.00	3.20	0.70	6.40	2.40	2.05	100.17	72.427258	77.406301									
2014	78.20	5.91	1.00	3.20	0.70	5.40	2.40	2.05	98.86	72.453970	76.293884									
2013	76.73	5.05	1.00	3.20	0.70	5.40	2.40	2.05	96.53	70.101180	73.416746									
2012	76.38	5.05	1.00	3.20	0.70	5.40	2.40	2.05	96.18	69.700060	72.869693									
2011	66.91	5.05	1.00	3.20	0.70	5.40	2.40	2.05	86.71	58.838259	62.716264									
2010	66.83	5.04	1.03	3.20	0.70	5.40	2.40	2.05	86.65	58.704494	62.820631									

Note: The Delaware City School District currently consists of six taxing Districts:

- Delaware Township
- Delaware City
- Troy Township
- Delaware Township-Delaware City
- Brown Township-Delaware City
- Troy Township-Delaware City

"Other" column includes Del-Morrow Mental Health, 9-1-1 and Preservation Parks

Source: Office of the County Auditor, Delaware County, Ohio

Delaware City School District
Real Property Tax Rates - Direct and Overlapping Governments
Last Ten Years
City of Delaware
(Per \$1000 Assessed Value)

Collection Year	Delaware City		Delaware County		Delaware		Delaware Health Dept	Total Rate	Residential/ Agriculture Effective Rate	Commercial/ Industrial Effective Rate
	School District	Delaware County	City of Delaware	County Library	Area Career Center					
2019	83.35	6.37	2.70	1.00	3.20	0.70	2.53	99.85	70.835200	75.725400
2018	83.55	5.86	2.70	1.00	3.20	0.70	2.23	99.24	70.248672	75.224294
2017	77.94	5.88	2.70	1.00	1.50	0.70	2.23	91.95	65.706846	69.442996
2016	78.24	5.90	2.70	1.00	3.20	0.70	1.30	93.04	66.101076	69.853772
2015	78.51	5.91	2.70	1.00	3.20	0.70	2.05	94.07	67.154417	71.515893
2014	78.20	5.91	2.70	1.00	3.20	0.70	2.05	93.76	67.524934	71.316492
2013	76.73	5.05	2.70	1.00	3.20	0.70	2.05	91.43	65.176442	68.453865
2012	76.38	5.05	2.70	1.00	3.20	0.70	2.05	91.08	64.784738	67.915646
2011	66.91	5.05	2.70	1.00	3.20	0.70	2.05	81.61	54.025243	57.806992
2010	66.83	5.04	2.70	1.03	3.20	0.70	2.05	81.55	53.910091	57.912998

Note: The Delaware City School District currently consists of six taxing Districts:

- Delaware Township
 - Delaware City
 - Troy Township
 - Delaware Township-Delaware City
 - Brown Township-Delaware City
 - Troy Township-Delaware City
- "Other" column includes Del-Morrow Mental Health, 9-1-1 and Preservation Parks

Source: Office of the County Auditor, Delaware County, Ohio

Delaware City School District
Real Property Tax Rates - Direct and Overlapping Governments
Last Ten Years
Troy Township
(Per \$1000 Assessed Value)

Collection Year	Delaware City		Delaware County		Delaware		Tri-Twp		Residential/ Agriculture		Commercial/ Industrial	
	School District	County	Delaware Area Career Center	Delaware Health Dept	Fire District	Township	Other	Total Rate	Effective Rate	Effective Rate	Effective Rate	
												County Library
2019	83.35	6.37	1.00	3.20	0.70	6.40	2.20	2.53	105.75	75.543800	81.206600	
2018	83.55	5.86	1.00	3.20	0.70	6.40	2.20	2.23	105.14	74.980239	80.735378	
2017	77.94	5.88	1.00	1.50	0.70	6.40	2.20	2.23	97.85	70.826932	75.279142	
2016	78.24	5.90	1.00	3.20	0.70	6.40	2.20	1.30	98.94	71.258437	75.712632	
2015	78.51	5.91	1.00	3.20	0.70	6.40	2.20	2.05	99.97	72.312984	77.337537	
2014	78.20	5.91	1.00	3.20	0.70	5.40	2.20	2.05	98.66	72.303960	76.216492	
2013	76.73	5.05	1.00	3.20	0.70	5.40	2.20	2.05	96.33	69.953248	73.335953	
2012	76.38	5.05	1.00	3.20	0.70	5.40	2.20	2.05	95.98	69.553149	72.793777	
2011	66.91	5.05	1.00	3.20	0.70	5.40	2.20	2.05	86.51	58.717605	62.639412	
2010	66.83	5.04	1.03	3.20	0.70	5.40	2.20	2.05	86.45	58.588833	62.744435	

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- Troy Township
- Delaware Township-Delaware City
- Brown Township-Delaware City
- Troy Township-Delaware City

"Other" column includes Del-Morrow Mental Health, 9-1-1 and Preservation Parks

Source: Office of the County Auditor, Delaware County, Ohio

(Per \$1000 Assessed Value)

"Other" column includes Del-Morrow Mental Health, 9-1-1 and Preservation Parks

Source: Office of the County Auditor, Delaware County, Ohio

Delaware City School District
Real Property Tax Rates - Direct and Overlapping Governments
Last Ten Years
Brown Township-Delaware City
(Per \$1000 Assessed Value)

