

Delaware City School District

Popular Annual Financial Report



Delaware, Ohio
For the Year Ended June 30, 2022

DELAWARE CITY SCHOOLS BY THE NUMBERS - 2022

5,627 Students

2,510 Students Transported Daily

979,543 District Square Footage

2,553 Average Daily Bus Mileage

49 Buses in Fleet

514,485 Lunches Served

142,932 Breakfasts Served



4 Year Graduation Rate

92.9%

Student Attendance Rate

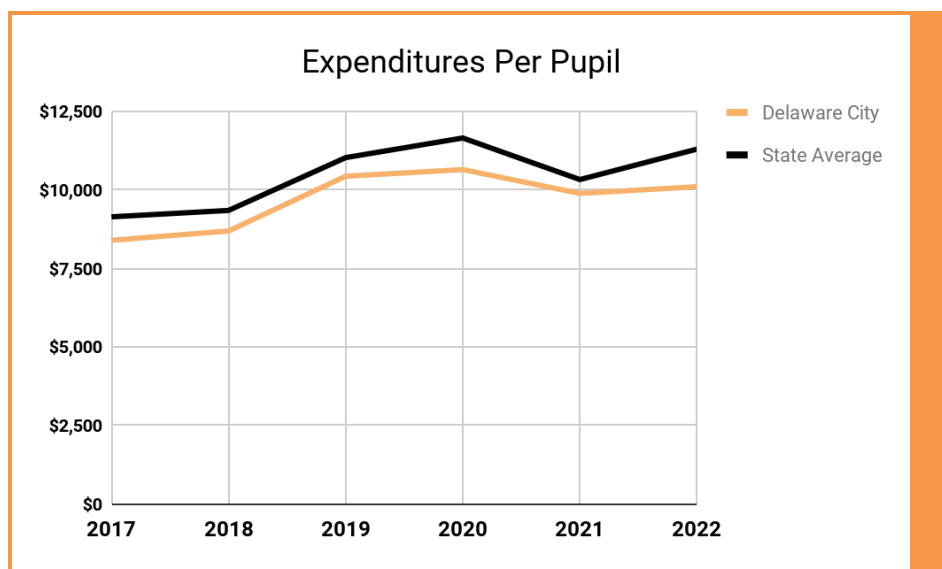
92.1%

Students on Free/Reduced Lunch

100.0%

Students with Disabilities

18.9%



Source: Ohio Department of Education



Delaware City Schools by the Numbers

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December 9, 2022

We are pleased to present the Delaware City School District's Popular Annual Financial Report (PAFR) for the fiscal year ended June 30, 2022. This report makes our district's finances easier to understand, and is intended to communicate our financial situation in an open and accountable manner.

The PAFR is intended to summarize the financial activities and operating results reported in the Delaware City School District's audited Annual Comprehensive Financial Report (ACFR). The PAFR is unaudited and presented on a non-GAAP (Generally Accepted Accounting Principles) basis, which primarily deals with full disclosure and segregated funds. The statements presented on pages 3 and 8 consist of the General Fund of the District. The General Fund is the general operating fund of the District. It is used to account for all financial resources except those that are required to be accounted for in another fund. The most significant items not reported in the General Fund include debt issuance and retirement, building and permanent improvements and food service. For more detailed financial information, a copy of the Annual Comprehensive Financial Report can be viewed on the District's website at <https://www.dcs.k12.oh.us/Page/130>.

