



Dave Yost • Auditor of State

**DELAWARE CITY SCHOOL DISTRICT
DELAWARE COUNTY
JUNE 30, 2017**

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**DELAWARE CITY SCHOOL DISTRICT
DELAWARE COUNTY**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2017**

FEDERAL GRANTOR <i>Pass Through Grantor</i> Program Title	Federal CFDA Number	Pass Through Entity Identifying Number	Expenditures
U.S. DEPARTMENT OF AGRICULTURE <i>Passed Through Ohio Department of Education</i>			
Nutrition Cluster:			
Non-Cash Assistance (Food Distribution)			
National School Lunch Program	10.555	N/A	\$ 162,334
Cash Assistance			
School Breakfast Program	10.553	N/A	192,634
National School Lunch Program	10.555	N/A	840,973
Special Milk Program for Children	10.556	N/A	<u>313</u>
Total Nutrition Cluster			<u>1,196,254</u>
Total U.S. Department of Agriculture			<u>1,196,254</u>
U.S. DEPARTMENT OF TRANSPORTATION FEDERAL HIGHWAY ADMINISTRATION <i>Passed Through Ohio Department of Transportation</i>			
Highway Planning and Construction	20.205	N/A	<u>11,322</u>
Total U.S. Department of Transportation			<u>11,322</u>
U.S. DEPARTMENT OF EDUCATION <i>Passed Through Ohio Department of Education</i>			
Special Education Cluster			
Special Education Grants to States	84.027	N/A	1,142,812
Special Education - Preschool Grants	84.173	N/A	<u>31,402</u>
Total Special Education Cluster			1,174,214
Title I Grants to Local Educational Agencies	84.010	N/A	725,625
English Language Acquisition Grants	84.365	N/A	4,624
Improving Teacher Quality State Grants	84.367	N/A	153,088
Twenty-First Century Community Learning Centers	84.287	N/A	<u>339,491</u>
Total U.S. Department of Education			<u>2,397,042</u>
Total Federal Awards			<u>\$ 3,604,618</u>

The accompanying notes are an integral part of this schedule.

**DELAWARE CITY SCHOOL DISTRICT
DELAWARE COUNTY**

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
2 CFR 200.510(b)(6)
FOR THE YEAR ENDED JUNE 30, 2017**

NOTE A – BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of Delaware City School District (the District's) under programs of the federal government for the year ended June 30, 2017. The information on this Schedule is prepared in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position or changes in net position of the District.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the cash basis of accounting. Such expenditures are recognized following, as applicable, either the cost principles contained in OMB Circular A-87 *Cost Principles for State, Local, and Indian Tribal Governments* (codified in 2 CFR Part 225) or the cost principles contained in Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, wherein certain types of expenditures may or may not be allowable or may be limited as to reimbursement. The District has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

NOTE C - CHILD NUTRITION CLUSTER

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

NOTE D – FOOD DONATION PROGRAM

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



Dave Yost • Auditor of State

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

Delaware City School District
Delaware County
74 West Williams Street
Delaware, Ohio 43074

To the Board of Education:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Delaware City School District, Delaware County, (the District) as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated December 19, 2017.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

A handwritten signature in black ink that reads "Dave Yost". The signature is written in a cursive style with a large, looping "D" and "Y".

Dave Yost
Auditor of State
Columbus, Ohio

December 19, 2017



Dave Yost • Auditor of State

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

Delaware City School District
Delaware County
74 West Williams Street
Delaware, Ohio 43015

To the Board of Education:

Report on Compliance for each Major Federal Program

We have audited the Delaware City School District's (the District) compliance with the applicable requirements described in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could directly and materially affect each of the Delaware City School District's major federal programs for the year ended June 30, 2017. The *Summary of Auditor's Results* in the accompanying schedule of findings identifies the District's major federal programs.

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion on each Major Federal Program

In our opinion, the Delaware City School District complied, in all material respects with the compliance requirements referred to above that could directly and materially affects each of its major federal programs for the year ended June 30, 2017.

Report on Internal Control Over Compliance

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

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

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

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

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

We have also audited the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Delaware City School District (the District) as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the District's basic financial statements. We issued our unmodified report thereon dated December 19, 2017. We conducted our audit to opine on the District's basic financial statements as a whole. The accompanying schedule of expenditures of federal awards presents additional analysis required by the Uniform Guidance and is not a required part of the basic financial statements. The schedule is management's responsibility, and was derived from and relates directly to the underlying accounting and other records management used to prepare the basic financial statements. We subjected this schedule to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this schedule directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, this schedule is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.



Dave Yost
Auditor of State
Columbus, Ohio

December 19, 2017

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**DELAWARE CITY SCHOOL DISTRICT
DELAWARE COUNTY**

**SCHEDULE OF FINDINGS
2 CFR § 200.515
JUNE 30, 2017**

1. SUMMARY OF AUDITOR'S RESULTS

<i>(d)(1)(i)</i>	Type of Financial Statement Opinion	Unmodified
<i>(d)(1)(ii)</i>	Were there any material weaknesses in internal control reported at the financial statement level (GAGAS)?	No
<i>(d)(1)(ii)</i>	Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?	No
<i>(d)(1)(iii)</i>	Was there any reported material noncompliance at the financial statement level (GAGAS)?	No
<i>(d)(1)(iv)</i>	Were there any material weaknesses in internal control reported for major federal programs?	No
<i>(d)(1)(iv)</i>	Were there any significant deficiencies in internal control reported for major federal programs?	No
<i>(d)(1)(v)</i>	Type of Major Programs' Compliance Opinion	Unmodified- Special Education Cluster Unmodified- 21 st Century Grant
<i>(d)(1)(vi)</i>	Are there any reportable findings under 2 CFR § 200.516(a)?	No
<i>(d)(1)(vii)</i>	Major Programs (list):	Special Education Cluster CFDA #84.027 & #84.173 and 21 st Century Grant CFDA #84.287
<i>(d)(1)(viii)</i>	Dollar Threshold: Type A/B Programs	Type A: > \$ 750,000 Type B: all others
<i>(d)(1)(ix)</i>	Low Risk Auditee under 2 CFR §200.520?	No

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

None

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None



SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
2 CFR 200.511(b)
JUNE 30, 2017

Finding Number	Finding Summary	Status	Additional Information
2016-001	Material Weakness/Material Noncompliance- Federal Cash Management	Partially Corrected	Finding identified during prior year audit was discussed with the District in December 2016. No cash management issues were noted after this was brought to management's attention. However, a verbal comment was issued due to the errors noted before December.
2015-001	Material Weakness- Financial Reporting	Partially Corrected	Financial statement deficiencies do not warrant disclosure under GAGAS.

Delaware City School District

Delaware, Ohio



Comprehensive Annual Financial Report

For Fiscal Year Ended June 30, 2017

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, 2017

Issued by:
Office of the Treasurer

Melissa N. Lee
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, 2017

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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, 2016

Executive Director/CEO



**Delaware City School District
Elected Officials and Administrative Staff
as of June 30, 2017**

BOARD OF EDUCATION MEMBERS

President	Mrs. Deborah Rafeld
Vice President	Mr. Matt Weller
Member	Mr. Ted Backus
Member	Ms. Jayna McDaniel-Browning
Member	Mrs. Frances O'Flaherty

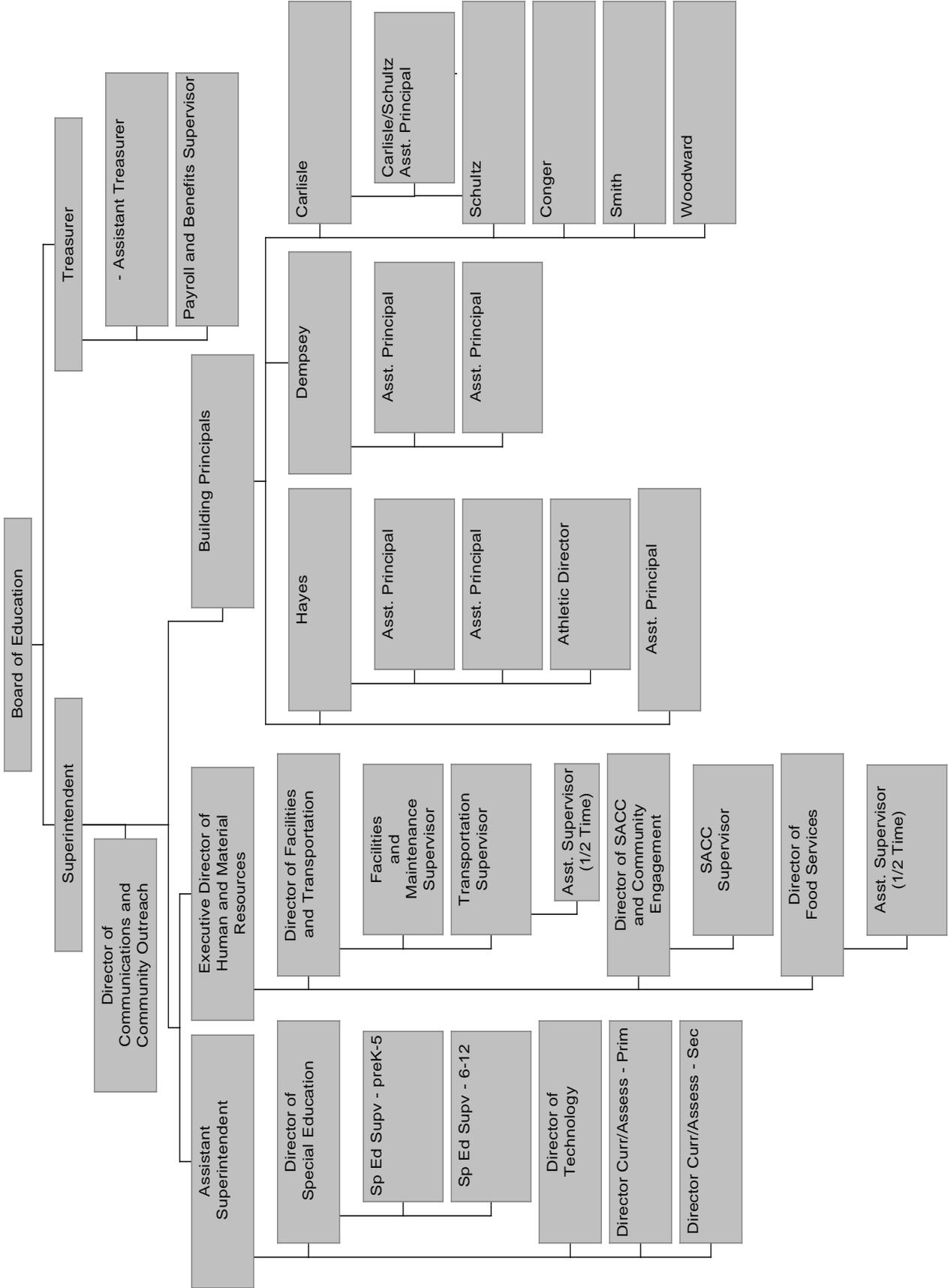
APPOINTED OFFICIALS

Superintendent	Paul A. Craft
Treasurer/CFO	Melissa N. Lee

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	Stan McDonald
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	Mindy Rich
Supervisor, Custodial and Maintenance	George Harmon
Supervisor, Payroll	Laura Hallett
Supervisor, PreK-5 Special Education	Angela Macwhinney
Supervisor, Secondary Special Education	Ben Jenkins
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
Assistant Principal, Carlisle and Schultz Elementaries	Taryn Fuller

DCS Administrative Organizational Chart





December 19, 2017

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 estimated enrollment of 5,451 students for the fiscal year end June 30, 2017 compared to 5,314 students for the fiscal year ended June 30, 2016. 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, a transportation compound and a technology center. The District estimates enrollment to be 5,562; 5,612; and 5,678 for the fiscal years ended June 30, 2018, 2019, and 2020 respectively. The District's enrollment figures do not include students living within the District's attendance area who attend charter schools. Currently, the District has 162 students attending 19 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.

Employment in Delaware County has decreased just slightly with unemployment increasing from 3.7% in June of 2016 to 3.9% in June 2017. Employment in the District is diversified with a majority in the service sector. One of the largest employers in the District with approximately 1,163 employees is Delaware County, located within the City of Delaware. Another employer within the City is Grady Memorial Hospital with approximately 1,026 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 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 2018 ending General Fund cash balance is projected to be approximately at \$3,106,452. Negative ending cash balances are projected beginning in fiscal year 2019, however the District passed a 5-year, \$6.2 million Emergency Operating Levy in November 2017, which will alleviate that deficit.

The projected declining General Fund cash balance is a reflection of the challenge of Ohio school district financing. 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 FY2011 foundation revenue. In FY 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 2012-2013 the District was rated as “Excellent with Distinction” and would have maintained this rating for 2013-14 if those designations had been used. A new funding formula was introduced for FY 2014 and FY 2015, which allowed the District to see an increase in State foundation revenue. These 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 will remain in place for FY 2018 and 2019, with increases capped at 3% each year. For FY 2018, the District is nearly \$8.1 million into the cap, which means we are not receiving 33% of the funds in which the formula says we are entitled.

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. The biennium budget for FY12-13 changed the schedule for tangible personal property reimbursement dramatically to reduce the replacement revenues over the next two fiscal years and to continue at this reduced rate in future years. In fiscal year 2012, the District received approximately \$2.6 million through this reimbursement. The reimbursement dropped to \$1.7 million in FY13 and FY14. This reimbursement dropped to \$734 thousand in FY16 and was completely eliminated in FY17.

MAJOR INITIATIVES AND ACCOMPLISHMENTS

Accomplishments for 2017

Financial – The District applied for and received the Certificate of Excellence in Financial Reporting from the Government Finance Officers Association for the fourth time. In addition, the District applied for and received the Certificate of Excellence in Popular Reporting for the second time. In November 2017, the District passed a five-year \$6.2 million emergency operating levy, which will begin collection in calendar year 2018.

Instruction –

- ❖ Updated our Balanced Literacy Framework Document
- ❖ Revamped our K - 3 report card to reflect revised academic content standards
- ❖ Implementation of project based learning instructional design within K - 12 grade classrooms
- ❖ Job embedded professional development in literacy and math classrooms K – 5
- ❖ Highly qualified professional development provided to all teachers with cluster groupings and serviced learners identified as being gifted
- ❖ Used RTI data to devise professional development rooted in instructional design to close the achievement gap in grades K – 2
- ❖ Adoption of new science curricular resource to support specific content area teachers
- ❖ Updating curriculum documents to reflect revised Ohio ELA and Math Standards
- ❖ Implementation of project based learning instructional design within K - 12 grade classrooms
- ❖ Professional development in literacy and math at the secondary level
- ❖ Highly qualified professional development provided to all teachers with cluster groupings and serviced learners identified as being gifted
- ❖ Continued work in blended learning, including the personalization of learning, via our Canvas Learning Management System and job embedded coaching
- ❖ Full implementation of a credit recovery program to minimize high school dropouts and increase on time graduation

Facilities – In 2016-17 the District completed phase 3 of a three-part building project, which impacted all of the District's facilities. Additional classroom space was added to accommodate increased enrollment. Phase 3 included Hayes High School, Smith Elementary and Woodward Elementary.