Collection Year	Delaware City		Delaware County		Delaware Area Career Center		Delaware Health Dept		Township	Other	Total Rate	Residential/ Agriculture	Commercial/ Industrial
	School District	Delaware County	City of Delaware	District Library	Center	Health Dept	Effective Rate	Effective Rate					
2019	83.35	6.37	1.35	1.00	3.20	0.70	3.85	2.53	102.35	72.327300	77.850000		
2018	83.55	5.86	1.35	1.00	3.20	0.70	3.85	2.23	101.74	71.741254	77.348951		
2017	77.94	5.88	1.35	1.00	1.50	0.70	3.85	2.23	94.45	67.265868	71.713806		
2016	78.24	5.90	1.35	1.00	3.20	0.70	3.85	1.30	95.54	67.662738	72.124582		
2015	78.51	5.91	1.35	1.00	3.20	0.70	3.85	2.05	96.57	68.718827	73.786703		
2014	78.20	5.91	1.35	1.00	3.20	0.70	3.85	2.05	96.26	69.361856	73.630829		
2013	76.73	5.05	1.35	1.00	3.20	0.70	3.85	2.05	93.93	67.015807	70.768202		
2012	76.38	5.05	1.35	1.00	3.20	0.70	3.85	2.05	93.58	66.621620	70.229633		
2011	66.91	5.05	1.35	1.00	3.20	0.70	3.85	2.05	84.11	55.916303	60.044849		
2010	66.83	5.04	1.35	1.03	3.20	0.70	3.85	2.05	84.05	55.806921	60.13707		

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- Troy Township-Delaware City

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Source: Office of the County Auditor, Delaware County, Ohio

Delaware City School District
Real Property Tax Rates - Direct and Overlapping Governments
Last Ten Years
Troy Township-Delaware City
(Per \$1000 Assessed Value)

Collection Year	Delaware City		Delaware County		Delaware Area Career Center		Delaware Health Dept		Township	Other	Total Rate	Residential/ Agriculture	Commercial/ Industrial
	School District	County	City of Delaware	District Library	Center	Dept	Effective Rate	Effective Rate					
2019	83.35	6.37	1.35	1.00	3.20	0.70	1.35	2.53	99.85	70.835200	75.725400		
2018	83.55	5.86	1.35	1.00	3.20	0.70	1.35	2.23	99.24	70.248672	75.224294		
2017	77.94	5.88	1.35	1.00	1.50	0.70	1.35	2.23	91.95	65.706846	69.442996		
2016	78.24	5.90	1.35	1.00	3.20	0.70	1.35	1.30	93.04	66.101076	69.853772		
2015	78.51	5.91	1.35	1.00	3.20	0.70	1.35	2.05	94.07	67.154417	71.515893		
2014	78.20	5.91	1.35	1.00	3.20	0.70	1.35	2.05	93.76	67.524934	71.316492		
2013	76.73	5.05	1.35	1.00	3.20	0.70	1.35	2.05	91.43	65.176442	68.453865		
2012	76.38	5.05	1.35	1.00	3.20	0.70	1.35	2.05	91.08	64.784738	67.915646		
2011	66.91	5.05	1.35	1.00	3.20	0.70	1.35	2.05	81.61	54.025243	57.806992		
2010	66.83	5.04	1.35	1.03	3.20	0.70	1.35	2.05	81.55	53.910091	57.912998		

Note: The Delaware City School District currently consists of six taxing Districts:

- Delaware Township
- Delaware City
- Troy Township
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- Troy Township-Delaware City

"Other" column includes Del-Morrow Mental Health, 9-1-1 and Preservation Parks

Source: Office of the County Auditor, Delaware County, Ohio

Delaware City School District
Principal Property Taxpayers
June 30, 2019 and June 30, 2010

June 30, 2019		
	Total Assessed Valuation	% of Total Assessed Valuation
Public Utilities		
1 . Ohio Power Company	\$ 22,029,540	2.68%
2 . Columbia Gas of Ohio	5,186,440	0.63%
3 . Consolidated Electric Cooperative	1,669,650	0.20%
4 . AEP Ohio Transmission Company Inc	1,362,310	0.17%
Real Estate		
1 . HPI Troy Farms LLC	8,353,450	1.02%
2 . Carson Farms Investments LLC	5,428,500	0.66%
3 . Willow Brook Christian Communities Inc.	5,089,190	0.62%
4 . The Crown Group Limited	4,906,740	0.60%
5 . Delaware Preserve LLC	4,221,600	0.51%
6 . Bowtown Apartments Inc.	4,056,220	0.49%
7 . USPG Portfolio Two LLC	4,012,810	0.49%
8 . S A R B G Delaware Ltd	3,754,420	0.46%
9 . Delaware Preserve Two LLC	3,570,320	0.43%
10 . Delaware Development Plan Ltd	3,451,300	0.42%
ALL OTHERS	745,617,920	90.62%
TOTAL ASSESSED VALUATION	<u>\$ 822,710,410</u>	<u>100.00%</u>
June 30, 2010		
	Total Assessed Valuation	% of Total Assessed Valuation
Public Utilities		
1 . Columbus Southern Power Company	\$ 13,883,530	1.91%
2 . Columbia Gas of Ohio	2,528,840	0.35%
Real Estate		
1 . Kroger Company	7,106,630	0.98%
2 . Willow Brook Christian Communities Inc.	6,752,950	0.93%
3 . Bowtown Apartments, Inc.	4,235,000	0.58%
4 . Dominion Homes, Inc.	4,075,070	0.56%
5 . USPG Portfolio Two LLC	3,990,890	0.55%
6 . SARBG Delaware, LTD	3,871,670	0.53%
7 . Grady Memorial Hospital	2,737,560	0.38%
8 . Western Auto Supply	2,584,440	0.36%
9 . First Industrial LP	2,545,830	0.35%
10 . Byers Realty LLC	2,528,840	0.35%
ALL OTHERS	670,386,855	92.18%
TOTAL ASSESSED VALUATION	<u>\$ 727,228,105</u>	<u>100.00%</u>