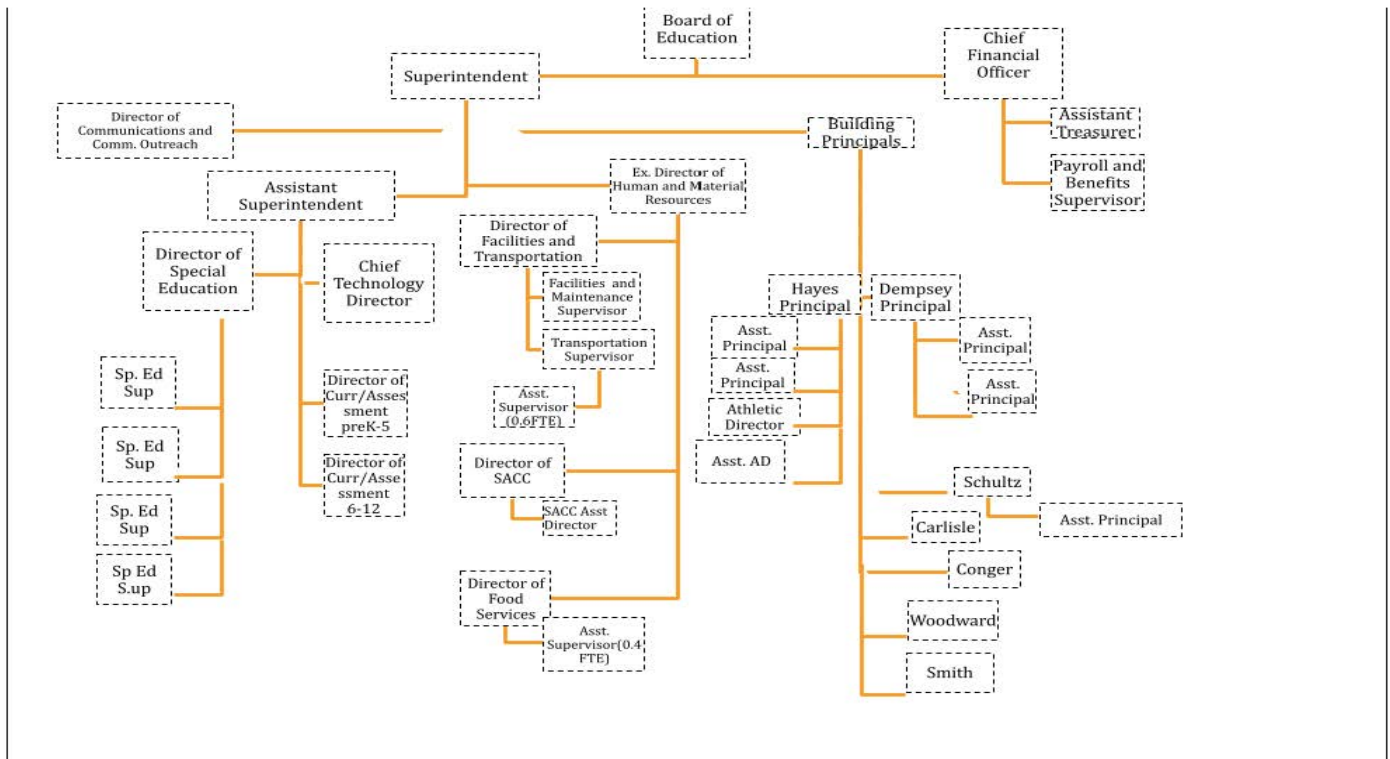
The Delaware City School District is proud of the creation of this report. Ultimately, we would like to thank our citizens for their encouragement in creating a report designed to more adequately address their needs as taxpayers, as well as for the opportunity to serve them. Questions, comments and feedback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

Respectfully submitted,

Melissa N. Swearingen
Treasurer/CFO

Administrative Structure

Delaware City Schools Organizational Chart (effective 08/01/2021)



Award for Outstanding Achievement in Popular Annual Financial Reporting

Government Finance Officers Association of the United States and Canada (GFOA) has given an Award for Outstanding Achievement in Popular Annual Financial Reporting to the Delaware City School District for its PAFR for the fiscal year ended June 30, 2021. The Award for Outstanding Achievement in Popular Annual Financial Reporting is a prestigious national award-recognizing conformance with the highest standards for preparation of state and local government popular reports.

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

An Award for Outstanding Achievement in Popular Annual Financial Reporting is valid for a period of one year only. Delaware City School District has received a Popular Award for the last seven consecutive years (fiscal years 2015-2021). We believe our current report continues to conform to the Popular Annual Financial Reporting requirements, and we are submitting it to the GFOA.