Initiatives for 2018

Financial - The District will continue its focus on the implementation of new state and national standards during the 2017-2018 school year. Financial resources will be used to accommodate needed professional development for teachers through this process. The District is also launching a series of Financial Sustainability Working Groups to examine and plan for future revenue and expenditures.

Instruction –

- ❖ Update our Balanced Literacy Framework Document
- ❖ Create job embedded course in literacy K – 5
- ❖ Create second job embedded course in project based learning instructional design K – 12
- ❖ Screen for gifted in creative thinking and service according to state laws
- ❖ Screen for gifted in visual and performing arts and service according to state laws
- ❖ Adopted new socials studies curricular resource at the primary level
- ❖ Adopted new math curricular resource at the primary level
- ❖ Implement curriculum documents that reflect revised Ohio ELA and Math Standards
- ❖ Continue professional development in literacy and math at the secondary level
- ❖ Create second job embedded course in project based learning instructional design K – 12
- ❖ Screen for gifted in creative thinking and service according to state laws
- ❖ Screen for gifted in visual and performing arts and service according to state laws
- ❖ Study and update curriculum documents to reflect revised Ohio Science Standards
- ❖ Study and update curriculum documents to reflect revised Ohio Social Studies Standards
- ❖ Continue to implement and revise the DCS-Hayes High School credit recovery program to minimize high school dropouts and increase on time graduation
- ❖ Provide professional development and job embedded coaching in blended learning, including the personalization of learning, via our Canvas Learning Management System

Facilities – In 2017-18 the District will work to make improvements at the transportation facility. We will also complete various paving and roofing projects

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, and the State Treasury Asset Reserve of Ohio (STAR Ohio). As of June 30, 2017 the maturity of investments was from one day to two years, with a weighted average maturity of 114.54 days. The weighted average yield to maturity at June 30 was 1.08%.

Independent Audit

Title 2 U.S Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards ("Uniform Guidance") requires an annual audit by independent auditors. The Ohio Auditor of State conducted the District's 2017 fiscal year audit. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the 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. Lee
Treasurer/CFO



Paul A. Craft
Superintendent



Financial Section



Financial Section

Delaware City School District

Delaware, Ohio



BACKSIDE OF FINANCIAL SECTION DIVIDER



Dave Yost • Auditor of State

INDEPENDENT AUDITOR'S REPORT

Delaware City School District
Delaware County
74 West Williams Street
Delaware, Ohio 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 District), as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Delaware City School District, Delaware County, Ohio, as of June 30, 2017, and the respective changes in financial position thereof and the budgetary comparison for the General Fund thereof 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 liabilities and pension contributions listed in the table of contents, to supplement the basic financial statements. Although this information is not part of the basic financial statements, the Governmental Accounting Standards Board considers it essential for placing the basic financial statements in an appropriate operational, economic, or historical context. We applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, consisting of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, to the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not opine or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to opine or provide any other assurance.

Supplementary and Other Information

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

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

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 19, 2017, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Dave Yost". The signature is written in a cursive style with a large, looping "D" and "Y".

Dave Yost
Auditor of State
Columbus, Ohio

December 19, 2017

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DELAWARE CITY SCHOOL DISTRICT

Delaware County

Management's Discussion and Analysis

For the Fiscal Year Ended June 30, 2017

(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, 2017. 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 2017 are as follows:

- Total net position decreased by 8.2 percent from fiscal year 2016 as the increase in assets plus deferred outflows was not large enough to offset the increase in the net pension liability reported at year-end.
- Total assets of governmental activities decreased by \$1.8 million (1.3 percent) from one year prior. The increase in capital assets during the year, due to the ongoing renovation and remodeling projects at each of the school facilities, was nearly offset by the decrease in current assets. Cash and investments decreased by \$19.6 million during the year due to financing the above noted ongoing capital related construction projects, as well as current year operations utilizing carryover resources. Funding for the capital projects was provided by issuing \$30.0 million of general obligation bonds issued in fiscal year 2015. Total liabilities increased by \$15.4 million as the increase in the net pension liability (\$18.1 million) was only partially offset by the scheduled debt payments made during the current year and the reduction in accounts payable reported at end of current fiscal year. The change in the deferred outflows and inflows of resources categories were driven by the financial activity of the state-wide pension systems for the year.
- General revenues accounted for \$58.3 million or 87.9 percent of total revenue. Program specific revenues in the form of charges for services, as well as operating grants and contributions account for \$8.1 million or 12.1 percent of total revenues of \$66.4 million. Total revenue reported for fiscal year 2017 decreased 1.0 percent from the amount reported for the prior year as revenues for property taxes and charges for services decreased from those reported for the prior year.
- Of the School District's \$69.7 million in expenses, only \$8.1 million were offset by program specific charges for services, grants or contributions. General revenues, as well as carryover resources, were used to cover the net expense of \$61.6 million.
- The General Fund, the School District's most significant fund, had an ending fund balance of \$11.3 million or 49.7 percent of the total ending fund balance for governmental funds. The Building Fund reported an ending fund balance of \$4.4 million at year end, or 19.3 percent of combined fund balances of the governmental funds. In total, the School District's four major funds report 99.2 percent of the ending governmental fund balance at June 30, 2017.

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, 2017
(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 they are considered 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 2017?" 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 two categories: governmental and fiduciary funds. The School District does not have any funds which are classified as proprietary. The fund financial statements focus on the School District's most significant funds, and therefore only the major funds are presented separate from the other funds. For fiscal year 2017, the School District has four major governmental funds: the General, Debt Service, Permanent Improvement, and Building Funds.

DELAWARE CITY SCHOOL DISTRICT

Delaware County

Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2017
(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.

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 2017 compared to 2016:

TABLE 1
NET POSITION

	<u>2017</u>	<u>2016</u>
<i>Assets:</i>		
Current and other Assets	\$ 58,612,335	\$ 77,669,622
Capital Assets	<u>80,437,125</u>	<u>63,164,564</u>
Total Assets	<u>139,049,460</u>	<u>140,834,186</u>
<i>Deferred Outflows of Resources</i>		
Deferred Charge on Refunding	639,458	776,444
Pension	<u>18,417,218</u>	<u>8,247,627</u>
Total Deferred Outflow of Resources	<u>19,056,676</u>	<u>9,024,071</u>
<i>Liabilities:</i>		
Current Liabilities	8,724,732	9,096,462
Noncurrent Liabilities:		
Due Within One Year	2,735,682	2,679,738
Due in More than One Year:		
Net Pension Liability	93,547,455	75,481,391
Other Obligations	<u>69,403,399</u>	<u>71,731,586</u>
Total Liabilities	<u>174,411,268</u>	<u>158,989,177</u>

(Continued)

DELAWARE CITY SCHOOL DISTRICT

Delaware County

Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2017
(Unaudited)

TABLE 1
NET POSITION
(Continued)

	<u>2017</u>	<u>2016</u>
<i>Deferred Inflows of Resources</i>		
Property Taxes	26,177,658	25,352,553
Pension	<u>269,154</u>	<u>5,012,523</u>
Total Deferred Inflows of Resources	<u>26,446,812</u>	<u>30,365,076</u>
<i>Net Position</i>		
Net Investment in Capital Assets	14,834,201	13,548,590
Restricted	7,474,969	6,923,338
Unrestricted	<u>(65,061,114)</u>	<u>(59,967,924)</u>
Total Net Position	<u>\$ (42,751,944)</u>	<u>\$ (39,495,996)</u>

(Concluded)

During fiscal year 2015, the School District adopted GASB Statement No. 68, "Accounting and Financial Reporting for Pensions—an Amendment of GASB Statement No. 27," which significantly revised accounting for pension costs and liabilities. 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 the net pension liability to the reported net position and subtracting deferred outflows related to pension.

GASB Statement No. 68 (GASB 68) takes an earnings approach to pension accounting; however, the nature of Ohio's statewide pension systems and state law governing those systems requires additional explanation in order to properly understand the information presented in these statements.

Standards established by GASB 68 dictate the net pension liability equals the School District's proportionate share of each plan's collective:

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

GASB notes that pension 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. GASB noted that the unfunded portion of this pension 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 this liability. 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 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 pension system. In Ohio, there is no legal means to enforce the unfunded liability of the pension system *as against the public employer*. State law operates to mitigate/lessen the moral obligation of the public employer

DELAWARE CITY SCHOOL DISTRICT

Delaware County

Management's Discussion and Analysis

For the Fiscal Year Ended June 30, 2017

(Unaudited)

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. As explained above, changes in pension benefits, contribution rates, and return on investments affect the balance of the net pension liability, but are outside the control of the local government. In the event that contributions, investment returns, and other changes are insufficient to keep up with required pension 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 is satisfied, this liability is separately identified within the long-term liability section of the statement of net position.

In accordance with GASB 68, the School District's statements prepared on an accrual basis of accounting include an annual pension expense for their proportionate share of each plan's *change* in net pension liability 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, 2017, the School District's total net position was \$42.8 million deficit. Of that amount, approximately \$14.8 million was the net investment in capital assets. Another \$7.5 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 increase in the reported unrestricted deficit for the year resulted from the increase in School District's proportionate share of the net pension liabilities reported by the State-wide pension systems at year-end being greater than the increase reported for assets and deferred outflows. If the three reported amounts related to the net pension liability calculation are excluded, the unrestricted net position reported by the School District would be a positive \$10.3 million instead of the \$65.1 million deficit currently report. As the operation of the state-wide pension system 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 the net pension liability has on the School District's reported net position.

Total assets of governmental activities decreased by \$1.8 million (1.3 percent) from the amount reported one year prior. Cash and investments reported at June 30, 2017 decreased by \$19.7 million (48.7 percent) from the total reported in the prior year as significant activity related to the renovation and remodeling project during the year consuming a significant amount of the resources provided by the bonds issued in prior years. The decrease in cash and investments was partially offset by the \$17.3 increase in the value of the net capital assets reported at year end. The remaining decrease in cash and investments resulted from the School District's current year operations utilizing more cash resources than it received during the same period.

Total liabilities of the School District increased by \$15.4 million over those reported one year prior. Total net pension liability for the current year increased by \$18.1 million over the proportionate share reported at the end of fiscal year 2016 due to the reported performance of the State-wide pension systems, primarily investment earnings, for the measurement year. The remaining liability accounts decreased by \$2.7 million during the year primarily due to scheduled debt service payments made during the year. The increase in pension related deferred outflows combined with the decrease in pension related deferred inflow of resources resulted from State-wide pension system reporting for the measurement period utilized for the current fiscal year.

DELAWARE CITY SCHOOL DISTRICT

Delaware County

Management's Discussion and Analysis
 For the Fiscal Year Ended June 30, 2017
 (Unaudited)

Table 2 shows the changes in net position for fiscal year 2017 as compared to those for fiscal year 2016.

**TABLE 2
 CHANGES IN NET POSITION**

	2017	2016
Revenues		
Program Revenues:		
Charges for Services	\$ 3,055,237	\$ 3,234,266
Operating Grants and Contributions	4,999,228	5,034,606
General Revenues:		
Property Taxes	36,042,006	36,733,074
Grants and Entitlements	21,264,771	20,961,724
Other	1,043,103	1,132,210
Total Revenues	66,404,345	67,095,880
Program Expenses		
Instruction	39,238,639	34,977,489
Support Services:		
Pupil and Instructional Staff	5,193,203	4,791,898
Board of Education, Administration, Fiscal and Business	6,252,417	5,724,242
Plant Operation and Maintenance	5,829,134	5,218,451
Pupil Transportation	3,492,357	3,409,485
Central	747,366	698,167
Operation of Non-Instructional Services	3,656,700	3,690,012
Extracurricular Activities	1,486,499	1,483,181
Unallocated Depreciation	949,989	894,345
Interest and Fiscal Charges	2,813,989	2,906,250
Total Expenses	69,660,293	63,793,520
Change in Net Position	(3,255,948)	3,302,360
Net Position, Beginning of Year	(39,495,996)	(42,798,356)
Net Position, End of Year	\$ (42,751,944)	\$ (39,495,996)

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 54.3 percent of the total revenue for governmental activities for the Delaware City School District for fiscal year 2017 compared with 54.8 percent for fiscal year 2016. Property tax revenue decreased by 1.9 percent due to decrease in the amounts reported at June 30, 2017 for available for advance and delinquent property taxes decreasing over those reported one year prior. Unrestricted grants and entitlements revenue, or state foundation revenue, increased by 1.4 percent over the state funding received in fiscal year 2016.

Program revenues decreased \$214,407, or 2.6 percent, over those reported for the prior year. The decrease in charges for service revenues was due to decreases in public school activity projects reported by the schools for fiscal year 2017. Increase in specific grant fund related to food service program subsidies received for the year was not sufficient to offset the decrease reported in grant funding related to federal educational grant programs, specifically the 21st Century grant program.

DELAWARE CITY SCHOOL DISTRICT

Delaware County

Management's Discussion and Analysis

For the Fiscal Year Ended June 30, 2017

(Unaudited)

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 2017 as compared with fiscal year 2016.

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

	2017		2016	
	Total Cost of Service	Net Cost of Service	Total Cost of Service	Net Cost of Service
Instruction	\$ 39,239	\$ 36,025	\$ 34,978	\$ 31,675
Support Services:				
Pupil and Instructional Staff	5,193	4,876	4,792	4,565
Board of Education, Administration, Fiscal and Business	6,252	6,127	5,724	5,409
Plant Operation and Maintenance	5,829	5,725	5,219	5,099
Pupil Transportation	3,492	3,229	3,410	3,124
Central	747	703	698	666
Operation of Non-Instructional Services	3,657	16	3,690	29
Extracurricular Activities	1,487	1,141	1,483	1,158
Unallocated Depreciation	950	950	894	2,906
Interest and Fiscal Charges	2,814	2,814	2,906	894
Total Expenses	<u>\$ 69,660</u>	<u>\$ 61,606</u>	<u>\$ 63,794</u>	<u>\$ 55,525</u>

Total expenses reported by the School District for fiscal year 2017 increased by 9.2 percent compared with the previous year. Additional pension expense of \$3.6 million was allocated to the functions from which employees are paid in fiscal year 2017 due to the results reported by the State-wide pension systems. The additional pension expense, as well as additional personnel and general wage and benefit increases, account for the majority of the increases in functional expenses for the year. The increased expenses reported within the plant operation and maintenance categories resulted from additional expenses related to the ongoing construction and renovation projects, including reporting some project expenses not meeting the capitalization threshold in the current period. If the additional pension expense the School District was required to report for fiscal year is excluded, the total expenses for fiscal year 2017 would have increased 4.2 percent over those reported in the prior year. It is important to illustrate this factor as management of the School District is not in control over the pension expense component it is required to include annually within its financial statement amounts.

As shown in Table 3 above, the net cost of service increased by \$6.1 million compared with those reported for the prior fiscal year. In the current year, general revenues and carryover resources of the School District were responsible for \$61.6 million of the total program expenses compared to \$55.5 million in the prior year. Due primarily to the increase in pension expense reported for the current year, the general revenues of \$58.3 million were not sufficient to cover the net cost of services provided thereby requiring utilization of \$3.3 million of carryover resources for the current year. In the prior year, the School District reported an increase in net position of \$3.3 million.