Source: Office of the County Auditor, Delaware County, Ohio

Assessed Values are for the tax year of 2018 and 2009 respectively

**Delaware City School District
Property Tax Levies and Collections
Last Ten Years**

Collection Year	Total Tax Levy	Current Tax Collections	Percent of Levy Collected	Delinquent Tax Collections	Total Tax Collections	Total Tax Collections to Tax Levy	Outstanding Delinquent Taxes	Percent of Delinquent Taxes to Tax Levy
2019	\$ 48,520,094	\$ 47,857,361	98.63	\$ 978,955	\$ 48,836,316	100.65	\$ 1,351,638	2.79
2018	48,086,018	46,722,088	97.16	886,905	47,608,993	99.01	1,080,911	2.25
2017	40,047,720	38,929,901	97.21	738,061	39,667,962	99.05	1,121,207	2.80
2016	39,332,628	38,744,353	98.50	1,144,905	39,889,258	101.42	1,484,240	3.77
2015	38,851,962	37,929,532	97.63	857,208	38,786,740	99.83	1,581,867	4.07
2014	37,933,774	37,423,452	98.65	1,015,516	38,438,968	101.33	1,529,565	4.03
2013	36,659,443	35,349,835	96.43	1,133,087	36,482,922	99.52	760,721	2.08
2012	36,500,780	34,746,751	95.19	930,110	35,676,861	97.74	926,639	2.54
2011	30,525,403	29,313,120	96.03	1,274,355	30,587,475	100.20	1,508,954	4.94
2010	30,503,394	28,708,056	94.11	835,846	29,543,902	96.85	1,363,026	4.47

Note: The information above is for real estate, public utilities and tangible personal property collections and levies; the County currently cannot identify delinquent collections by year for which tax is levied and reports in year collected.

Source: Office of the County Auditor, Delaware County, Ohio

Delaware City School District
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

Governmental Activities						
Year	(a) Gross		(b)		(c)	
	Bonded Debt	Energy Conservation Notes Payable	Capital Leases	Total Primary Government	Percentage of Personal Income	(c) Per Capita
2019	\$ 63,177,262	\$ 1,640,860	\$ -	\$ 64,818,122	5.38%	\$ 1,623
2018	65,823,072	1,822,760	-	67,645,832	5.62%	1,723
2017	68,388,882	1,999,940	-	70,388,822	6.64%	1,822
2016	70,889,692	2,172,530	-	73,062,222	7.20%	1,975
2015	73,698,035	2,340,640	-	76,038,675	7.73%	2,086
2014	45,563,414	2,504,390	-	48,067,804	5.20%	1,338
2013	27,803,895	2,663,900	-	30,467,795	3.30%	848
2012	30,109,237	2,819,270	14,957	32,943,464	3.61%	929
2011	32,490,263	-	72,154	32,562,417	3.61%	930
2010	34,725,620	-	125,606	34,851,226	4.83%	996

Sources :

- (a) See schedule "Ratios of Net General Bonded Debt Outstanding" for net bonded debt information
- (b) See notes to the financial statements regarding the District's long-term notes and capital leases payable
- (c) See Schedule "Demographic and Economic Statistics, Last Ten Years" for personal income, population and enrollment information

**Delaware City School District
Ratios of Net General Bonded Debt Outstanding
Last Ten Fiscal Years**

Year	(a) Assessed Value	(b) Gross Bonded Debt	(c) Less Debt Service	Net Bonded Debt	% of Net Bonded Debt to Assessed Valuation	(d) Net Bonded Debt Per Capita	(d) Net Bonded Debt Per Enrollment
2019	\$ 833,074,360	\$ 63,177,262	\$ 5,582,858	\$ 57,594,404	6.91%	\$ 1,442	\$ 9,932
2018	822,710,410	65,823,072	4,628,510	61,194,562	7.44%	1,558	10,607
2017	743,355,520	68,388,882	4,090,524	64,298,358	8.65%	1,664	11,794
2016	724,083,580	70,889,692	3,821,895	67,067,797	9.26%	1,813	12,621
2015	710,920,160	73,698,035	3,166,805	70,531,230	9.92%	1,935	12,935
2014	695,119,840	45,563,414	1,851,359	43,712,055	6.29%	1,217	7,868
2013	692,862,300	27,803,895	1,450,094	26,353,801	3.80%	734	4,821
2012	694,378,780	30,109,237	221,031	29,888,206	4.30%	843	5,679
2011	726,300,470	32,490,263	-	32,490,263	4.47%	928	6,246
2010	727,228,105	34,725,620	-	34,725,620	4.78%	992	6,880

Sources :

- (a) Office of the County Auditor, Delaware County, Ohio
- (b) General Obligation debt outstanding end of fiscal year. School District Records
- (c) Net position restricted for debt service at end of fiscal year
- (d) See Schedule "Demographic and Economic Statistics, Last Ten Years" for population and enrollment information

Delaware City School District
Computation of Direct and Overlapping General Obligation Bonded Debt
as of June 30, 2019

Governmental Unit	Gross Debt Outstanding	Percent Applicable to School District	Amount Applicable to Delaware City School District
Delaware City School District	\$ 64,818,122	100.00%	\$64,818,122
Delaware City	13,440,000	88.03%	11,831,232
Delaware County	<u>45,170,500</u>	10.37%	<u>4,684,181</u>
Total Direct	64,818,122		64,818,122
Total Overlapping	<u>58,610,500</u>		<u>16,515,413</u>
Total Direct and Overlapping	<u>\$ 123,428,622</u>		<u>\$81,333,535</u>

Note: Percent applicable to Delaware City School District calculated using assessed valuation of the School District area value contained within the noted governmental unit divided by assessed valuation of the governmental unit.