Government Finance Officers Association

Award for
Outstanding
Achievement in
Popular Annual
Financial Reporting

Presented to

**Delaware City School District
Ohio**

For its Annual Financial Report
For the Fiscal Year Ended

June 30, 2021

Christopher P. Morrell
Executive Director/CEO

General Fund Revenues & Resources Over Expenditures & Services

Readers of the Financial Activity Statement (below) and Financial Position Statement (page seven) should keep in mind that the numbers in both reports represent only the General Fund and are taken from the district's Annual Comprehensive Financial Report (ACFR), but are presented in a non-GAAP format. The ACFR can be obtained at <https://www.dcs.k12.oh.us/Page/130> on the Treasurer's Office page.

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

Income statement data for fiscal years 2019 through 2022 is presented below. In FY 2022, revenues decreased by 10.36% from FY 2021 and expenditures increased by 2.09%. The extended property tax payment dates in FY20 increased the amount of property tax receipts received in FY2021. FY22 represents a return to "normal" payment dates and a leveling out of collections. The District also received a BWC dividend in FY2021, which was coded as Miscellaneous Revenue and increased the revenue in that category. In addition, the School-Aged Childcare program received federal OCCRRRA grant funds to offset expenses for FY22, which led to a 32.49% decrease in Non-Instructional Service expenditures.

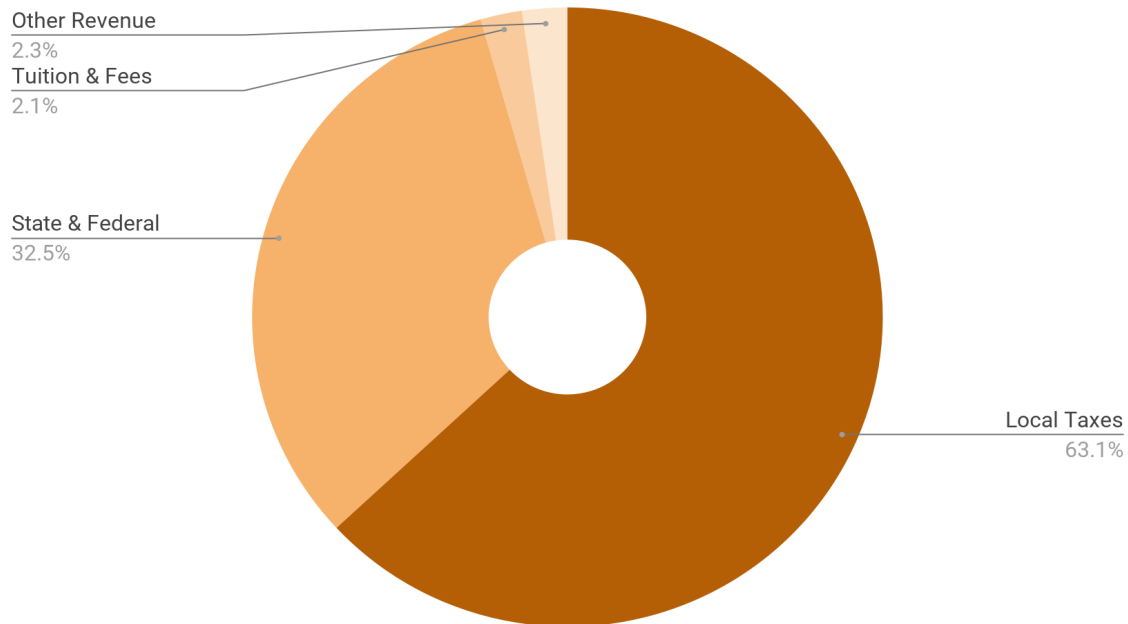
RESOURCES TAKEN IN (in thousands of \$)	FY22	FY21	FY20	FY19
Local Taxes	\$43,162,707	\$49,321,642	\$29,877,087	\$38,319,516
State and Federal Revenue	22,221,371	22,544,597	21,795,098	22,856,823
Investment Income	(107,667)	606,809	944,729	559,918
Tuition & Fees	1,456,722	1,589,723	1,971,497	2,210,520
Miscellaneous	1,583,716	2,150,385	1,319,661	1,598,654
Total Revenues & Resources	\$68,316,849	\$76,213,156	\$55,918,072	\$65,545,431