DELAWARE CITY SCHOOL DISTRICT

Delaware County

Management's Discussion and Analysis

For the Fiscal Year Ended June 30, 2017

(Unaudited)

Unallocated depreciation represents current period depreciation charges associated with capital assets that are utilized by several different functions, typically school buildings and related improvements throughout the District. Depreciation expense on specific assets of a functional area is included in the expense reported for those functions.

The School District's Funds

Governmental funds are accounted for using the modified accrual basis of accounting. All governmental funds had total revenues of \$66.7 million and expenditures of \$85.9 million. The net change in fund balance was most significant in the Building Fund, a decrease of \$18.5 million due to the previously mentioned construction and renovation projects which will expand and improve each school building within the District. These projects are being financed using the proceeds from general obligation bonds issued in prior years. The General Fund reported a decrease in fund balance of \$1.4 million compared with an increase of \$1.2 million in the prior year. Expenditures of the General Fund increased in fiscal year 2017 by approximately \$2.4 million over those reported for the prior year due to increases in cost of personnel (wages and benefits) as well as a slight increase in personnel positions for the year. The ending fund balance of the General Fund was \$11.3 million at June 30, 2017, of which approximately \$9.1 million was reported as unassigned. The ending unassigned fund balance of the general fund at June 30, 2017 represents 16.6 percent of the total general fund expenditures reported for the fiscal year, slightly up from the 15.6 percent at the end of the previous fiscal year due to the decrease in the amount of fund balance assigned in the current year for subsequent year appropriations compared to one year prior.

The remaining two major funds, the Debt Service Fund and the Permanent Improvement Fund, both reported increases in fund balance for fiscal year 2017 of \$305,610 and \$226,174, respectively. The increase in the Debt Service Fund was due to lower scheduled principal debt service payment for fiscal year 2017 compared to the prior year. The increase in the Permanent Improvement Fund resulted from expenditures being \$226,510 less than those reported in the prior year.

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 \$52.3 million as compared to the original budget estimates of \$50.7 million or a 3.0 percent positive variance. In the original budget, the School District conservatively estimated the state foundation and other revenue sources based on information available when the original budget was adopted, however as the year progressed it became apparent additional funding would be received associated as these two funding sources. As a result, the School District amended its original revenue budget during the year by \$393,079. Total actual expenditures on the budget basis (cash outlays plus encumbrances) were \$53.8 million, or 2.3 percent more than what was anticipated in the originally budgeted appropriations. Budgeted expenditure amounts did not change for the General Fund during the fiscal year.

Actual budgetary fund balance at year end was \$2.4 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, 2017
(Unaudited)

Capital Assets

At the end of fiscal year 2017, the School District had \$80.4 million invested in land, construction in progress, buildings, furniture and equipment, vehicles, and textbooks and library books in governmental activities. Table 4 shows fiscal year 2017 balances compared to 2016, however for greater detail readers should review Note 10 to the basic financial statements.

TABLE 4
CAPITAL ASSETS AT JUNE 30

	<u>2017</u>	<u>2016</u>
Land	\$ 3,269,434	\$ 3,269,434
Construction in Progress	38,858,317	22,985,172
Buildings and Improvements	64,195,606	61,400,042
Furniture & Equipment	2,926,722	2,890,110
Vehicles	4,339,129	4,205,544
Textbooks & Library Books	1,266,410	1,266,410
Less: Accumulated Depreciation	<u>(34,418,493)</u>	<u>(32,852,148)</u>
Total Net Capital Assets	<u>\$ 80,437,125</u>	<u>\$ 63,164,564</u>

Overall, net capital assets increased \$17.3 million from the fiscal year 2016 total net capital assets. The increase in net capital assets results from current year acquisition of capital assets being a greater amount than depreciation expense reported for the year.

Significant capital asset acquisitions by the School District during the fiscal year included; \$18.5 million in construction in progress related to the school facilities construction and renovation project (including the \$2.7 million for athletic field and parking lot improvement added to improvements during the year) and two new buses costing \$179,134. Total capital asset additions for the year were valued at \$19.0 million with depreciation expense for the year reported at \$1.7 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, 2017, the School District had five general obligation bond issues outstanding with a combined outstanding principal of \$66.1 million, of which \$2.3 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 to be completed over the next several years.

The School District has \$2.0 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 \$177,180 being due within one year.

DELAWARE CITY SCHOOL DISTRICT

Delaware County

Management's Discussion and Analysis

For the Fiscal Year Ended June 30, 2017

(Unaudited)

At June 30, 2017, the School District had a legal debt margin imposed by State statute of \$2.7 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 15 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, 2017

	Governmental Activities
<u>Assets:</u>	
Equity in pooled cash and cash equivalents	\$ 19,633,798
Investments	1,060,686
Materials and supplies inventory	108,070
Accrued interest receivable	23,003
Accounts receivable	75,816
Intergovernmental receivable	574,248
Prepaid items	148,572
Property and other local taxes receivables	36,988,142
Capital assets:	
Non-depreciable	42,127,751
Depreciable, net of accumulated depreciation	38,309,374
Total Assets	139,049,460
<u>Deferred Outflows of Resources:</u>	
Deferred charge on refunding	639,458
Pension	18,417,218
Total Deferred Outflows of Resources	19,056,676
<u>Liabilities:</u>	
Accounts payable	1,726,723
Accrued wages and benefits payable	5,868,914
Intergovernmental payable	838,333
Accrued interest payable	239,738
Matured compensated absences payable	51,024
Long Term Liabilities:	
Due within one year	2,735,682
Due in more than one year:	
Net pension liability	93,547,455
Other amounts due in more than one year	69,403,399
Total Liabilities	174,411,268
<u>Deferred Inflows of Resources:</u>	
Property taxes levied for subsequent year	26,177,658
Pension	269,154
Total Deferred Inflows of Resources	26,446,812
<u>Net Position:</u>	
Net investment in capital assets	14,834,201
Restricted for:	
Debt service	4,090,524
Capital projects	2,906,187
State and federal grants	257,249
Student activities	211,726
Other purposes	4,145
Perpetual care:	
Expendable	938
Nonexpendable	4,200
Unrestricted	(65,061,114)
Total Net Position	\$ (42,751,944)

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, 2017

		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	\$ 27,871,427	\$ 655,281	\$ 76,176	\$ (27,139,970)
Special	9,700,013	-	1,449,678	(8,250,335)
Vocational	218,526	-	36,685	(181,841)
Student intervention services	1,119,597	-	995,657	(123,940)
Other	329,076	-	-	(329,076)
Support Services:				
Pupils	3,482,764	-	30,617	(3,452,147)
Instructional staff	1,710,439	-	286,408	(1,424,031)
Board of education	166,893	-	-	(166,893)
Administration	4,237,249	94,936	30,779	(4,111,534)
Fiscal	1,420,869	-	-	(1,420,869)
Business	427,406	-	-	(427,406)
Operation and maintenance of plant	5,829,134	104,306	-	(5,724,828)
Pupil transportation	3,492,357	-	263,558	(3,228,799)
Central	747,366	-	44,495	(702,871)
Operation of non-instructional services	3,656,700	1,897,179	1,743,398	(16,123)
Extracurricular activities	1,486,499	303,535	41,777	(1,141,187)
Interest and fiscal charges	2,813,989	-	-	(2,813,989)
Unallocated depreciation *	949,989	-	-	(949,989)
Total Governmental Activities	\$ 69,660,293	\$ 3,055,237	\$ 4,999,228	(61,605,828)

General Revenues:

Property taxes and other local taxes:

Levied for general purposes	29,379,701
Levied for debt service	4,801,469
Levied for capital improvements	1,860,836
Payments in Lieu of Property Taxes	35,616
Grants and entitlements not restricted to specific programs	21,264,771
Investment earnings	271,846
Miscellaneous	735,641

Total General Revenues 58,349,880

Change in net position (3,255,948)

Net position at beginning of year (39,495,996)

Net position at end of year \$ (42,751,944)

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

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

BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2017

	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	\$ 9,300,149	\$ 2,864,719	\$ 2,123,617	\$ 4,903,635	\$ 441,678	\$ 19,633,798
Investments	-	-	-	1,055,669	5,017	1,060,686
Materials and supplies inventory	89,071	-	-	-	18,999	108,070
Accrued interest receivable	22,980	-	-	-	23	23,003
Accounts receivable	66,606	-	-	-	9,210	75,816
Interfund receivable	32,697	-	-	-	-	32,697
Intergovernmental receivable	11,166	-	-	-	563,082	574,248
Prepaid items	148,572	-	-	-	-	148,572
Property and other local taxes receivable	30,141,966	4,945,576	1,900,600	-	-	36,988,142
Total Assets	\$ 39,813,207	\$ 7,810,295	\$ 4,024,217	\$ 5,959,304	\$ 1,038,009	\$ 58,645,032
<u>Liabilities, Deferred Inflows of Resources and Fund Balances:</u>						
<u>Liabilities:</u>						
Accounts payable	\$ 131,786	\$ -	\$ 20,318	\$ 1,571,279	\$ 3,340	\$ 1,726,723
Accrued wages and benefits	5,478,764	-	-	-	390,150	5,868,914
Interfund payable	-	-	-	-	32,697	32,697
Intergovernmental payable	780,850	-	-	-	57,483	838,333
Matured compensated absences payable	31,132	-	-	-	19,892	51,024
Total Liabilities	6,422,532	-	20,318	1,571,279	503,562	8,517,691
<u>Deferred Inflows of Resources:</u>						
Property taxes levied for subsequent year	21,358,328	3,480,033	1,339,297	-	-	26,177,658
Unavailable revenue	728,982	103,019	40,402	-	343,719	1,216,122
Total Deferred Inflows of Resources	22,087,310	3,583,052	1,379,699	-	343,719	27,393,780
<u>Fund Balances:</u>						
Nonspendable	237,643	-	-	-	4,200	241,843
Restricted	-	4,227,243	2,624,200	4,388,025	310,399	11,549,867
Assigned	1,948,998	-	-	-	-	1,948,998
Unassigned (Deficit)	9,116,724	-	-	-	(123,871)	8,992,853
Total Fund Balances	11,303,365	4,227,243	2,624,200	4,388,025	190,728	22,733,561
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 39,813,207	\$ 7,810,295	\$ 4,024,217	\$ 5,959,304	\$ 1,038,009	\$ 58,645,032

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, 2017

Total Governmental Fund Balances:		\$ 22,733,561
<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.		80,437,125
Other long-term assets are not available to pay for current-period expenditures and therefore are reported as "unavailable" in the funds.		1,216,122
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.		639,458
Long-term liabilities which are not due and payable in the current period and therefore not reported in the funds.		
Refunding bonds payable	(16,250,000)	
General obligations bonds payable	(49,850,000)	
Accrued interest payable	(239,738)	
Premium on refunding bonds	(2,288,882)	
Compensated absences	(1,750,259)	
Long-term notes payable	<u>(1,999,940)</u>	
Total		(72,378,819)
The net pension liability is not due and payable in the current period; therefore, the liability and related deferred outflows/inflows of resources associated with the net pension liability are not reported in governmental funds.		
Deferred outflow of resources - pension	18,417,218	
Deferred inflows of resources - pension	(269,154)	
Net pension liability	<u>(93,547,455)</u>	
Total		<u>(75,399,391)</u>
Net Position of Governmental Activities		<u>\$ (42,751,944)</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, 2017

	General Fund	Debt Service Fund	Permanent Improvement Fund	Building Fund	Other Governmental Funds	Total Governmental Funds
Revenues:						
Property and other local taxes	\$ 29,589,937	\$ 4,844,641	\$ 1,876,948	\$ -	\$ -	\$ 36,311,526
Intergovernmental	21,104,716	659,298	220,381	-	4,172,757	26,157,152
Interest	249,145	-	-	6,389	387	255,921
Tuition and fees	1,644,544	-	-	-	-	1,644,544
Rentals	104,306	-	-	-	-	104,306
Extracurricular activities	135,102	-	-	-	254,465	389,567
Gifts and donations	91,260	-	-	-	27,215	118,475
Customer sales and services	35,553	-	-	-	881,267	916,820
Payments in lieu of property taxes	35,616	-	-	-	-	35,616
Miscellaneous	620,702	-	-	18,388	96,551	735,641
Total Revenues	<u>53,610,881</u>	<u>5,503,939</u>	<u>2,097,329</u>	<u>24,777</u>	<u>5,432,642</u>	<u>66,669,568</u>
Expenditures:						
Current:						
Instruction:						
Regular	25,335,802	-	529,019	-	-	25,864,821
Special	8,176,955	-	-	-	983,599	9,160,554
Vocational	201,880	-	-	-	-	201,880
Student Intervention Services	110,041	-	-	-	1,009,556	1,119,597
Other instruction	204,184	-	-	-	-	204,184
Support Services:						
Pupils	3,236,634	-	-	-	28,336	3,264,970
Instructional staff	1,478,412	-	-	-	125,759	1,604,171
Board of education	164,984	-	-	-	-	164,984
Administration	3,796,589	-	3,960	-	188,829	3,989,378
Fiscal	1,300,464	69,871	27,027	-	5,521	1,402,883
Business	305,495	-	98,562	-	-	404,057
Operation and maintenance of plant	4,812,338	-	35,435	-	-	4,847,773
Pupil transportation	3,097,915	-	176,434	-	32,122	3,306,471
Central	479,964	-	164,126	-	39,269	683,359
Non-instructional services	892,708	-	-	-	2,652,042	3,544,750
Extracurricular activities	1,186,375	-	-	-	251,204	1,437,579
Capital outlay	-	-	836,592	18,526,601	-	19,363,193
Debt Service:						
Principal retirement	172,590	2,270,000	-	-	-	2,442,590
Interest and fiscal charges	55,546	2,858,458	-	-	-	2,914,004
Total Expenditures	<u>55,008,876</u>	<u>5,198,329</u>	<u>1,871,155</u>	<u>18,526,601</u>	<u>5,316,237</u>	<u>85,921,198</u>
Net Change in Fund Balance	(1,397,995)	305,610	226,174	(18,501,824)	116,405	(19,251,630)
Fund Balance at Beginning of Year	<u>12,701,360</u>	<u>3,921,633</u>	<u>2,398,026</u>	<u>22,889,849</u>	<u>74,323</u>	<u>41,985,191</u>
Fund Balance at End of Year	<u>\$ 11,303,365</u>	<u>\$ 4,227,243</u>	<u>\$ 2,624,200</u>	<u>\$ 4,388,025</u>	<u>\$ 190,728</u>	<u>\$ 22,733,561</u>

See accompanying notes to the basic financial statements.