Overlapping governments with no outstanding debt are not reflected.

Source: School District Records and Ohio Municipal Advisory Council

**Delaware City School District
Legal Debt Margin Information
Last Ten Years**

	2019	2018	2017	2016	2015*	2014	2013	2012	2011	2010
Assessed Valuation	\$ 833,074,360	\$ 822,710,410	\$ 743,355,520	\$ 724,083,580	\$ 710,920,160	\$ 695,119,840	\$ 692,862,300	\$ 694,378,780	\$ 726,300,470	\$ 727,228,105
Voted Debt Limit - 9% of Assessed Valuation	74,976,692	74,043,937	66,901,997	65,167,522	63,982,814	62,560,786	62,357,607	62,494,090	65,367,042	65,450,529
Net Indebtedness (a)	57,456,708	61,062,058	64,161,639	66,968,059	69,726,622	42,474,761	25,224,353	28,083,176	30,512,054	32,819,837
Less Exempted Debt (b)	-	-	-	-	-	-	-	-	-	-
Net Voted Indebtedness	57,456,708	61,062,058	64,161,639	66,968,059	69,726,622	42,474,761	25,224,353	28,083,176	30,512,054	32,819,837
Legal Debt Margin*	17,519,984	12,981,879	2,740,358	(1,800,537)	(5,743,808)	20,086,025	37,133,254	34,410,914	34,854,988	32,630,692
Total Net Debt Applicable to the Limit as a percentage of the Debt Limit	77%	82%	96%	103%	109%	68%	40%	45%	47%	50%
Unvoted Debt Limit - 0.1% of Assessed Valuation (General Limitation)	\$ 833,074	\$ 822,710	\$ 743,356	\$ 724,084	\$ 710,920	\$ 695,120	\$ 692,862	\$ 694,379	\$ 726,300	\$ 727,228
Unvoted Net Indebtedness	-	-	-	-	-	-	-	-	-	-
Legal Debt Margin	833,074	822,710	743,356	724,084	710,920	695,120	692,862	694,379	726,300	727,228
Total Net Debt Applicable to the Limit as a percentage of the Debt Limit	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Unvoted Debt Limit - 9/10 of 1% of Assessed Valuation (energy conservation limit)	\$ 7,497,669	\$ 7,404,394	\$ 6,690,200	\$ 6,516,752	\$ 6,398,281	\$ 6,256,079	\$ 6,235,761	\$ 6,249,409	\$ 6,536,704	\$ 6,545,053
Energy Conservation Net Indebtedness	1,640,860	1,822,760	1,999,940	2,172,530	2,340,640	2,504,390	2,663,900	2,819,270	-	-
Legal Debt Margin	5,856,809	5,581,634	4,690,260	4,344,222	4,057,641	3,751,689	3,571,861	3,430,139	6,536,704	6,545,053
Total Net Debt Applicable to the Limit as a percentage of the Debt Limit	22%	25%	30%	33%	37%	40%	43%	45%	0%	0%

Note: Ohio Bond Law sets a limit of 9% for voted debt and 1/10 of 1% for unvoted debt exclusive of certain exemptions and exceptions.

(a) - For debt margin calculation, net indebtedness is gross bonded debt of District less balance of General Obligation Bond Retirement fund at end of fiscal year.

(b) - Exempt debt of District would be for tax anticipation notes issued under 133.04(B)(1). The District has not issued any TANs.

* - The District exceeded the bonded debt limit imposed by State statute by \$5.3 million. However, the School District has been classified by the State of Ohio as a "special needs" district as it relates to issuing debt for purposes of constructing and renovating classroom facilities. See Note 15 to the basic financial statements for further detail.

Source: Office of the County Auditor, Delaware County, Ohio & Bond Council

**Delaware City School District
Demographic and Economic Statistics
Last Ten Years**

Year	(a) Estimated Population	(b) Per Capita Income	Personal Income	(c) Unemployment Rate *	(b) % of Population 25 Years and Older with Bachelor's Degree or Higher	(d) Enrollment Membership
2019	39,930	\$ 30,147	\$ 1,203,769,710	3.30%	35.80%	5,799
2018	39,267	28,481	1,118,347,225	4.00%	37.87%	5,769
2017	38,643	27,426	1,059,823,000	3.60%	33.50%	5,452
2016	37,002	27,421	1,014,632,000	3.70%	34.20%	5,314
2015	36,459	26,992	984,101,328	3.60%	34.20%	5,453
2014	35,925	25,743	924,817,275	4.10%	31.90%	5,556
2013	35,925	25,728	924,278,400	5.00%	32.10%	5,466
2012	35,450	25,728	912,057,600	5.00%	32.10%	5,263
2011	35,011	25,728	900,763,008	6.10%	32.10%	5,202
2010	35,000	20,633	722,155,000	7.10%	18.30%	5,047

Sources :

(a) Population for the District is estimated based on estimates from Census data & the City of Delaware

(b) US Census Bureau: For 2010, 2000 Census Demographic Profiles for the City of Delaware
For 2011 and after, US Census Bureau Fact Finder

(c) June Data from Bureau of Labor Statistics

* Specific employment figures for the Delaware City School District area are not available.
Unemployment figures presented are for Delaware County.