SERVICES PROVIDED (in thousands of \$)	FY22	FY21	FY20	FY19
Instruction	\$40,485,493	\$41,476,838	\$39,531,571	\$38,262,943
Pupil Support	5,015,507	4,272,776	4,117,639	3,447,217
Instructional Staff	1,795,122	1,636,310	1,720,993	1,662,220
Board/Admin/Fiscal	6,572,019	5,983,376	5,946,253	5,727,748
Business Support	398,708	382,950	375,186	361,906
Plant Operations	5,209,754	4,661,161	4,774,982	4,785,539
Transportation	3,652,029	3,154,727	3,311,389	3,245,093
Central	410,840	397,608	367,597	484,003
Extracurricular	1,429,596	1,260,177	1,305,810	1,223,951
Non-Instructional Services	814,466	1,206,494	1,186,583	1,077,375
Debt Service	227,811	227,883	227,952	228,009
Total Expenditures & Services	\$66,011,345	\$64,660,300	\$62,865,955	\$60,506,004

Revenues & Resources Over Expenditures & Services	\$ 2,305,504	\$ 11,552,856	\$ (6,947,883)	\$ 5,039,427
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Our Revenues & Resources: Where the Money Comes From

Total General Fund Revenues \$68,316,849



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

Delawarecityschools.ohiocheckbook.com



Delaware City Schools believes in transparency and that its community should have access to the district's financial information. In October 2017, the district launched its participation in OhioCheckbook.com, hosted by the Ohio Treasurer's Office. The site provides an overview of district expenditures, using charts, graphs and reports to demonstrate the amounts and percentages of district expenses by category. Data for the 2022 fiscal year is now available on the site.

OhioCheckbook Delaware City Schools

LOCAL PROPERTY TAXES

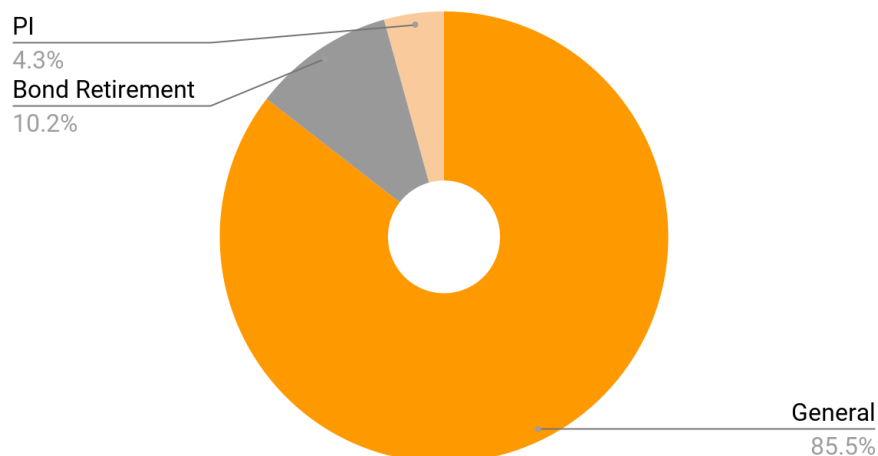
The graph below depicts the amount of cash collections received by the District from real and personal property taxes. Property taxes provide a majority of the local revenue to operate and maintain our schools. Taxes paid on homes and businesses (both property and public utilities) represent 63.1% of all general fund revenues for FY2022.