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

RECONCILIATION OF THE STATEMENTS OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

Net Change in Fund Balances - Total Governmental Funds		\$ (19,251,630)
<u>Amounts reported for governmental activities in the statement of activities are different because:</u>		
<p>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.</p>		
Capital asset acquisition cost	19,043,517	
Current year depreciation	<u>(1,740,526)</u>	
Total		17,302,991
<p>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.</p>		
Loss on disposed of capital assets		(30,430)
<p>Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.</p>		
Taxes	(269,520)	
Intergovernmental	(11,628)	
Interest earnings	<u>15,925</u>	
Total		(265,223)
<p>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.</p>		
Repayment of long-term debt	2,442,590	
Current year amortization of bond premium	230,810	
Current year amortization of deferred charge on refunding	<u>(136,986)</u>	
Total		2,536,414
<p>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.</p>		
Accrued interest payable on long-term debt	6,191	
Compensated absences	<u>(401,157)</u>	
Total		(394,966)
<p>Contractually required pension contributions are reported as expenditures in the governmental funds, however, the statement of activities reports these amounts as deferred outflows.</p>		
		4,661,587
<p>Except for amounts reported as deferred outflows/inflows, changes in the net pension liability are reported as pension expense among the functions in the statement of activities.</p>		
		<u>(7,814,691)</u>
Change in Net Position of Governmental Activities		<u>\$ (3,255,948)</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, 2017

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final Revised		
Revenues:				
Taxes	\$ 28,710,507	\$ 28,710,507	\$ 29,533,132	\$ 822,625
Intergovernmental	20,740,414	20,913,493	21,101,081	187,588
Interest	215,000	215,000	241,185	26,185
Tuition and Fees	702,500	717,500	625,616	(91,884)
Rentals	25,000	125,000	177,624	52,624
Extracurricular Activities	32,500	32,500	35,926	3,426
Payment in Lieu of Taxes	15,000	20,000	35,616	15,616
Miscellaneous	298,100	298,100	379,579	81,479
Total Revenues	50,739,021	51,032,100	52,129,759	1,097,659
Expenditures:				
Current:				
Instruction:				
Regular	25,207,706	25,207,706	25,040,669	167,037
Special	8,419,278	8,419,278	8,227,023	192,255
Vocational	203,196	203,196	200,527	2,669
Student Intervention Services	122,536	122,536	110,087	12,449
Other Instruction	154,821	154,821	151,582	3,239
Support Services:				
Pupils	3,275,165	3,275,165	3,205,758	69,407
Instructional Staff	1,514,496	1,514,496	1,428,395	86,101
Board of Education	188,600	188,600	185,436	3,164
Administration	3,762,702	3,762,702	3,652,939	109,763
Fiscal	1,356,019	1,356,019	1,301,827	54,192
Business	341,508	341,508	312,928	28,580
Operation and Maintenance of Plant	5,222,300	5,222,300	4,946,066	276,234
Pupil Transportation	3,326,860	3,326,860	3,171,913	154,947
Central	550,841	550,841	481,360	69,481
Extracurricular Activities	1,190,423	1,190,423	1,177,427	12,996
Debt Service:				
Principal Retirement	172,590	172,590	172,590	-
Interest and Fiscal Charges	55,546	55,546	55,546	-
Total Expenditures	55,064,587	55,064,587	53,822,073	1,242,514
Excess of Revenues Over (Under) Expenditures	(4,325,566)	(4,032,487)	(1,692,314)	2,340,173
Other Financing Sources:				
Refund of Prior Year Expenditures	5,000	105,000	149,558	44,558
Total Other Financing Sources	5,000	105,000	149,558	44,558
Net Change in Fund Balances	(4,320,566)	(3,927,487)	(1,542,756)	2,384,731
Fund Balance at Beginning of Year	8,503,777	8,503,777	8,503,777	-
Prior Year Encumbrances Appropriated	414,591	414,591	414,591	-
Fund Balance at End of Year	\$ 4,597,802	\$ 4,990,881	\$ 7,375,612	\$ 2,384,731

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

STATEMENT OF NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2017

	<u>Private Purpose Trust</u>	<u>Agency Funds</u>
Assets:		
Equity in pooled cash and cash equivalents	\$ 33,133	\$ 228,230
Investments	77,432	-
Accrued interest receivable	390	-
Accounts receivable	-	<u>2,788</u>
 Total Assets	 <u>110,955</u>	 <u>231,018</u>
Liabilities:		
Accounts payable	-	205
Undistributed monies	-	4,324
Due to students	-	<u>226,489</u>
 Total Liabilities	 <u>-</u>	 <u>\$ 231,018</u>
Net Position:		
Held in trust for scholarships	<u>\$ 110,955</u>	

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, 2017

	<u>Private Purpose Trust</u>
Additions:	
Gifts and Donations	\$ 1,827
Investment Earnings	<u>458</u>
Total Additions	<u>2,285</u>
Deductions:	
Payments in accordance with trust agreements	<u>3,000</u>
Total Deductions	<u>3,000</u>
Change in Net Position	(715)
Net Position Beginning of Year	<u>111,670</u>
Net Position End of Year	<u>\$ 110,955</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, 2017

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 218 non-certificated employees and 374 certificated employees, including 32 administrative employees, to provide services to a student enrollment of 5,451 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 intermediate school, 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 17 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, 2017

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. 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, 2017

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 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.

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 OHSAA tournament games as well as the activity of the numerous student managed activities within the School District are classified as agency funds.

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.

DELAWARE CITY SCHOOL DISTRICT

Delaware County, Ohio

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2017

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

Fiduciary funds are reported using the economic resources measurement focus, with the exception of 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. Governmental funds use the modified accrual basis of accounting. Private purpose trust funds use the 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 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.

DELAWARE CITY SCHOOL DISTRICT

Delaware County, Ohio

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2017

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 and for pension. 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 are explained further in Note 12.

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, pension, and unavailable revenue. Property taxes represent amounts for which there is an enforceable legal claim as of June 30, 2017, but which were levied to finance fiscal year 2018 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, interest earnings and intergovernmental grants. 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 are reported on the government-wide statement of net position and are further explained in Note 12.

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 private purpose trust funds recognizes revenues when they are earned, and expenses are recognized at the time they are incurred.

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.

DELAWARE CITY SCHOOL DISTRICT

Delaware County, Ohio

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2017

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 2017.

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 2017, investments were limited to 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 2017. 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.

For fiscal year 2017, 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 \$50 million, requiring the excess amount to be transacted the following business day(s), but only to the \$50 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 2017 amounted to \$249,145, which includes \$120,438 assigned from other funds.

DELAWARE CITY SCHOOL DISTRICT

Delaware County, Ohio

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2017

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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, 2017, 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.

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
Library and Text Books	5 to 15 years

DELAWARE CITY SCHOOL DISTRICT

Delaware County, Ohio

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2017

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

N. Accrued Liabilities and Long-Term Obligations

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

In general, governmental fund payables and accrued liabilities that once incurred are paid in a timely manner and in full from current financial resources, are reported as obligations of the funds. However, compensated absences that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are due for payment during the current year.

DELAWARE CITY SCHOOL DISTRICT

Delaware County, Ohio

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2017

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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.

DELAWARE CITY SCHOOL DISTRICT

Delaware County, Ohio

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2017

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 2017, the School District implemented the Governmental Accounting Standards Board (GASB) Statements No. 74, *Financial Reporting for Postemployment Benefit Plans Other than Pension Plans*, No. 77, *Tax Abatement Disclosures*, No. 78, *Pension Plans provided through Certain Multi-Employer Defined Benefit Plans*, No. 80, *Blending Requirements for Certain Component Units* and No. 82, *Pension Issues – an amendment of GASB Statements No.67, No. 68 and No. 73*.

GASB Statement No. 74 enhances the note disclosures and required supplementary information schedules required by OPEB plans that are administered through trusts that meet the specified criteria. The implementation of this Standard had no effect on the School District's financial statements.

GASB Statement No. 77 requires disclosures that provide users with information concerning the government's tax abatement programs, including nature and magnitude, which will provide information on ability to raise resources and the impact abatement programs have on the financial position of the government. The School District has implemented the required disclosures within these financial statements.

GASB Statement No. 78 amends the scope and applicability of GASB Statement No. 68 to exclude certain pensions provided to employees of governmental employers through cost-sharing multiple-employer defined benefit plans that meet certain specified criteria. The implementation of this Standard had no effect on the School District's financial statements.

GASB Statement No. 80 amends the blending requirements of GASB Statement No. 14 to include blending of a component unit, incorporated as a not-for-profit corporation, in which the reporting government is the sole corporate member. The implementation of this Standard had no effect on the School District's financial statements.

GASB Statement No. 82 improves financial reporting by enhancing consistency in the application of financial reporting requirements related to certain pension issues, including presentation of payroll-related measures in RSI, selection of assumptions, and classification of employer-paid member contributions. The implementation of this Standard had no effect on the School District's beginning net position.

It should also be noted that in June 2015, the GASB issued Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, which will require the reporting entity to recognize on the face of the financial statements, its proportionate share of the net OPEB liability related to its participation in the School Employees Retirement System (SERS) and the State Teachers Retirement System (STRS). This Standard also enhances accountability and transparency through revised note disclosures and required supplementary information. The provisions of this Standard are required to be implemented for reporting periods beginning after June 15, 2017. The School District has not early implemented GASB Statement No. 75 and is currently in the process of evaluating the impact this Standard will have on its financial statements.

DELAWARE CITY SCHOOL DISTRICT

Delaware County, Ohio

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2017

NOTE 4 – 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 Prepays	\$ 237,643	\$ -	\$ -	\$ -	\$ -	\$ 237,643
Library and Land Trust	-	-	-	-	4,200	4,200
Total Nonspendable	237,643	-	-	-	4,200	241,843
Restricted for:						
Debt Service	-	4,227,243	-	-	-	4,227,243
Capital Improvements	-	-	2,624,200	4,388,025	-	7,012,225
Food Service Operations	-	-	-	-	30,094	30,094
Library and Land Trust	-	-	-	-	938	938
District Managed Activities	-	-	-	-	211,726	211,726
Other Purpose	-	-	-	-	4,145	4,145
State Educational Grants	-	-	-	-	56,247	56,247
Federal Educational Grants	-	-	-	-	7,249	7,249
Total Restricted	-	4,227,243	2,624,200	4,388,025	310,399	11,549,867
Assigned for:						
School Programs	120,581	-	-	-	-	120,581
Subsequent Expenditures	222,167	-	-	-	-	222,167
Subsequent Appropriations	1,606,250	-	-	-	-	1,606,250
Total Assigned	1,948,998	-	-	-	-	1,948,998
Unassigned (Deficit)	9,116,724	-	-	-	(123,871)	8,992,853
Total Fund Balances	\$ 11,303,365	\$ 4,227,243	\$ 2,624,200	\$ 4,388,025	\$ 190,728	\$ 22,733,561

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.

NOTE 5 – ACCOUNTABILITY AND COMPLIANCE

A. Deficit Fund Balances

At June 30, 2017, the following nonmajor special revenue funds reported fund deficits: Miscellaneous State Grants (\$818), Title VI(B) Grant (\$64,416), Title III Grant (\$2), Title I Grant (\$47,889), Preschool Special Education Grant (\$1,893), and Improving Teacher Quality Grant (\$8,853).

These deficits resulted from adjustments for accrued liabilities. Management expects the deficits in the above mentioned funds 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.

DELAWARE CITY SCHOOL DISTRICT

Delaware County, Ohio

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2017

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	\$ (1,397,995)
Revenue Accruals	(97,020)
Expenditure Accruals	193,096
Encumbrances	(296,044)
Other Financing Sources	149,558
Change in Fund Balance of Funds Combined with General Fund for Reporting Purposes	<u>(94,351)</u>
Budget Basis	<u>\$ (1,542,756)</u>

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.

DELAWARE CITY SCHOOL DISTRICT

Delaware County, Ohio

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2017

NOTE 7 - DEPOSITS AND INVESTMENTS (Continued)

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).

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. Protection of the School District’s deposits is provided by the federal deposit insurance corporation as well as qualified securities pledged by the institution holding the assets. By Ohio law, financial institutions must collateralize all public deposits. The face value of the pooled collateral must equal at least 105 percent of public funds on deposit with that specific institution. Collateral is held by trustees including the Federal Reserve Bank and designated third party trustees of the financial institutions.

At year end, the carrying amount of the School District’s deposits was \$7,142,822 and the bank balance was \$7,891,615; \$889,669 of the bank balance was covered by federal depository insurance and the remaining \$7,001,946 was exposed to custodial risk as it was covered by pooled collateral but not in the School District’s name.

Investments

As of June 30, 2017, the School District’s investments consisted of the following:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Matures in</u>		<u>% of Portfolio</u>
		<u>less than One Year</u>	<u>One to Three Years</u>	
Commercial Paper	\$ 5,658,517	\$ 5,658,517	\$ -	40.7%
Negotiable CDs	2,379,648	-	2,379,648	17.1%
Mutual Fund	21,937	21,937	-	0.2%
STAR Ohio	<u>5,830,355</u>	<u>5,830,355</u>	<u>-</u>	42.0%
Total	<u>\$ 13,890,457</u>	<u>\$ 11,510,809</u>	<u>\$ 2,379,648</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, 2017

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:

<u>Investment Type</u>	<u>Credit Rating</u>	<u>Rating Agency</u>
Mutual Fund	AAAm	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, 2017:

<u>Investment Type</u>	<u>Total</u>	<u>Identical Assets (Level 1)</u>	<u>Observable Inputs (Level 2)</u>	<u>Unobservable Inputs (Level 3)</u>
Commercial Paper	\$ 5,658,517	\$ -	\$ 5,658,517	\$ -
Negotiable CDs	2,379,648	-	2,379,648	-
Total	<u>\$ 8,038,165</u>	<u>\$ -</u>	<u>\$ 8,038,165</u>	<u>\$ -</u>

Investments classified in Level 2 of the fair value hierarchy are valued using pricing sources as provided by the investment managers.

DELAWARE CITY SCHOOL DISTRICT

Delaware County, Ohio

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2017

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, public utility and 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. Tangible personal property taxes are levied after April 1 on the value listed as of December 31 of the current year. Tangible personal property assessments are 25 percent of true value. Tangible personal property tax on business inventory, manufacturing and equipment, furniture and fixtures is no longer levied and collected.

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, 2017 was \$77.94 per \$1,000 of assessed value. The assessed values upon which the fiscal year 2017 taxes were collected are as follows:

	<u>2017 First Half Collections</u>	<u>2016 Second Half Collections</u>
Agricultural/residential and other real estate property	\$ 715,549,460	\$ 696,740,830
Public utility personal property	<u>27,806,060</u>	<u>27,342,750</u>
Total	<u>\$ 743,355,520</u>	<u>\$ 724,083,580</u>

Property taxes receivables represent real and tangible personal property taxes, public utility taxes and outstanding delinquencies that are measurable as of June 30, 2017. 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, 2017 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.