(d) District Power School Enrollment Reports

**Delaware City School District
Principal Employers
Current Year and Nine Years Ago**

2019		
Employer	Employees	Type of Business
Delaware County	1,170	County Government
Ohio Health (Grady Memorial Hospital)	1,008	Healthcare
Delaware City School District	632	Education
American Showa, Inc.	<u>600</u>	Manufacturing
	<u><u>3,410</u></u>	

2010		
Employer	Employees	Type of Business
Delaware County	1,105	Government
American Showa, Inc.	615	Manufacturing
Grady Memorial Hospital	605	Healthcare
Ohio Wesleyan University	600	Education
Delaware City Schools	<u>550</u>	Education
	<u><u>3,475</u></u>	

Note: Percentage of total employment is not available, as total employment figures for the District were not available. Information presented on calendar year as that is manner available.

Source: Delaware County; Delaware, Ohio

Delaware City School District
Staffing Statistics - Full Time Equivalents (FTE) by Type and Function
Last Ten Fiscal Years

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Professional Staff:										
Teaching Staff:										
Regular Education Teaching	255.00	250.00	250.60	247.67	241.72	240.07	229.00	225.35	233.71	229.42
Special Education Teaching*	62.00	66.00	62.00	61.00	59.00	60.00	57.13	57.34	56.71	56.83
Vocational Education Teaching	2.00	2.00	2.00	2.00	3.00	3.00	2.57	2.57	2.57	2.57
Tutors/Small Group Instruction	2.00	4.00	-	-	-	-	-	0.19	0.19	-
Administrators										
District/Building	30.00	30.00	34.00	34.00	28.00	27.00	20.00	21.00	22.00	21.00
Auxiliary Positions										
Psychologists	7.00	7.00	7.00	6.00	4.00	4.00	4.00	4.00	4.00	4.00
Counseling	16.00	14.00	13.00	14.00	13.00	11.00	10.00	11.00	11.00	10.00
Nurses	5.00	5.00	4.00	4.64	3.40	2.00	2.00	2.00	2.00	2.00
Speech and Language Therapist	6.00	5.00	6.00	5.00	5.00	5.00	5.00	4.00	3.00	4.00
Social Work	1.00	1.00	1.00	1.00	1.00	2.00	2.00	2.00	2.00	3.00
Librarian/Media	1.00	1.00	1.00	1.90	1.90	2.00	2.00	2.00	1.00	2.00
Remedial Specialist	11.00	11.00	12.00	9.54	9.00	8.00	10.00	10.00	12.00	10.00
Other Professional	13.00	16.00	18.00	15.80	17.00	11.22	8.00	9.00	11.00	11.00
Support Staff										
Clerical	31.00	31.00	33.00	32.00	31.00	29.00	30.00	30.00	30.00	30.00
Instructional Paraprofessional	69.00	63.00	57.00	39.00	43.00	39.00	37.00	31.00	38.00	34.00
Teaching Aides	-	-	3.00	17.00	4.00	1.00	1.00	1.00	3.00	1.00
Library Aide	9.00	10.00	9.00	9.00	10.00	9.00	8.00	8.00	9.00	10.00
Other Technical/Service	-	-	-	1.00	3.00	-	-	-	-	-
Accounting, Bookkeeping	6.00	6.00	6.00	6.00	5.00	4.00	4.00	4.00	4.00	4.00
Food Service	42.00	44.00	43.00	47.00	45.00	39.00	40.00	37.00	37.00	37.00
Dispatching	2.00	3.00	3.00	3.00	3.00	2.00	1.00	1.00	1.00	1.00
Vehicle Operator (non-bus)	-	-	-	-	-	-	1.00	1.00	1.00	1.00
Custodial	35.00	38.00	32.00	32.00	34.00	29.00	31.00	30.00	31.00	30.00
Maintenance	6.00	7.00	6.00	7.00	5.00	5.00	3.00	3.00	4.00	4.00
Electrician	1.00	1.00	1.00	1.00	1.00	1.00	2.00	2.00	2.00	2.00
Bus Drivers	57.00	55.00	52.00	52.00	51.00	44.00	42.00	37.00	36.00	37.00
Mechanics	4.00	5.00	3.00	3.00	4.00	3.00	3.00	3.00	3.00	3.00
Total	673.00	675.00	658.60	651.55	625.02	580.29	554.70	538.45	560.18	549.82