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

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

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

Tax Dollars Collected



Unbundling the Tax Rate

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

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

*Rates are for the 2021 tax year collected in calendar year 2022

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

TYPE	GROSS RATE	EFFECTIVE RATE	YEAR APPROVED	LENGTH APPROVED
Inside – Operating	4.40	4.40	N/A	Permanent
Voted – Operating Current Expense	42.10	15.60	Various	Various
Voted - Operating Emergency/ Substitute	21.65	21.65	Various	Various
Bond Retirement	5.10	5.10	Various	Various
Permanent Improvement	3.00	2.06	2019	Continuing
Total Rates	76.25	48.81		

Assessed Values Of Property for Real Estate Taxes

COLLECTION YEAR	RESIDENTIAL/ AGRICULTURAL	COMMERCIAL/ INDUSTRIAL	PUBLIC UTILITY REAL	PUBLIC UTILITY PERSONAL PROPERTY	TOTAL
2022	\$ 807,195,260	\$ 214,708,690	\$ 275,270	\$ 46,773,190	\$ 1,068,952,410
**2021	784,701,340	198,070,640	273,780	44,263,800	1,027,309,560
2020	640,847,720	190,028,020	264,020	40,766,180	871,905,940
2019	621,048,220	180,142,620	249,330	31,634,190	833,074,360
*2018	610,880,730	182,244,770	251,090	29,333,820	822,710,410

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

State & Federal Sources – General Fund

State and Federal sources of revenue generated \$22.2 million or 32.5% of all general fund revenue. Due to a relatively higher property valuation per pupil, and other demographic factors, the District is considered wealthy and receives less State foundation funding (32.04%) than the State average of 40.73% (FY2021). State support comes mostly from State Aid, which is a formula calculation. For fiscal years 2021 and 2022, HB 166 was in place, which suspended the previous funding formula, without creating a new one. We received a slight increase in funds for FY2021, but those increases were earmarked as “Student Wellness and Success” funds and were required to be received and expended through a State grant fund. After fiscal year 2022, these funds will become restricted within the General fund.

In the Spring of 2020, the School District was impacted by the global pandemic and in May 2020, the State reduced our State Aid 4.7% or \$773,391 for FY2020. This reduction was to be in place again for FY2021 State Aid, however half of the reduction was restored and the remaining half was restored in FY2022 as part of the Fair School Funding Plan in HB110. Our recalculated base of unrestricted funding for FY2021, which adjusts for the funding methodologies of HB110 is \$17,181,557. The phased-in changes in this amount resulted in the receipt of \$17,019,460 for FY2022, which represents a 0.9% decrease from the prior year. The Fair School Funding Plan is in place through FY2023 and the increased funding dictated by the formula is being phased in at 16.67% for FY2022 and 33% for FY2023.

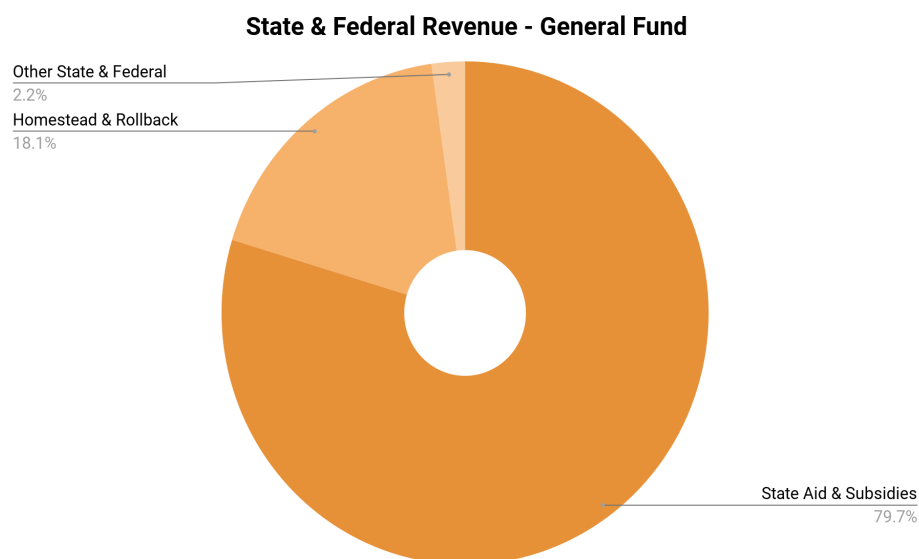
A significant portion of State revenue also comes from Rollback and Homestead payments, which represents the portion of the local tax bill paid by the State instead of the local taxpayer. Currently, the State pays 10% of the taxes due on all property and an additional 2.5% on residential and agricultural owner-occupied property. An additional exemption is provided to senior and disabled citizens, regardless of income. The prior State budget, however, eliminated the property tax rollback on any new levy passed after August of 2013.