DELAWARE CITY SCHOOL DISTRICT

Delaware County, Ohio

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2017

NOTE 9 - RECEIVABLES

Receivables at June 30, 2017, 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	\$ 11,166
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Non-major Governmental Funds:

Title VI-B Grant	234,625
Title I Grant	119,490
Title II-A	57,405
Twenty-First Century Grant	117,263
Title III Grant	15,191
Special Education - Preschool	13,140
Other non-major funds	5,968
Non-major Governmental Funds	<u>563,082</u>
Total Intergovernmental Receivables	<u>\$ 574,248</u>

NOTE 10 - CAPITAL ASSETS

A summary of the School District's general capital assets for fiscal year 2017 is as follows:

	Balance June 30, 2016	Additions	Deletions	Balance June 30, 2017
<i><u>Capital Assets, not being depreciated</u></i>				
Land	\$ 3,269,434	\$ -	\$ -	\$ 3,269,434
Construction in Progress	<u>22,985,172</u>	<u>18,523,365</u>	<u>(2,650,220)</u>	<u>38,858,317</u>
	<u>26,254,606</u>	<u>18,523,365</u>	<u>(2,650,220)</u>	<u>42,127,751</u>
<i><u>Capital Assets, being depreciated</u></i>				
Buildings and Improvements	61,400,042	2,946,626	(151,062)	64,195,606
Furniture and Equipment	2,890,110	36,612	-	2,926,722
Vehicles	4,205,544	187,134	(53,549)	4,339,129
Library and Textbooks	<u>1,266,410</u>	<u>-</u>	<u>-</u>	<u>1,266,410</u>
Total Depreciable Capital Assets	<u>69,762,106</u>	<u>3,170,372</u>	<u>(204,611)</u>	<u>72,727,867</u>
<i><u>Less: Accumulated Depreciation</u></i>				
Buildings and Improvements	(26,486,663)	(1,344,850)	120,632	(27,710,881)
Furniture and Equipment	(2,195,899)	(113,088)	-	(2,308,987)
Vehicles	(2,903,176)	(282,588)	53,549	(3,132,215)
Library and Textbooks	<u>(1,266,410)</u>	<u>-</u>	<u>-</u>	<u>(1,266,410)</u>
Total Accumulated Depreciation	<u>(32,852,148)</u>	<u>(1,740,526) *</u>	<u>174,181</u>	<u>(34,418,493)</u>
Depreciable Capital Assets, Net	<u>36,909,958</u>	<u>1,429,846</u>	<u>(30,430)</u>	<u>38,309,374</u>
Total Capital Assets, Net	<u>\$ 63,164,564</u>	<u>\$ 19,953,211</u>	<u>\$ (2,680,650)</u>	<u>\$ 80,437,125</u>

DELAWARE CITY SCHOOL DISTRICT

Delaware County, Ohio

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2017

NOTE 10 - CAPITAL ASSETS (Continued)

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

Instruction:		
Regular	\$	22,552
Special		610
Support Services:		
Instructional support		1,742
Administration		2,031
Operation and maintenance of plant		409,068
Pupil transportation		289,795
Central		8,855
Operation of non-instructional services		21,063
Extracurricular activities		34,821
Unallocated depreciation		949,989
Total Depreciation Expense	\$	<u>1,740,526</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.

NOTE 11 - 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 2017, the School District contracted with the Ohio School Plan for general liability insurance with a \$1 million single occurrence and a \$3 million aggregate limit. Property is protected by Hartford Insurance and 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.

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.

DELAWARE CITY SCHOOL DISTRICT

Delaware County, Ohio

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2017

NOTE 12 - DEFINED BENEFIT PENSION PLANS (Continued)

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

GASB 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 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 the contractually-required pension contribution outstanding at the end of the year is included in intergovernmental payable on both the accrual and modified accrual bases of accounting.

Plan Description - School Employees Retirement System (SERS)

Plan Description – School District non-teaching employees participate in SERS, a cost-sharing multiple-employer defined benefit pension plan administered by SERS. SERS provides retirement, disability and survivor benefits, 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 percent for the first thirty years of service and 2.5 percent for years of service credit over 30. Final average salary is the average of the highest three years of salary.

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.

DELAWARE CITY SCHOOL DISTRICT

Delaware County, Ohio

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2017

NOTE 12 - DEFINED BENEFIT PENSION PLANS (Continued)

Funding Policy – Plan members are required to contribute 10 percent of their annual covered salary and the School District is required to contribute 14 percent of annual covered payroll. The contribution requirements of plan members and employers are established and may be amended by the SERS' Retirement Board up to statutory maximum amounts of 10 percent for plan members and 14 percent for employers. The Retirement Board, acting with the advice of the actuary, allocates the employer contribution rate among four of the System's funds (Pension Trust Fund, Death Benefit Fund, Medicare B Fund, and Health Care Fund). For the fiscal year ended June 30, 2017, the allocation to pension, death benefits, and Medicare B was 14.0 percent; no allocation was made during the year to the Health Care Fund.

The School District's contractually required pension contribution to SERS was \$1,087,406 for fiscal year 2017; \$203,584 of contributions is reported within intergovernmental payable at June 30, 2017.

Plan Description - State Teachers Retirement System (STRS)

Plan Description – School District licensed teachers and other faculty members participate in STRS Ohio, a cost-sharing multiple-employer public employee 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 percent of final average salary for the five highest years of earnings multiplied by all years of service. With certain exceptions, the basic benefit is increased each year by two percent of the original base benefit. For members retiring August 1, 2013, or later, the first two percent is paid on the fifth anniversary of the retirement benefit. Members are eligible to retire at age 60 with five years of qualifying service credit, or age 55 with 25 years of service, or 30 years of service regardless of age. Age and service requirements for retirement will increase effective August 1, 2015, and will continue to increase periodically until they reach age 60 with 35 years of service or age 65 with five years of service on August 1, 2026.

The DC Plan allows members to place all their member contributions and 9.5 percent of the 14 percent employer contributions into an investment account. Investment allocation decisions are determined by the member. The remaining 4.5 percent of the 14 percent employer rate is allocated to the defined benefit unfunded liability. A member is eligible to receive a retirement benefit at age 50 and termination of employment. The member may elect to receive a lifetime monthly annuity or a lump sum withdrawal.

The Combined Plan offers features of both the DB Plan and the DC Plan. In the Combined Plan, member contributions 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 five 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.

DELAWARE CITY SCHOOL DISTRICT

Delaware County, Ohio

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2017

NOTE 12 - DEFINED BENEFIT PENSION PLANS (Continued)

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

A DB or Combined Plan member with five or more years of credited service who is determined to be disabled may qualify for a disability benefit. Eligible survivors of members who die before service retirement may qualify for monthly benefits. New members on or after July 1, 2013, must have at least ten years of qualifying service credit 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. The statutory maximum employee contribution rate was increased one percent July 1, 2016 to reach 14 percent. For the fiscal year ended June 30, 2017, plan members were required to contribute 14 percent of their annual covered salary. The School District was required to contribute 14 percent; the entire 14 percent was the portion used to fund pension obligations. The fiscal year 2017 contribution rates were equal to the statutory maximum rates.

The School District's contractually required pension contribution to STRS was \$3,574,181 for fiscal year 2017; \$572,798 of contributions is reported within intergovernmental payable at June 30, 2017.

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, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The School District's proportion of the net pension liability was based on the School District's share of contributions to the pension plan relative to the contributions of all participating entities. Following is information related to the proportionate share and pension expense:

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Proportionate share of the net pension liability	\$ 17,382,145	\$ 76,165,310	\$ 93,547,455
Proportion of the net pension liability	0.2374909%	0.22754243%	
Change in proportionate share	-0.0058555%	0.00466861%	
Pension expense	\$ 1,431,559	\$ 6,383,132	\$ 7,814,691

DELAWARE CITY SCHOOL DISTRICT

Delaware County, Ohio

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2017

NOTE 12 - DEFINED BENEFIT PENSION PLANS (Continued)

At June 30, 2017 the School District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
<u>Deferred Outflows of Resources:</u>			
Differences between expected and actual experience	\$ 234,445	\$ 3,077,444	\$ 3,311,889
Net difference between projected and actual earnings on pension plan investments	1,433,775	6,323,766	7,757,541
Change in assumptions	1,160,354	-	1,160,354
Change in School District's proportionate share and difference in employer contributions	-	1,525,847	1,525,847
School District contributions subsequent to the measurement date	<u>1,087,406</u>	<u>3,574,181</u>	<u>4,661,587</u>
Total	<u>\$ 3,915,980</u>	<u>\$ 14,501,238</u>	<u>\$ 18,417,218</u>
<u>Deferred Inflows of Resources:</u>			
Change in School District's proportionate share and difference in employer contributions	<u>\$ (269,154)</u>	<u>\$ -</u>	<u>\$ (269,154)</u>
Total	<u>\$ (269,154)</u>	<u>\$ -</u>	<u>\$ (269,154)</u>

\$4,661,587 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, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Fiscal Year Ending June 30:			
2018	\$ 605,906	\$ 1,913,358	\$ 2,519,264
2019	604,872	1,913,358	2,518,230
2020	936,491	4,339,966	5,276,457
2021	<u>412,151</u>	<u>2,760,375</u>	<u>3,172,526</u>
	<u>\$ 2,559,420</u>	<u>\$ 10,927,057</u>	<u>\$ 13,486,477</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.

DELAWARE CITY SCHOOL DISTRICT

Delaware County, Ohio

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2017

NOTE 12 - DEFINED BENEFIT PENSION PLANS (Continued)

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

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

Key methods and assumptions used in calculating the total pension liability in the latest actuarial valuation, prepared as of June 30, 2016 are presented below:

Wage inflation	3.00%
Future salary increases, including inflation	3.50% to 18.20%
COLA or Ad Hoc COLA	3.00%
Investment rate of return	7.50% net of investment 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 Retirement 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 assets class are summarized in the following table:

DELAWARE CITY SCHOOL DISTRICT

Delaware County, Ohio

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2017

NOTE 12 - DEFINED BENEFIT PENSION PLANS (Continued)

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
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 total pension liability was calculated using the discount rate of 7.50 percent. 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 (7.50 percent). Based on those assumptions, the plan's fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefits to determine the total pension liability.

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 7.50 percent, as well as what each plan's net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.50 percent), or one percentage point higher (8.50 percent) 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	\$ 23,012,878	\$ 17,382,145	\$ 12,668,989

Change in Assumptions The following changes in the actuarial assumptions were made during the June 30, 2016 actuarial valuation period:

- Discount rate was reduced from 7.75% to 7.50%
- Assumed rate of inflation was reduced from 3.25% to 3.00%
- Payroll growth assumption was reduced from 4.00% to 3.50%
- Assumed real wage growth was reduced from 0.75% to 0.50%
- Rates of withdrawal, retirement and disability were updated to reflect recent experience
- Mortality among active members was updated to the following:
 - RP-2014 Blue Collar Mortality Table with fully generational projection and a five-year age set-back for both males and females
- Mortality among service retired members and beneficiaries was updated to the following:
 - RP-2014 Blue Collar Mortality Table with fully generational projection with Scale BB, 120% of male rates and 110% of female rates

DELAWARE CITY SCHOOL DISTRICT

Delaware County, Ohio

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2017

NOTE 12 - DEFINED BENEFIT PENSION PLANS (Continued)

- Mortality among disabled members was updated to the following:
 - RP-2000 Disabled Mortality Table, 90% for male rates and 100% for female rates, and a five-year set-back for the period after disability retirement.

Actuarial Assumptions - STRS

The total pension liability in the June 30, 2016, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.75 percent
Future salary increases	2.75 percent at age 70 to 12.25 percent at age 20
Investment rate of return	7.75 percent, net of investment expenses
Cost-of-Living Adjustments (COLA)	2 percent simple applied as follows: for members retiring before August 1, 2013, 2 percent per year; for members retiring August 1, 2013, or later, 2 percent COLA paid on fifth anniversary of retirement date.

Mortality rates were based on the RP-2000 Combined Mortality Table (Projection 2022—Scale AA) for Males and Females. Males' ages are set-back two years through age 89 and no set-back for age 90 and above. Females younger than age 80 are set back four years, one year set back from age 80 through 89 and not set back from age 90 and above.

Actuarial assumptions used in the June 30, 2016, valuation are based on the results of an actuarial experience study, effective July 1, 2012.

The 10 year expected real rate of return on pension plan investments was determined by STRS' investment consultant by developing best estimates of expected future real rates of return for each major asset class. The target allocation and best estimates of geometric real rates 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	31.00%	8.00%
International equity	26.00%	7.85%
Alternatives	14.00%	8.00%
Fixed income	18.00%	3.75%
Real estate	10.00%	6.75%
Liquidity reserves	<u>1.00%</u>	<u>3.00%</u>
Total	<u>100.00%</u>	7.61%

Discount Rate The discount rate used to measure the total pension liability was 7.75 percent as of June 30, 2016. The projection of cash flows used to determine the discount rate assumes member and employer contributions will be made at the statutory contribution rates in accordance with rate increases described above. For this purpose, only employer contributions that are intended to fund benefits of current plan members and their beneficiaries are included. Projected employer contributions that are intended to fund the service costs of future plan members and their beneficiaries, as well as projected contributions from future

DELAWARE CITY SCHOOL DISTRICT

Delaware County, Ohio

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2017

NOTE 12 - DEFINED BENEFIT PENSION PLANS (Continued)

plan members, are not included. Based on those assumptions, STRS' fiduciary net position was projected to be available to make all projected future benefit payments to current plan members as of June 30, 2016. Therefore, the long-term expected rate of return on pension plan investments of 7.75 percent was applied to all periods of projected benefit payment to determine the total pension liability as of June 30, 2016.

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 7.75 percent, as well as what the School District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one-percentage-point lower (6.75 percent) or one-percentage-point higher (8.75 percent) than the current rate:

	1% Decrease (6.75%)	Current Discount Rate (7.75%)	1% Increase (8.75%)
School District's proportionate share of the net pension liability	\$ 101,217,508	\$ 76,165,310	\$ 55,032,304

Changes Between Measurement Date and Report Date In March 2017, the STRS Board adopted certain assumption changes which will impact their annual actuarial valuation prepared as of June 30, 2017. The most significant change is a reduction in the discount rate from 7.75% to 7.45%. In April 2017, the STRS Board voted to suspend cost of living adjustments granted on or after July 1, 2017. Although the exact amount of these changes is not known, the overall change in the School District's net pension liability is expected to be significant.

NOTE 13 – POSTEMPLOYMENT BENEFITS

A. School Employee Retirement System

Health Care Plan – Sections 3309.375 and 3309.69 of the Ohio Revised Code permit SERS to offer health care benefits to eligible retirees and beneficiaries. SERS' Retirement Board reserves the right to change or discontinue any health plan or program. SERS offers several types of health plans from various vendors, including HMOs, PPOs, Medicare Advantage and traditional indemnity plans. A prescription drug program is also available to those who elect health coverage. SERS employs two third-party administrators and a pharmacy benefit manager to manage the self-insurance and prescription drug plans, respectively.

The Ohio Revised Code provides the statutory authority to fund SERS' postemployment benefits through employer contributions. Active members do not make contributions to the postemployment benefit plan.

The Health Care Fund was established under, and is administered in accordance with Internal Revenue Code 105(e). Each year after the allocation for statutorily required pensions and benefits, the Retirement Board may allocate the remainder for the employer 14% contribution to the Health Care Fund in accordance with the funding policy. For the fiscal year ended June 30, 2017, the health care allocation is 0.00%. 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. By statute, no employer shall pay a health care surcharge greater than 2.0% of that employer's SERS-covered payroll; nor

DELAWARE CITY SCHOOL DISTRICT

Delaware County, Ohio

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2017

NOTE 13 – POSTEMPLOYMENT BENEFITS (Continued)

may SERS collect in aggregate more than 1.5% of the total statewide SERS-covered payroll for health care surcharge. For fiscal year 2017, this amount was \$23,500. The surcharge, added to the unallocated portion of the 14% employer contribution rate is the total amount assigned to the Health Care Fund. For fiscal year 2017, the School District's surcharge obligation was \$134,133.

None of the 14% in employer contributions was allocated to the Health Care Fund for the fiscal years June 30, 2017 and 2016. The School District's contributions to the Health Care Fund for the fiscal year June 30, 2015 were \$63,811 which was equal to the required contribution for that year.

The SERS Retirement Board establishes 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.