Function	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Governmental Activities										
Instruction										
Regular and Special	332.00	333.00	326.60	320.21	312.72	311.07	298.70	295.45	305.18	298.82
Support Services										
Pupils	48.00	48.00	49.00	46.44	43.40	35.22	31.00	32.00	33.00	34.00
Instructional Staff	79.00	74.00	70.00	66.90	58.90	51.00	48.00	42.00	51.00	47.00
School Administration	55.00	48.00	54.00	53.00	46.00	43.00	37.00	38.00	39.00	38.00
Fiscal	7.00	7.00	7.00	7.00	6.00	5.00	5.00	5.00	5.00	5.00
Business	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Maintenance	42.00	48.00	41.00	42.00	42.00	37.00	39.00	38.00	40.00	39.00
Transportation	61.00	65.00	60.00	60.00	60.00	51.00	48.00	43.00	42.00	43.00
Central	3.00	3.00	3.00	4.00	6.00	3.00	3.00	3.00	3.00	3.00
Community Service	42.00	45.00	44.00	48.00	46.00	40.00	41.00	38.00	38.00	38.00
Extra Curricular Activities	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Total Governmental Activities	673.00	675.00	658.60	651.55	625.02	580.29	554.70	538.45	560.18	549.82
Total Primary Government	673.00	675.00	658.60	651.55	625.02	580.29	554.70	538.45	560.18	549.82

* Includes Preschool and Gifted

Source - School District EMIS (Education Management Information System) Records

**Delaware City School District
Operating Indicators by Function
Last Ten Fiscal Years**

Function	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Governmental Activities										
Instruction										
Regular and Special										
Support Services - Pupil										
Enrollment (Students)	5,799	5,769	5,452	5,314	5,453	5,556	5,466	5,263	5,202	5,047
Graduation Rate*	94.5%	90.2%	92.6%	93.8%	90.9%	93.2%	90.4%	90.4%	90.2%	92.6%
% of Students with Disabilities	15.4%	15.2%	14.3%	14.7%	14.4%	14.3%	14.5%	14.1%	14.8%	14.2%
% of Limited English Proficient Students	2.6%	2.6%	1.3%	0.7%	1.4%	1.1%	1.1%	1.0%	1.4%	1.7%
Support Services										
Instructional Staff										
Information Technology Services										
Work Orders Completed	2,659	2,273	2,262	2,778	3,014	2,885	2,596	2,278	2,636	2,446
School Administration										
Student Attendance Rate	94.6%	94.7%	94.9%	95.2%	95.2%	95.7%	95.0%	94.8%	95.1%	94.6%
Fiscal										
Purchase Orders Processed	3,469	2,488	3,384	3,406	3,919	4,023	4,290	4,100	4,492	4,559
Nonpayroll Checks Issued	3,761	3,847	4,365	4,361	4,724	5,665	5,703	5,312	4,862	4,937
Maintenance										
District Square Footage Maintained by										
Custodians and Maintenance Staff	929,376	928,049	928,049	755,801	736,968	736,968	736,968	736,968	736,968	736,968
District Acreage Maintained by										
Grounds Staff	187.47	187.47	187.47	163.42	162.52	161.43	161.43	161.43	161.43	161.43
Transportation										
Avg. Public and Parochial Students										
Transported Daily (includes special education)	2,699	2,353	2,841	3,025	2,932	3,104	2,933	3,120	3,097	2,773
Avg. Daily Bus Fleet Mileage	2,616	2,515	2,618	2,675	2,433	2,504	2,450	2,474	2,508	2,442
Number of Buses in District Fleet	49	51	47	51	50	49	48	48	47	45
Community Services										
Number of Students Enrolled in District										
School-Aged Childcare Program	468	466	529	559	535	514	830	512	481	435
Food Service Operations										
Meals Served to Students										
Lunch	402,056	435,871	446,498	465,941	440,868	475,455	503,834	535,678	498,114	478,490
Breakfast	95,153	104,656	116,261	112,054	92,616	93,969	98,740	107,528	98,333	85,717

Note -Indicators were not available for the following functions: Business, Central, Extra Curricular

* - Beginning with FY2011, graduation rate is presented as a four-year rate.

Source - School District Records and Ohio Department of Education Report Card Data



Delaware City School District
Capital Assets by Function/Program
Last Ten Fiscal Years

	2019	2018	2017	2016
Governmental Activities				
Regular Instruction				
Land	\$ 2,440,887	\$ 2,440,887	\$ 2,440,887	\$ 2,440,887
Land Improvements	2,396,957	2,396,957	2,396,957	2,396,957
Buildings and Improvements	91,081,877	89,693,675	51,397,911	51,548,976
Furniture Fixtures and Equip.	1,353,077	1,375,566	1,386,409	1,364,397
Books (1)	-	-	341,357	341,357
Special Instruction				
Furniture Fixtures and Equip.	5,995	5,995	5,995	5,995
Vocational Instruction				
Furniture Fixtures and Equip.	-	-	-	-
Instructional Staff Support				
Furniture Fixtures and Equip.	95,976	95,976	118,616	138,084
Books (1)	-	-	925,054	925,054
General and School Administration				
Land Improvements	20,962	20,962	20,962	20,962
Buildings and Improvements	31,552	31,552	31,552	31,552
Furniture Fixtures and Equip.	68,875	68,875	68,875	86,717
Operations and Maintenance				
Land	116,379	116,379	116,379	116,379
Land Improvements	2,729,078	2,729,078	2,729,078	63,463
Buildings and Improvements	9,701,366	5,905,628	5,564,608	5,307,061
Furniture Fixtures and Equip.	641,945	619,391	629,340	602,121
Buses, autos and trucks	217,094	178,060	161,627	145,627
Pupil Transportation				
Land	225,000	225,000	225,000	225,000
Land Improvements	69,706	69,706	69,706	69,706
Buildings and Improvements	817,000	817,000	817,000	817,000
Furniture Fixtures and Equip.	16,094	7,695	7,695	7,695
Buses, autos and trucks	4,434,961	4,373,616	4,177,502	4,059,918
Community Relations				
Furniture Fixtures and Equip.	44,122	55,487	55,487	36,269
Food Service Operations				
Furniture Fixtures and Equip.	669,328	701,784	606,063	606,063
Extracurricular Activities				
Land Improvements	283,318	518,318	283,318	259,853
Buildings and Improvements	884,512	884,512	884,512	884,512
Furniture Fixtures and Equip.	234,358	210,342	48,242	42,766
Other Facilities Acquisition & Construction				
Land	487,169	487,169	487,169	487,169
Total Governmental Activities				
Capital Assets	<u>\$ 119,067,588</u>	<u>\$ 114,029,610</u>	<u>\$ 75,997,301</u>	<u>\$ 73,031,540</u>

Source: School District capital asset records

Note: Amounts do not include construction in progress.