Current Emergency levies need to be passed as renewals, rather than replacements in order to maintain their eligibility for Homestead and Rollback exemptions. The newest Emergency Levy passed in November 2017 (and renewed in

November 2022) is not eligible for the State homestead/rollback exemptions.

Other State/Federal revenue includes the public utility reimbursement, tangible personal property tax loss reimbursement, catastrophic cost reimbursement, and casino revenue. Federal sources in this category include Medicaid reimbursement and E-rate reimbursements for telecommunications services, internet access, and internal connections. The District receives these reimbursements based on its percentage of students qualifying for free and reduced-price lunches and other socio-economic factors.

The chart below depicts the District's state and federal revenue in actual cash receipts for the General Fund for fiscal year 2022.



General Fund Assets Over Liabilities

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

ASSETS:

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

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

RECEIVABLES represent the amounts that are owed to the District as of June 30, 2022.

LIABILITIES & DEFERRED INFLOWS/OUTFLOWS:

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

DEFERRED INFLOWS OF RESOURCES AND DEFERRED OUTFLOWS OF RESOURCES are neither assets nor liabilities as they relate to the current fiscal year. Unlike current assets and liabilities, amounts classified as “deferred inflows” or “deferred outflows” are amounts which will not be recognized as a revenue or an expense until the future period to which the inflows or outflows are related. For FY22, the District’s General Fund reported deferred inflows related to tax revenue received but not available for use until a future period, and no deferred outflows.

ASSETS (in thousands of \$)	FY22	FY21	FY20	FY19
Cash and Investments	\$ 21,071	\$ 18,398	\$ 16,117	\$14,550
Receivables	43,296	42,721	38,689	37,670
Other Assets	1	352	277	262
Total Assets	\$ 64,368	\$ 61,471	\$ 55,083	\$ 52,482

LIABILITIES (in thousands of \$)	FY22	FY21	FY19	FY19
Accounts Payable	\$ 130	\$ 94	\$ 148	\$ 254
Due to Other Govt's/Employees	7,677	7,544	7,456	6,789
Total Liabilities	\$ 7,807	\$ 7,638	\$ 7,604	\$ 7,043

DEFERRED INFLOWS (in thousands of \$)	FY22	FY21	FY19	FY19
Property Taxes	\$ 31,024	\$ 30,489	\$ 35,476	\$ 26,291
Other Revenues	188	300	514	711
Total Deferred Inflows	\$ 31,212	\$ 30,789	\$ 35,990	\$ 27,002

Total Liabilities and Deferred Inflows	\$ 39,019	\$ 38,427	\$ 43,594	\$ 34,045
Assets over Liabilities & Deferred Inflows	\$ 25,349	\$ 23,044	\$ 11,489	\$ 18,437

BUILDING OUR FUTURE



In May 2019, our voters approved a \$36.5 million bond levy for improvements and additions at all of our buildings, with no additional bond millage to be collected. As of the date of this report, all projects have been substantially completed and have only minor finishing work remaining. Photos included on this page include building additions at Dempsey Middle School and Woodward Elementary, as well as playground equipment at Conger Elementary.

74 West William St.
Delaware, Ohio 43015
(740) 833-1100
<https://www.dcs.k12.oh.us/>



Vision

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