B. State Teachers Retirement System

Plan Description – The School District contributes to the cost sharing multiple employer defined benefit Health Plan administered by the State Teachers Retirement System of Ohio (STRS Ohio) for eligible retirees who participated in the defined benefit or combined pension plans offered by STRS Ohio. Benefits include hospitalization, physicians' fees, prescription drugs and reimbursement of monthly Medicare Part B premiums. The Plan is included in the report of STRS Ohio which may be obtained by visiting www.strsoh.org or by calling (888) 227-7877.

Funding Policy – Ohio law authorizes STRS Ohio to offer the Plan and gives the Retirement Board authority over how much, if any, of the health care costs will be absorbed by STRS Ohio. Active employee members do not contribute to the Plan. All benefit recipients pay a monthly premium. Under Ohio law, funding for post-employment health care may be deducted from employer contributions. STRS did not allocate a portion of employer contributions to post-employment health care in fiscal years 2017, 2016 and 2015.

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, 2017, the School District's total obligation for sick leave accrual as a whole was \$1,801,283.

DELAWARE CITY SCHOOL DISTRICT

Delaware County, Ohio

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2017

NOTE 15 - LONG-TERM OBLIGATIONS

The activity of the School District's long-term obligations during fiscal year 2017 was as follows:

	Balance June 30, 2016	Increase	Decrease	Balance June 30, 2017	Due within One Year
General Obligation Bonds:					
2013 Refunding					
Current Interest Serial 2.0-5.0%	\$ 6,900,000	\$ -	\$ 1,605,000	\$ 5,295,000	\$ 1,245,000
2013 School Construction & Improvement					
Current Interest Serial 2.0-5.25%	19,890,000	-	10,000	19,880,000	10,000
2014 School Construction & Improvement					
Current Interest Serial 2.5-4.0%	2,730,000	-	5,000	2,725,000	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%	7,170,000	-	25,000	7,145,000	25,000
Current Interest Term 3.75%-5.0%	12,835,000	-	-	12,835,000	-
2015B Refunding					
Current Interest Serial 0.75-4.0%	11,580,000	-	625,000	10,955,000	1,050,000
Deferred Amounts:					
Add: Bond Premium	2,519,692	-	230,810	2,288,882	-
Total General Obligation Bonds	70,889,692	-	2,500,810	68,388,882	2,335,000
Long-Term Notes Payable	2,172,530	-	172,590	1,999,940	177,180
Compensated Absences	1,349,102	456,845	55,688	1,750,259	223,502
Net Pension Liability:					
SERS	13,885,586	3,496,559	-	17,382,145	-
STRS	61,595,805	14,569,505	-	76,165,310	-
Total Long-Term Obligations	<u>\$ 149,892,715</u>	<u>\$ 18,522,909</u>	<u>\$ 2,729,088</u>	<u>\$ 165,686,536</u>	<u>\$ 2,735,682</u>

Legal Debt Margins

At June 30, 2017 the School District's legal debt, unvoted, and energy conservation debt margins were \$2.7 million, \$743,356 and \$4.7 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.

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.

DELAWARE CITY SCHOOL DISTRICT

Delaware County, Ohio

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2017

NOTE 15 - LONG-TERM OBLIGATIONS (Continued)

- \$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.

Principal and interest requirements to retire the District's long-term general obligation bonds outstanding at June 30, 2017 are shown in the table below.

Fiscal Year Ended June 30,	Principal	Interest	Total
2018	\$ 2,335,000	\$ 2,792,789	\$ 5,127,789
2019	2,415,000	2,727,770	5,142,770
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
2023-2027	7,790,000	11,593,114	19,383,114
2028-2032	7,955,000	9,938,161	17,893,161
2033-2037	9,160,000	7,900,689	17,060,689
2038-2042	10,845,000	5,474,230	16,319,230
2043-2047	15,285,000	2,552,018	17,837,018
2048-2050	3,995,000	352,044	4,347,044
Total	<u>\$ 66,100,000</u>	<u>\$ 51,057,267</u>	<u>\$ 117,157,267</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
2018	\$ 177,180	\$ 50,890	\$ 228,070
2019	181,900	46,110	228,010
2020	186,750	41,202	227,952
2021	191,720	36,163	227,883
2022	196,820	30,991	227,811
2023-2027	1,065,570	72,417	1,137,987
Total	<u>\$ 1,999,940</u>	<u>\$ 277,773</u>	<u>\$ 2,277,713</u>

DELAWARE CITY SCHOOL DISTRICT

Delaware County, Ohio

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2017

NOTE 15 - LONG-TERM OBLIGATIONS (Continued)

Other Long-Term Obligations

The School District pays obligations related to employee compensation (compensated absences and required pension 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 16 - 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, 2017.

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. As of the date of this report, additional ODE adjustments for fiscal year 2017 are not finalized. As a result, the impact of future FTE adjustments on the fiscal year 2017 financial statements is not determinable; however based on information currently available, management does not believe the effects of these reviews will have a material effect on the School District's financial statement.

C. Litigation

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

NOTE 17 – JOINTLY GOVERNED ORGANIZATIONS

META Solutions

The School District is a member of META Solutions which is an association of public entities throughout Ohio. META Solutions was formed through the merger of Tri-Rivers Educational Computer Association (TRECA) Educational Solutions and Metropolitan Educational Council (MEC) in February 2015. 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 \$375,311 to META Solutions during fiscal year 2017.

DELAWARE CITY SCHOOL DISTRICT

Delaware County, Ohio

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2017

NOTE 17 – JOINTLY GOVERNED ORGANIZATIONS (Continued)

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 18 - COMMITMENTS

A. Construction Commitments

At year-end, the School District had approximately \$5.5 million in outstanding construction commitments for the construction and renovations occurring at all the School District's school facilities. These obligations will be paid out of the Building capital projects fund.

B. 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	\$ 326,302
Permanent Improvement Fund	215,780
Building Fund	5,539,279
Non-major Governmental Funds	<u>53,600</u>
	<u>\$ 6,134,961</u>

NOTE 19 – INTER-FUND TRANSACTIONS

At year end, the following non-major special revenue funds owed the General Fund for deficit cash fund balances at year end that was covered by the General Fund; Title VI(B) Grant (\$18,185), Title III Grant (\$472), Title I Grant (\$6,827), and Miscellaneous Federal Grants (\$7,213). These funds will be repaid in the subsequent fiscal year when the appropriate grant funding is received.

DELAWARE CITY SCHOOL DISTRICT

Delaware County, Ohio

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2017

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.

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.

	<u>Capital Improvements</u>
Set-aside Reserve Balance as of June 30, 2016	\$ -
Current Year Set-aside Requirement	938,757
Current Year Offsets	<u>(2,093,647)</u>
Total	<u>\$ (1,154,890)</u>
Balance Carried forward to FY 2018	<u>\$ -</u>
Set-aside Reserve Balance June 30, 2017	<u><u>\$ -</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 2017, the School District's property tax revenues were reduced by \$579,845 and \$15,858 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 2017, the School District received \$115,622 from the City related to property tax revenues lost under these abatement agreements.



REQUIRED SUPPLEMENTARY INFORMATION

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

SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
LAST FOUR MEASUREMENT YEARS (1)

	2016	2015	2014	2013
<u>School Employees Retirement System of Ohio:</u>				
District's Proportion of the Net Pension Liability	0.2374909%	0.2433465%	0.2448130%	0.2448130%
District's Proportionate Share of the Net Pension Liability	\$ 17,382,145	\$ 13,885,586	\$ 12,389,847	\$ 14,558,243
District's Covered Payroll	\$ 7,375,586	\$ 7,781,791	\$ 7,185,642	\$ 7,450,470
District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	235.67%	178.44%	172.43%	195.40%
Plan Fiduciary Net Pension as a Percentage of the Total Pension Liability	62.98%	69.16%	71.70%	65.52%
<u>State Teachers Retirement System of Ohio</u>				
District's Proportion of the Net Pension Liability	0.22754243%	0.22287382%	0.21841299%	0.21841299%
District's Proportionate Share of the Net Pension Liability	\$ 76,165,310	\$ 61,595,805	\$ 53,125,597	\$ 63,282,865
District's Covered Payroll	\$ 23,941,836	\$ 23,253,150	\$ 24,032,369	\$ 23,879,077
District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	318.13%	264.89%	221.06%	265.01%
Plan Fiduciary Net Pension as a Percentage of the Total Pension Liability	66.80%	72.10%	74.70%	69.30%

(1) - Information Prior to 2013 is not available. The District will continue to present information for years available until a full ten-year trend is presented.

See accompanying notes to the required supplementary information.

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

**SCHEDULE OF THE SCHOOL DISTRICT'S CONTRIBUTION
LAST SEVEN FISCAL YEARS (1)**

	2017	2016	2015	2014	2013	2012	2011
<u>School Employees Retirement System of Ohio:</u>							
Contractually Required Contribution	\$ 1,087,406	\$ 1,032,582	\$ 1,025,640	\$ 995,930	\$ 1,031,145	\$ 911,702	\$ 918,181
Contributions in Relation to the Contractually Required Contribution	(1,087,406)	(1,032,582)	(1,025,640)	(995,930)	(1,031,145)	(911,702)	(918,181)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District Covered Payroll	7,767,186	7,375,586	7,781,791	7,185,642	7,450,470	6,778,454	7,304,543
Contributions as a Percentage of Covered Payroll	14.00%	14.00%	13.18%	13.86%	13.84%	13.45%	12.57%
<u>State Teachers Retirement System of Ohio:</u>							
Contractually Required Contribution	\$ 3,574,181	\$ 3,351,857	\$ 3,255,441	\$ 3,124,208	\$ 3,104,280	\$ 3,043,008	\$ 3,176,904
Contributions in Relation to the Contractually Required Contribution	(3,574,181)	(3,351,857)	(3,255,441)	(3,124,208)	(3,104,280)	(3,043,008)	(3,176,904)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District Covered Payroll	25,529,864	23,941,836	23,253,150	24,032,369	23,879,077	23,407,754	24,437,723
Contributions as a Percentage of Covered Payroll	14.00%	14.00%	14.00%	13.00%	13.00%	13.00%	13.00%

(1) - Information Prior to 2011 is not available. The District will continue to present information for years available until a full ten-year trend is presented.

See accompanying notes to the required supplementary information.

DELAWARE CITY SCHOOL DISTRICT
Delaware County, Ohio
Notes to the Required Supplementary Information
For the Fiscal Year Ended June 30, 2017

NOTE 1 – SERS CHANGE IN ASSUMPTIONS

Measurement Year 2016

The assumptions used by SERS for the June 30, 2016 actuarial study used to develop the net pension liability amounts reported by the District at June 30, 2017 were changed from those used in the prior actuarial assumptions. The following is a summary of those changes.

- Discount rate was reduced from 7.75% to 7.50%;
- Assumed rate of inflation was reduced from 3.25% to 3.00%;
- Payroll growth assumption was reduced from 4.00% to 3.50%;
- Assumed real wage growth rate was reduced from 0.75% to 0.50%;
- Rates of withdrawal, retirement and disability were updated to reflect recent experience;
- Mortality tables used in the actuarial study were updated to the following:
 - Active members: RP-2014 Blue Collar Mortality Table with fully generational projection and a five-year age set-back for both males and females;
 - Service retired members and beneficiaries: RP-2014 Blue Collar Mortality Table with fully generational projection with Scale BB, 120% of male rates and 110% of female rates;
 - Disabled members: RP-2000 Disability Mortality Table, 90% for male rates and 100% for female rates, and a five-year set-back for the period after disability retirement.

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)

School Improvement Grant

To account for and report federal monies restricted to provide supplemental funding to economically disadvantaged districts and some of their eligible schools for improving educational outcomes for students who are failing or at risk of failing to meet State standards.

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 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 District.



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

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2017

	<u>Special Revenue Funds</u>	<u>Permanent Fund</u>	<u>Total Nonmajor Governmental Funds</u>
<u>Assets:</u>			
Equity in pooled cash and cash equivalents	\$ 441,580	\$ 98	\$ 441,678
Investments	-	5,017	5,017
Materials and supplies inventory	18,999	-	18,999
Accrued interest receivable	-	23	23
Accounts receivable	9,210	-	9,210
Intergovernmental receivable	<u>563,082</u>	<u>-</u>	<u>563,082</u>
Total Assets	<u>\$ 1,032,871</u>	<u>\$ 5,138</u>	<u>\$ 1,038,009</u>
 <u>Liabilities, Deferred Inflows of Resources and Fund Balance:</u>			
<u>Liabilities:</u>			
Accounts payable	\$ 3,340	\$ -	\$ 3,340
Accrued wages and benefits	390,150	-	390,150
Interfund payable	32,697	-	32,697
Intergovernmental payable	57,483	-	57,483
Matured compensated absences payable	<u>19,892</u>	<u>-</u>	<u>19,892</u>
Total Liabilities	<u>503,562</u>	<u>-</u>	<u>503,562</u>
 <u>Deferred Inflows of Resources:</u>			
Unavailable revenue	<u>343,719</u>	<u>-</u>	<u>343,719</u>
 <u>Fund Balance:</u>			
Nonspendable	-	4,200	4,200
Restricted	309,461	938	310,399
Unassigned	<u>(123,871)</u>	<u>-</u>	<u>(123,871)</u>
Total Fund Balance	<u>185,590</u>	<u>5,138</u>	<u>190,728</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balance	<u>\$ 1,032,871</u>	<u>\$ 5,138</u>	<u>\$ 1,038,009</u>

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

COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2017

	Food Service	Local and Other Grants	District Managed Student Activities	Auxiliary Services	Data Communications
<u>Assets:</u>					
Equity in pooled cash and cash equivalents	\$ 128,814	\$ 7,449	\$ 208,840	\$ 91,490	\$ -
Materials and supplies inventory	18,999	-	-	-	-
Accounts receivable	6,324	-	2,886	-	-
Intergovernmental receivable	-	-	-	-	-
Total Assets	<u>\$ 154,137</u>	<u>\$ 7,449</u>	<u>\$ 211,726</u>	<u>\$ 91,490</u>	<u>\$ -</u>
<u>Liabilities, Deferred Inflows of Resources and Fund Balances:</u>					
Liabilities:					
Accounts payable	\$ 1,398	\$ -	\$ -	\$ 130	\$ -
Accrued wages and benefits	108,271	1,133	-	30,461	-
Interfund payable	-	-	-	-	-
Intergovernmental payable	14,374	2,171	-	4,652	-
Matured compensated absences payable	-	-	-	-	-
Total Liabilities	<u>124,043</u>	<u>3,304</u>	<u>-</u>	<u>35,243</u>	<u>-</u>
Deferred Inflows of Resources:					
Unavailable revenue	-	-	-	-	-
Fund Balance:					
Restricted	30,094	4,145	211,726	56,247	-
Unassigned	-	-	-	-	-
Total Fund Balance	<u>30,094</u>	<u>4,145</u>	<u>211,726</u>	<u>56,247</u>	<u>-</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 154,137</u>	<u>\$ 7,449</u>	<u>\$ 211,726</u>	<u>\$ 91,490</u>	<u>\$ -</u>