(1) - Textbooks and library books were removed from capital assets in FY2018.

2015	2014	2013	2012	2011	2010
\$ 2,440,887	\$ 2,440,887	\$ 2,440,887	\$ 2,440,887	\$ 2,440,887	\$ 2,440,887
2,399,191	2,399,191	2,399,191	2,399,191	2,399,191	2,399,191
50,044,500	50,044,500	50,044,500	47,272,379	47,272,380	47,274,614
1,405,332	1,392,240	1,470,257	1,454,621	1,460,511	1,540,099
341,357	341,357	341,357	341,357	341,356	341,356
5,995	5,995	5,995	5,995	-	-
28,509	28,509	28,509	28,509	28,509	28,509
138,084	138,084	138,084	138,084	138,084	138,084
925,054	925,054	925,054	925,054	925,054	925,054
20,962	20,962	20,962	20,962	20,962	20,962
31,552	31,552	31,552	31,552	31,552	31,552
91,745	97,945	97,945	87,774	87,774	87,774
116,379	116,379	116,379	116,379	116,379	116,379
39,567	39,567	39,567	91	91	-
2,295,985	2,084,280	1,966,413	1,674,758	1,317,624	566,638
562,984	877,470	737,744	697,268	670,994	664,031
145,627	102,417	102,417	102,417	102,417	102,416
225,000	225,000	225,000	225,000	225,000	225,000
69,706	69,706	69,706	69,706	69,706	69,706
817,000	817,000	817,000	817,000	817,000	817,000
7,695	7,695	7,695	7,695	7,695	7,695
4,040,379	3,872,605	3,765,039	3,797,547	3,458,666	3,138,037
29,664	6,934				
614,055	389,367	389,367	375,159	375,159	375,853
259,853	259,853	259,853	259,853	259,853	259,853
1,119,512	1,119,512	1,119,512	1,119,512	1,067,610	1,067,610
28,378	28,378	17,520	17,520	17,520	17,520
335,224	-	-	-	-	-
\$ 68,580,174	\$ 67,882,438	\$ 67,577,505	\$ 64,426,270	\$ 63,651,974	\$ 62,655,820

**Delaware City School District
School Building Information
Last Ten Fiscal Years**

	2019	2018	2017	2016
Ervin Carlisle Elementary (1955, 1979, 2017)				
Square Feet	69,786	69,786	69,786	45,269
Capacity (Students)	766	766	766	491
Enrollment	584	584	576	478
James Conger Elementary (1966, 1995, 2017)				
Square Feet	64,624	64,624	64,624	52,780
Capacity (Students)	632	632	632	524
Enrollment	398	423	476	342
John C. Dempsey Middle School (2000, 2017)				
Square Feet	173,347	173,347	173,347	132,144
Capacity (Students)	1,366	1,366	1,366	816
Enrollment	1,290	1,273	1,195	834
Rutherford B. Hayes High School (1962, 1996, 2017)				
Square Feet	267,521	291,105	291,105	233,380
Capacity (Students)	1,932	1,932	1,932	1,366
Enrollment	1,712	1,720	1,524	1,489
Robert F. Schultz Elementary (1994, 2016)				
Square Feet	74,442	74,442	74,442	74,442
Capacity (Students)	766	766	766	532
Enrollment	697	701	740	600
David Smith Elementary (1950, 1982, 2017)				
Square Feet	52,360	52,360	52,360	34,628
Capacity (Students)	541	541	541	425
Enrollment	456	464	478	413
Frank B. Willis Intermediate School (1883, 1933)				
Square Feet	118,353	118,353	118,353	118,353
Capacity (Students)	729	729	729	729
Enrollment	-	-	-	828
Laura Woodward Elementary (1950, 1975, 1980, 2017)				
Square Feet	58,765	58,765	58,765	39,565
Capacity (Students)	658	658	658	500
Enrollment	662	604	462	330
Administration Building (1869)				
Square Feet	7,840	7,840	7,840	7,840
District Technology Center (1955)				
Square Feet	12,400	12,400	12,400	12,400
Transportation (1997, 2019)				
Square Feet	6,354	5,027	5,027	5,000

Source : School District Records

Note: Year of original construction and major renovation/addition(s) in parentheses

Capacity is the "program " capacity and can increase/decrease as a result of changes in federal, state, or local standards.