Miscellaneous State Grants	Title VI(B) Grant	School Improvement Grant	Title III Grant	Title I Grant	Preschool Special Education Grant	Improving Teacher Quality Grant
\$ 1,381	\$ -	\$ -	\$ -	\$ -	\$ 1,723	\$ 1,883
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>5,968</u>	<u>234,625</u>	<u>-</u>	<u>15,191</u>	<u>119,490</u>	<u>13,140</u>	<u>57,405</u>
<u>\$ 7,349</u>	<u>\$ 234,625</u>	<u>\$ -</u>	<u>\$ 15,191</u>	<u>\$ 119,490</u>	<u>\$ 14,863</u>	<u>\$ 59,288</u>
\$ 17	\$ 695	\$ -	\$ -	\$ 775	\$ 15	\$ 72
2,757	122,912	-	-	96,201	3,316	20,638
-	18,185	-	472	6,827	-	-
1,488	16,218	-	-	12,609	535	2,346
<u>-</u>	<u>17,691</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>4,262</u>	<u>175,701</u>	<u>-</u>	<u>472</u>	<u>116,412</u>	<u>3,866</u>	<u>23,056</u>
<u>3,905</u>	<u>123,340</u>	<u>-</u>	<u>14,721</u>	<u>50,967</u>	<u>12,890</u>	<u>45,085</u>
-	-	-	-	-	-	-
<u>(818)</u>	<u>(64,416)</u>	<u>-</u>	<u>(2)</u>	<u>(47,889)</u>	<u>(1,893)</u>	<u>(8,853)</u>
<u>(818)</u>	<u>(64,416)</u>	<u>-</u>	<u>(2)</u>	<u>(47,889)</u>	<u>(1,893)</u>	<u>(8,853)</u>
<u>\$ 7,349</u>	<u>\$ 234,625</u>	<u>\$ -</u>	<u>\$ 15,191</u>	<u>\$ 119,490</u>	<u>\$ 14,863</u>	<u>\$ 59,288</u>

(Continued)

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

COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2017
(Continued)

	Miscellaneous Federal Grants	Total
<u>Assets:</u>		
Equity in pooled cash and cash equivalents	\$ -	\$ 441,580
Materials and supplies inventory	-	18,999
Accounts receivable	-	9,210
Intergovernmental receivable	117,263	563,082
 Total Assets	 \$ 117,263	 \$ 1,032,871
 <u>Liabilities, Deferred Inflows of Resources and Fund Balances:</u>		
Liabilities:		
Accounts payable	\$ 238	\$ 3,340
Accrued wages and benefits	4,461	390,150
Interfund payable	7,213	32,697
Intergovernmental payable	3,090	57,483
Matured compensated absences payable	2,201	19,892
 Total Liabilities	 17,203	 503,562
 Deferred Inflows of Resources:		
Unavailable revenue	92,811	343,719
 Fund Balance:		
Restricted	7,249	309,461
Unassigned	-	(123,871)
 Total Fund Balance	 7,249	 185,590
 Total Liabilities, Deferred Inflows of Resources and Fund Balances	 \$ 117,263	 \$ 1,032,871

(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, 2017

	Special Revenue Funds	Permanent Fund	Total Nonmajor Governmental Funds
Revenues:			
Intergovernmental	\$ 4,172,757	\$ -	\$ 4,172,757
Interest	334	53	387
Extracurricular activities	254,465	-	254,465
Gifts and donations	27,215	-	27,215
Customer sales and services	881,267	-	881,267
Miscellaneous	96,551	-	96,551
Total Revenues	5,432,589	53	5,432,642
Expenditures:			
Current:			
Instruction:			
Special	983,599	-	983,599
Student intervention services	1,009,556	-	1,009,556
Support Services:			
Pupils	28,336	-	28,336
Instructional staff	125,759	-	125,759
Administration	188,829	-	188,829
Fiscal	5,521	-	5,521
Pupil transportation	32,122	-	32,122
Central	39,269	-	39,269
Non-instructional services	2,652,042	-	2,652,042
Extracurricular activities	251,204	-	251,204
Total Expenditures	5,316,237	-	5,316,237
Net Change in Fund Balances	116,352	53	116,405
Fund Balance at Beginning of Year	69,238	5,085	74,323
Fund Balance at End of Year	\$ 185,590	\$ 5,138	\$ 190,728

**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, 2017

	Food Service	Local and Other Grants	District Managed Student Activities	Auxiliary Services	Data Communications
Revenues:					
Intergovernmental	\$ 1,181,313	\$ -	\$ -	\$ 561,563	\$ 12,600
Interest	-	-	-	334	-
Extracurricular activities	-	-	254,465	-	-
Gifts and Donations	-	-	27,215	-	-
Customer sales and services	881,267	-	-	-	-
Miscellaneous	-	64,419	32,132	-	-
	<u>-</u>	<u>64,419</u>	<u>32,132</u>	<u>-</u>	<u>-</u>
Total Revenues	<u>2,062,580</u>	<u>64,419</u>	<u>313,812</u>	<u>561,897</u>	<u>12,600</u>
Expenditures:					
Current:					
Instruction:					
Special	-	-	-	-	-
Student intervention services	-	-	-	-	-
Support Services:					
Pupils	-	-	-	-	-
Instructional staff	-	-	-	-	-
Administration	-	-	-	-	-
Fiscal	-	-	-	-	-
Pupil transportation	-	-	-	-	-
Central	-	-	-	-	12,600
Non-instructional services	1,995,342	62,731	-	566,773	-
Extracurricular activities	-	-	251,204	-	-
	<u>-</u>	<u>-</u>	<u>251,204</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>1,995,342</u>	<u>62,731</u>	<u>251,204</u>	<u>566,773</u>	<u>12,600</u>
Net Change in Fund Balances	67,238	1,688	62,608	(4,876)	-
Fund Balance at Beginning of Year	<u>(37,144)</u>	<u>2,457</u>	<u>149,118</u>	<u>61,123</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 30,094</u>	<u>\$ 4,145</u>	<u>\$ 211,726</u>	<u>\$ 56,247</u>	<u>\$ -</u>

Miscellaneous State Grants	Title VI(B) Grant	School Improvement Grant	Title III Grant	Title I Grant	Preschool Special Education Grant	Improving Teacher Quality Grant
\$ 58,607	\$ 1,123,328	\$ 4,741	\$ 3,619	\$ 709,975	\$ 31,455	\$ 151,995
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>58,607</u>	<u>1,123,328</u>	<u>4,741</u>	<u>3,619</u>	<u>709,975</u>	<u>31,455</u>	<u>151,995</u>
-	951,981	-	-	-	31,618	-
5,005	-	4,614	15	703,619	-	148,236
25,601	763	-	1,972	-	-	-
-	2,599	-	-	907	-	3,575
-	160,158	-	-	-	-	-
-	5,521	-	-	-	-	-
-	-	-	-	-	-	-
26,669	-	-	-	-	-	-
-	19,001	-	-	7,672	-	-
-	-	-	-	-	-	-
<u>57,275</u>	<u>1,140,023</u>	<u>4,614</u>	<u>1,987</u>	<u>712,198</u>	<u>31,618</u>	<u>151,811</u>
1,332	(16,695)	127	1,632	(2,223)	(163)	184
<u>(2,150)</u>	<u>(47,721)</u>	<u>(127)</u>	<u>(1,634)</u>	<u>(45,666)</u>	<u>(1,730)</u>	<u>(9,037)</u>
<u>\$ (818)</u>	<u>\$ (64,416)</u>	<u>\$ -</u>	<u>\$ (2)</u>	<u>\$ (47,889)</u>	<u>\$ (1,893)</u>	<u>\$ (8,853)</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, 2017
(Continued)

	Miscellaneous Federal Grants	Total
Revenues:		
Intergovernmental	\$ 333,561	\$ 4,172,757
Interest	-	334
Extracurricular activities	-	254,465
Gifts and Donations	-	27,215
Customer sales and services	-	881,267
Miscellaneous	-	96,551
	333,561	5,432,589
Total Revenues		
Expenditures:		
Current:		
Instruction:		
Special	-	983,599
Student intervention services	148,067	1,009,556
Support Services:		
Pupils	-	28,336
Instructional staff	118,678	125,759
Administration	28,671	188,829
Fiscal	-	5,521
Pupil transportation	32,122	32,122
Central	-	39,269
Non-instructional services	523	2,652,042
Extracurricular activities	-	251,204
	328,061	5,316,237
Total Expenditures		
Net Change in Fund Balances	5,500	116,352
Fund Balance at Beginning of Year	1,749	69,238
Fund Balance at End of Year	\$ 7,249	\$ 185,590

(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, 2017

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Food Service Fund			
Total Revenues and Other Sources	\$ 1,932,831	\$ 1,932,188	\$ (643)
Total Expenditures and Other Uses	<u>1,970,000</u>	<u>1,853,238</u>	<u>116,762</u>
Net Change in Fund Balances	(37,169)	78,950	116,119
Fund Balance, July 1	46,866	46,866	-
Prior Year Encumbrances	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance, June 30	<u>\$ 9,697</u>	<u>\$ 125,816</u>	<u>\$ 116,119</u>
Local and Other Grants Fund			
Total Revenues and Other Sources	\$ 109,419	\$ 64,419	\$ (45,000)
Total Expenditures and Other Uses	<u>62,101</u>	<u>62,811</u>	<u>(710)</u>
Net Change in Fund Balances	47,318	1,608	(45,710)
Fund Balance, July 1	5,171	5,171	-
Prior Year Encumbrances Appropriated	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance, June 30	<u>\$ 52,489</u>	<u>\$ 6,779</u>	<u>\$ (45,710)</u>
District Managed Student Activities Fund			
Total Revenues and Other Sources	\$ 334,389	\$ 318,612	\$ (15,777)
Total Expenditures and Other Uses	<u>371,201</u>	<u>262,572</u>	<u>108,629</u>
Net Change in Fund Balances	(36,812)	56,040	92,852
Fund Balance, July 1	130,620	130,620	-
Prior Year Encumbrances	<u>21,201</u>	<u>21,201</u>	<u>-</u>
Fund Balance, June 30	<u>\$ 115,009</u>	<u>\$ 207,861</u>	<u>\$ 92,852</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, 2017
(Continued)

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Auxiliary Services Fund			
Total Revenues and Other Sources	\$ 621,524	\$ 621,524	\$ -
Total Expenditures and Other Uses	<u>656,815</u>	<u>667,950</u>	<u>(11,135)</u>
Net Change in Fund Balances	(35,291)	(46,426)	(11,135)
Fund Balance, July 1	90,227	90,227	-
Prior Year Encumbrances	<u>11,815</u>	<u>11,815</u>	<u>-</u>
Fund Balance, June 30	<u>\$ 66,751</u>	<u>\$ 55,616</u>	<u>\$ (11,135)</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 Grant Fund			
Total Revenues and Other Sources	\$ 67,704	\$ 57,725	\$ (9,979)
Total Expenditures and Other Uses	<u>58,101</u>	<u>57,511</u>	<u>590</u>
Net Change in Fund Balances	9,603	214	(9,389)
Fund Balance, July 1	926	926	-
Prior Year Encumbrances	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance, June 30	<u>\$ 10,529</u>	<u>\$ 1,140</u>	<u>\$ (9,389)</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, 2017
(Continued)

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Title VI(B) Grant Fund			
Total Revenues and Other Sources	\$ 1,304,077	\$ 1,069,451	\$ (234,626)
Total Expenditures and Other Uses	<u>1,125,458</u>	<u>1,145,124</u>	<u>(19,666)</u>
Net Change in Fund Balances	178,619	(75,673)	(254,292)
Fund Balance, July 1	34,773	34,773	-
Prior Year Encumbrances Appropriated	<u>20,458</u>	<u>20,458</u>	<u>-</u>
Fund Balance, June 30	<u>\$ 233,850</u>	<u>\$ (20,442)</u>	<u>\$ (254,292)</u>
 School Improvement Grant Fund			
Total Revenues and Other Sources	\$ 7,008	\$ 7,008	\$ -
Total Expenditures and Other Uses	<u>4,741</u>	<u>4,741</u>	<u>-</u>
Net Change in Fund Balances	2,267	2,267	-
Fund Balance, July 1	(2,267)	(2,267)	-
Prior Year Encumbrances	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
 Title III Grant Fund			
Total Revenues and Other Sources	\$ 18,843	\$ 3,652	\$ (15,191)
Total Expenditures and Other Uses	<u>5,000</u>	<u>4,852</u>	<u>148</u>
Net Change in Fund Balances	13,843	(1,200)	(15,043)
Fund Balance, July 1	501	501	-
Prior Year Encumbrances	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance, June 30	<u>\$ 14,344</u>	<u>\$ (699)</u>	<u>\$ (15,043)</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, 2017
(Continued)

	Final Budget	Actual	Variance with Final Budget
Title I Grant Fund			
Total Revenues and Other Sources	\$ 799,608	\$ 680,118	\$ (119,490)
Total Expenditures and Other Uses	<u>711,892</u>	<u>721,278</u>	<u>(9,386)</u>
Net Change in Fund Balances	87,716	(41,160)	(128,876)
Fund Balance, July 1	22,058	22,058	-
Prior Year Encumbrances Appropriated	<u>11,891</u>	<u>11,891</u>	<u>-</u>
Fund Balance, June 30	<u>\$ 121,665</u>	<u>\$ (7,211)</u>	<u>\$ (128,876)</u>
Preschool Special Education Grant Fund			
Total Revenues and Other Sources	\$ 45,441	\$ 32,302	\$ (13,139)
Total Expenditures and Other Uses	<u>35,200</u>	<u>35,961</u>	<u>(761)</u>
Net Change in Fund Balances	10,241	(3,659)	(13,900)
Fund Balance, July 1	825	825	-
Prior Year Encumbrances	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance, June 30	<u>\$ 11,066</u>	<u>\$ (2,834)</u>	<u>\$ (13,900)</u>
Improving Teacher Quality Grant Fund			
Total Revenues and Other Sources	\$ 203,832	\$ 146,428	\$ (57,404)
Total Expenditures and Other Uses	<u>153,147</u>	<u>156,938</u>	<u>(3,791)</u>
Net Change in Fund Balances	50,685	(10,510)	(61,195)
Fund Balance, July 1	7,896	7,896	-
Prior Year Encumbrances	<u>648</u>	<u>648</u>	<u>-</u>
Fund Balance, June 30	<u>\$ 59,229</u>	<u>\$ (1,966)</u>	<u>\$ (61,195)</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, 2017
(Continued)

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Miscellaneous Federal Grants Fund			
Total Revenues and Other Sources	\$ 426,372	\$ 309,109	\$ (117,263)
Total Expenditures and Other Uses	<u>350,480</u>	<u>352,046</u>	<u>(1,566)</u>
Net Change in Fund Balances	75,892	(42,937)	(118,829)
Fund Balance, July 1	29,078	29,078	-
Prior Year Encumbrances Appropriated	<u>5,429</u>	<u>5,429</u>	<u>-</u>
Fund Balance, June 30	<u>\$ 110,399</u>	<u>\$ (8,430)</u>	<u>\$ (118,829)</u>
Delaware Foundation Fund			
Total Revenues and Other Sources	\$ 211,176	\$ 191,798	\$ (19,378)
Total Expenditures and Other Uses	<u>294,109</u>	<u>287,768</u>	<u>6,341</u>
Net Change in Fund Balances	(82,933)	(95,970)	(13,037)
Fund Balance, July 1	627,285	627,285	-
Prior Year Encumbrances	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance, June 30	<u>\$ 544,352</u>	<u>\$ 531,315</u>	<u>\$ (13,037)</u>
Public School Support Fund			
Total Revenues and Other Sources	\$ 168,699	\$ 174,637	\$ 5,938
Total Expenditures and Other Uses	<u>193,190</u>	<u>174,195</u>	<u>18,995</u>
Net Change in Fund Balances	(24,491)	442	24,933
Fund Balance, July 1	108,076	108,076	-
Prior Year Encumbrances	<u>3,191</u>	<u>3,191</u>	<u>-</u>
Fund Balance, June 30	<u>\$ 86,776</u>	<u>\$ 111,709</u>	<u>\$ 24,933</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, 2017
(Continued)