2015	2014	2013	2012	2011	2010
45,269	45,269	45,269	45,269	45,269	45,269
491	491	491	491	491	491
505	549	549	540	524	531
52,780	52,780	52,780	52,780	52,780	52,780
524	524	524	524	524	524
379	399	399	423	431	417
132,144	132,144	132,144	132,144	132,144	132,144
816	816	816	816	816	816
858	824	824	753	720	724
233,380	233,380	233,380	233,380	233,380	233,380
1,366	1,366	1,366	1,366	1,366	1,366
1,460	1,444	1,444	1,397	1,423	1,359
55,609	55,609	55,609	55,609	55,609	55,609
532	532	532	532	532	532
555	539	539	528	516	509
34,628	34,628	34,628	34,628	34,628	34,628
425	425	425	425	425	425
401	411	411	403	384	399
118,353	118,353	118,353	118,353	118,353	118,353
729	729	729	729	729	729
807	877	877	841	815	753
39,565	39,565	39,565	39,565	39,565	39,565
500	500	500	500	500	500
435	423	423	378	389	355
7,840	7,840	7,840	7,840	7,840	7,840
12,400	12,400	12,400	12,400	12,400	12,400
5,000	5,000	5,000	5,000	5,000	5,000

**Delaware City School District
Educational and Operating Statistics
Last Ten School Years**

	2019-18	2017-18	2016-17	2015-16	2014-15	2013-14	2012-13	2011-12	2010-11	2009-10
ACT Scores (Averages)										
Delaware	19.9	19.4	20.4	22.8	22.3	21.8	22.4	22.9	22.5	21.8
Ohio	20.0	19.8	19.8	22.0	22.0	21.8	21.8	21.8	21.8	21.8
National	20.7	19.4	19.8	20.8	21.0	21.0	20.9	21.1	21.1	21.0
SAT Scores (Averages)										
Delaware	N/A	N/A	N/A	N/A	541	552	536	573	545	535
Verbal/Critical Reading	N/A	N/A	N/A	N/A	539	556	529	569	544	531
Mathematics	591	540	N/A	N/A	508	521	507	537	527	495
Writing	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Evidenced Based Reading and Writing	610	558	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Ohio	N/A	N/A	N/A	557	557	555	548	543	539	538
Verbal/Critical Reading	N/A	N/A	N/A	563	563	562	556	552	545	548
Mathematics	570	547	570	537	537	535	531	525	522	522
Writing	N/A	N/A	578	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Evidenced Based Reading and Writing	578	552	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
National	N/A	N/A	N/A	482	495	497	496	496	497	501
Verbal/Critical Reading	528	531	527	508	511	513	514	514	514	516
Mathematics	N/A	N/A	533	494	484	487	488	489	489	492
Writing	N/A	536	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Evidenced Based Reading and Writing	531	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
National Merit Scholars										
Finalist	0	0	0	2	0	0	0	0	1	0
Semi-Finalist	0	0	0	0	2	4	3	0	1	0
Commended Scholars	0	1	2	0	0	2	0	4	0	2
State Testing Indicators										
Total Number of Indicators	24	24	23	29	33	24	24	26	26	26
Delaware Met	9	9	5	11	26	23	23	26	26	24
State Average Met	N/A	N/A	N/A	N/A	N/A	N/A	20	21	18	18
Performance Index Score *	76.9	76.9	76.9	73.5	76.5	101.4	100.0	100.3	100.3	97.8
ODE Per Pupil Costs										
Delaware	\$ 10,442	\$ 10,442	\$ 8,402	\$ 9,733	\$ 9,923	\$ 9,597	\$ 9,142	\$ 9,681	\$ 10,008	\$ 9,821
State Avg.	\$ 11,035	\$ 11,035	\$ 9,149	\$ 11,163	\$ 10,985	\$ 10,913	\$ 10,446	\$ 10,597	\$ 10,697	\$ 10,565
Average Teacher Salary										
Delaware	\$ 63,375	\$ 63,375	\$ 62,012	\$ 59,635	\$ 57,720	\$ 57,305	\$ 57,700	\$ 56,543	\$ 57,373	\$ 56,865
State Avg.	\$ 62,353	\$ 62,353	N/A	\$ 58,690	\$ 56,748	\$ 57,636	\$ 57,966	\$ 58,120	\$ 57,904	\$ 56,995
Teacher Years' Experience										
% Teachers 0-4 Years Experience**	51.1%	51.1%	28.2%	27.4%	26.5%	26.9%	21.3%	26.1%	23.8%	25.0%
% Teachers 4-10 Years Experience**	16.5%	16.5%	21.5%	20.3%	22.1%	20.1%	21.0%	15.7%	20.1%	16.6%
% Teachers 10+ Years Experience**	32.4%	32.4%	50.3%	52.3%	51.4%	53.0%	57.6%	58.2%	56.1%	58.5%
Percentage of Teachers with a Master's Degree or Higher										
Delaware	68.1%	67.2%	68.7%	68.9%	69.9%	71.1%	72.8%	71.9%	58.4%	60.0%
State Avg.	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
ODE Teacher/Pupil Ratio										
Delaware	39.3%	40.4%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
State Avg.	45.7%	46.0%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Percentage of Students on Free/Reduced Lunch										
Delaware	29.0%	33.0%	33.0%	36.8%	35.1%	36.2%	38.2%	37.0%	35.5%	33.9%

N/A - Information not available at the time of this document's preparation

* - The Performance Index Score reflects the achievement of every tested student.

The score is a weighted average of all tested subjects in grades 3-8 and 10.

The most weight is given to advanced students (1.2) and the weights decrease for each performance level. This creates a scale of 0 to 120 points, with 100 being the goal.

** - Obtained from the CUPP report for 2018, latest available information from ODE and Ohio State Report Card for 2019.

Source : School District Student Records and Ohio Department of Education

Delaware City School District

Delaware, Ohio



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