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
After School Childcare Fund			
Total Revenues and Other Sources	\$ 1,181,690	\$ 1,020,396	\$ (161,294)
Total Expenditures and Other Uses	<u>1,142,327</u>	<u>880,256</u>	<u>262,071</u>
Net Change in Fund Balances	39,363	140,140	100,777
Fund Balance, July 1	827,885	827,885	-
Prior Year Encumbrances	<u>2,327</u>	<u>2,327</u>	<u>-</u>
Fund Balance, June 30	<u>\$ 869,575</u>	<u>\$ 970,352</u>	<u>\$ 100,777</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, 2017

	Final Budget	Actual	Variance with Final Budget
Debt Service Fund			
Total Revenues and Other Sources	\$ 4,990,000	\$ 5,486,099	\$ 496,099
Total Expenditures and Other Uses	<u>5,210,000</u>	<u>5,198,329</u>	<u>11,671</u>
Net Change in Fund Balances	(220,000)	287,770	507,770
Fund Balance, July 1	2,576,944	2,576,944	-
Prior Year Encumbrances	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance, June 30	<u>\$ 2,356,944</u>	<u>\$ 2,864,714</u>	<u>\$ 507,770</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, 2017

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Permanent Improvement Fund			
Total Revenues and Other Sources	\$ 2,000,000	\$ 2,093,646	\$ 93,646
Total Expenditures and Other Uses	<u>2,834,954</u>	<u>2,358,144</u>	<u>476,810</u>
Net Change in Fund Balances	(834,954)	(264,498)	570,456
Fund Balance, July 1	1,612,383	1,612,383	-
Prior Year Encumbrances	<u>559,953</u>	<u>559,953</u>	<u>-</u>
Fund Balance, June 30	<u>\$ 1,337,382</u>	<u>\$ 1,907,838</u>	<u>\$ 570,456</u>
Building Fund			
Total Revenues and Other Sources	\$ -	\$ 18,388	\$ 18,388
Total Expenditures and Other Uses	<u>24,669,393</u>	<u>24,274,532</u>	<u>394,861</u>
Net Change in Fund Balances	(24,669,393)	(24,256,144)	413,249
Fund Balance, July 1	9,183,285	9,183,285	-
Prior Year Encumbrances Appropriated	<u>15,486,494</u>	<u>15,486,494</u>	<u>-</u>
Fund Balance, June 30	<u>\$ 386</u>	<u>\$ 413,635</u>	<u>\$ 413,249</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, 2017

	Final Budget	Actual	Variance with Final Budget
Land Grant Fund			
Total Revenues and Other Sources	\$ 29	\$ 30	\$ 1
Total Expenditures and Other Uses	-	-	-
Net Change in Fund Balances	29	30	1
Fund Balance, July 1	5,084	5,084	-
Prior Year Encumbrances	-	-	-
Fund Balance, June 30	<u>\$ 5,113</u>	<u>\$ 5,114</u>	<u>\$ 1</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 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 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, 2017

	Scholarship Trust Fund	Memorial Scholarship Trust Fund	Total
Assets:			
Equity in pooled cash and cash equivalents	\$ 27,306	\$ 5,827	\$ 33,133
Investments	18,491	58,941	77,432
Accrued interest receivable	298	92	390
Total Assets	46,095	64,860	110,955
Net Position:			
Held in trust for scholarships	46,095	64,860	110,955
Total Net Position	\$ 46,095	\$ 64,860	\$ 110,955

**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, 2017

	Scholarship Trust Fund	Memorial Scholarship Trust Fund	Total
Additions:			
Gifts and donations	\$ 1,390	\$ 437	\$ 1,827
Investment earnings	312	146	458
Total Additions	1,702	583	2,285
Deductions:			
Payments in accordance with trust agreements	2,500	500	3,000
Total Deductions	2,500	500	3,000
Change in Net Position	(798)	83	(715)
Net Position, Beginning of Year	46,893	64,777	111,670
Net Position, End of Year	\$ 46,095	\$ 64,860	\$ 110,955

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

SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	Balance July 1, 2016	Additions	Deletions	Balance June 30, 2017
<u>Student Managed Activities</u>				
Assets:				
Equity in pooled cash and cash equivalents	\$ 202,865	\$ 557,972	\$ 536,931	\$ 223,906
Accounts receivable	1,634	2,788	1,634	2,788
Total Assets	<u>\$ 204,499</u>	<u>\$ 560,760</u>	<u>\$ 538,565</u>	<u>\$ 226,694</u>
Liabilities:				
Accounts Payable	\$ 7,784	\$ 205	\$ 7,784	\$ 205
Due to Students	196,715	560,555	530,781	226,489
Total Liabilities	<u>\$ 204,499</u>	<u>\$ 560,760</u>	<u>\$ 538,565</u>	<u>\$ 226,694</u>
<u>OHSAA Tournaments</u>				
Assets:				
Equity in pooled cash and cash equivalents	\$ 2,210	\$ 4,080	\$ 1,966	\$ 4,324
Total Assets	<u>\$ 2,210</u>	<u>\$ 4,080</u>	<u>\$ 1,966</u>	<u>\$ 4,324</u>
Liabilities:				
Undistributed Monies	\$ 2,210	\$ 4,080	\$ 1,966	\$ 4,324
Total Liabilities	<u>\$ 2,210</u>	<u>\$ 4,080</u>	<u>\$ 1,966</u>	<u>\$ 4,324</u>
<u>All Agency Funds</u>				
Assets:				
Equity in pooled cash and cash equivalents	\$ 205,075	\$ 562,052	\$ 538,897	\$ 228,230
Accounts receivable	1,634	2,788	1,634	2,788
Total Assets	<u>\$ 206,709</u>	<u>\$ 564,840</u>	<u>\$ 540,531</u>	<u>\$ 231,018</u>
Liabilities:				
Accounts Payable	\$ 7,784	\$ 205	\$ 7,784	\$ 205
Undistributed Monies	2,210	4,080	1,966	4,324
Due to Students	196,715	560,555	530,781	226,489
Total Liabilities	<u>\$ 206,709</u>	<u>\$ 564,840</u>	<u>\$ 540,531</u>	<u>\$ 231,018</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	89
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	94
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	103
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	107
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	109
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)

	2017	2016	2015	2014*	2013	2012	2011	2010	2009	2008
Governmental Activities										
Net Investment in										
Capital Assets	\$ 14,834,201	\$ 13,548,590	\$ 13,135,136	\$ 11,096,878	\$ 9,770,962	\$ 9,102,298	\$ 8,255,663	\$ 7,106,503	\$ 6,591,590	\$ 3,581,105
Restricted	7,474,969	6,923,338	5,239,203	5,593,311	4,672,508	3,669,938	3,193,505	3,389,257	3,022,404	2,645,350
Unrestricted*	(65,061,114)	(59,967,924)	(61,172,695)	(63,049,565)	8,848,140	5,062,383	1,572,829	3,181,418	4,769,871	8,404,123
Total Governmental Activities	\$ (42,751,944)	\$ (39,495,996)	\$ (42,798,356)	\$ (46,359,376)	\$ 23,291,610	\$ 17,834,619	\$ 13,021,997	\$ 13,677,178	\$ 14,383,865	\$ 14,630,578
Net Position										

* - 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.

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

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Expenses:										
Governmental Activities:										
Instruction										
Regular	\$ 27,871,427	\$ 24,777,810	\$ 23,802,440	\$ 24,021,141	\$ 24,083,445	\$ 21,730,895	\$ 22,539,999	\$ 21,794,461	\$ 20,921,349	\$ 20,402,113
Special	9,700,013	8,804,863	8,208,897	8,153,629	6,669,914	5,731,574	6,254,257	5,210,222	5,187,008	4,862,505
Vocational	218,526	209,063	186,286	191,199	156,843	175,938	307,590	366,978	374,707	322,964
Student Intervention Services	1,119,597	1,132,341	1,028,329	896,541	43,894	87,694	108,645	88,162	196,574	-
Other	329,076	53,412	-	196,803	186,635	2,300,758	2,138,369	2,010,131	1,723,802	1,580,947
Support Services										
Pupils	3,482,764	3,076,941	2,962,830	2,879,114	2,631,496	2,519,897	2,468,366	2,562,505	2,397,861	2,260,802
Instructional Staff	1,710,439	1,714,957	1,284,377	1,176,256	2,854,028	2,589,706	3,153,118	3,301,322	2,817,316	2,921,736
Board of Education	166,893	148,854	188,355	179,140	176,816	173,989	163,664	187,628	122,478	219,277
General Administrative	4,237,249	3,763,992	3,361,037	3,329,166	3,080,098	2,942,025	2,930,373	3,014,373	3,016,704	2,845,860
Fiscal Services	1,420,869	1,371,514	1,207,386	1,250,327	1,154,372	1,105,356	1,135,862	1,032,913	1,110,043	1,074,402
Business	427,406	439,882	387,910	397,547	406,366	331,725	372,744	377,507	328,306	424,312
Operation & Maintenance of Plant	5,829,134	5,218,451	4,783,456	4,637,195	4,487,853	4,339,248	4,547,833	4,939,323	4,576,377	4,557,649
Pupil Transportation	3,492,357	3,409,485	2,749,739	3,618,131	3,164,713	3,222,859	3,374,544	3,587,477	2,983,616	2,884,402
Central	747,366	698,167	1,511,065	290,933	136,137	264,800	152,308	156,573	159,258	135,834
Operation of Non-Instructional Services	3,656,700	3,690,012	3,442,372	3,327,646	3,266,319	2,002,275	1,781,285	1,842,216	2,048,717	1,619,968
Extra Curricular Activities	1,486,499	1,483,181	1,362,236	1,563,002	1,265,322	1,173,635	1,166,815	1,372,834	1,161,904	1,171,598
Interest and Fiscal Charges	2,813,989	2,906,250	2,469,601	2,092,170	1,158,713	1,283,359	1,378,204	1,473,101	1,554,734	1,695,938
Unallocated Depreciation	949,989	894,345	918,393	861,035	989,183	947,128	949,603	951,944	951,516	940,105
Total Governmental Activities	69,660,293	63,793,520	59,854,709	59,060,975	55,912,147	52,992,861	54,923,579	54,269,670	51,632,270	49,920,412
Expenses										

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

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Program Revenues										
Governmental Activities:										
Charges for Services										
Instruction	\$ 655,281	\$ 746,128	\$ 1,439,531	\$ 1,560,282	\$ 1,521,079	\$ 1,536,768	\$ 1,361,358	\$ 1,350,446	\$ 1,172,696	\$ 1,210,439
Support Services										
General Administrative	94,936	135,796	74,072	69,699	91,204	79,856	95,836	101,160	92,037	55,580
Operation & Maintenance of Plant	104,306	120,045	33,739	72,002	90,891	81,507	18,971	21,702	7,690	7,645
Pupil Transportation	-	-	1,017	5,226	2,683	10,449	1,595	4,178	177,173	144,916
Operation of Non-Instructional Services	1,897,179	1,940,927	855,383	915,838	919,965	1,009,024	976,268	997,008	1,020,596	906,022
Extra Curricular Activities	303,535	291,370	258,280	322,152	297,105	388,271	297,351	310,701	265,267	267,831
Operating Grants and Contributions	4,999,228	5,034,606	4,503,129	4,735,840	4,864,556	4,705,078	5,288,347	5,389,975	4,802,612	5,580,763
Capital Grants and Contributions	-	-	-	-	-	-	-	-	47,590	22,002
Total Governmental Activities	8,054,465	8,268,872	7,165,151	7,681,039	7,787,483	7,810,954	8,039,726	8,175,170	7,585,661	8,195,198
Program Revenues										
Net (Expense)/Revenue										
Governmental Activities	\$ (61,605,828)	\$ (55,524,648)	\$ (52,689,558)	\$ (51,379,936)	\$ (48,124,664)	\$ (45,121,907)	\$ (46,883,853)	\$ (46,094,500)	\$ (44,046,609)	\$ (41,725,214)
General Revenues and Other										
Changes in Net Position										
Governmental Activities										
Property Taxes Levied for:										
General Purposes	\$ 29,379,701	\$ 29,960,282	\$ 28,236,313	\$ 29,222,750	\$ 29,753,957	\$ 27,391,062	\$ 22,881,148	\$ 22,450,075	\$ 21,823,705	\$ 25,398,068
Debt Service	4,801,469	4,892,178	4,478,533	4,087,819	3,364,962	3,120,099	3,013,956	2,972,585	2,986,156	3,515,274
Permanent Improvement	1,860,836	1,880,614	1,784,484	1,827,705	1,878,323	1,822,135	1,769,698	1,746,642	1,651,058	1,896,292
Payments in Lieu of Property Taxes	35,616	14,554	43,581	27,857	-	-	-	-	-	-
Grants and Entitlements not										
Restricted to Specific Programs	21,264,771	20,961,724	20,572,119	18,949,100	17,700,452	17,179,605	18,094,408	17,780,710	16,696,853	14,927,446
Investment Earnings	271,846	296,388	217,474	152,459	112,157	4,576	18,970	16,871	269,720	653,606
Miscellaneous	735,641	821,268	918,094	1,182,230	771,804	724,782	450,492	420,930	322,404	376,410
Total Governmental Activities	58,349,880	58,827,008	56,250,578	55,449,920	53,581,655	50,242,259	46,228,672	45,387,813	43,749,896	46,767,096
Change in Net Position										
Governmental Activities	\$ (3,255,948)	\$ 3,302,360	\$ 3,561,020	\$ 4,069,984	\$ 5,456,991	\$ 5,120,352	\$ (655,181)	\$ (706,687)	\$ (296,713)	\$ 5,041,882

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

	2017	2016	2015	2014	2013	2012	2011	2010 *	2009	2008
General Fund										
Nonspendable	\$ 237,643	\$ 241,488	\$ 256,692	\$ 266,032	\$ 214,363	\$ 221,327	\$ 224,542	\$ -	\$ -	\$ -
Reserved	-	-	-	-	-	-	-	3,509,603	3,779,714	5,242,016
Unreserved	1,948,998	4,242,346	202,011	469,327	90,959	329,579	2,703,072	103,384	367,699	367,699
Assigned	9,116,724	8,217,526	11,046,402	10,488,446	9,255,756	4,853,390	-	-	-	-
Unassigned									2,112,664	2,573,896
Total General Fund	\$ 11,303,365	\$ 12,701,360	\$ 11,505,105	\$ 11,223,805	\$ 9,561,098	\$ 5,404,296	\$ 2,927,614	\$ 3,612,987	\$ 6,260,077	\$ 8,183,611
All Other Governmental Funds										
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,517,845	\$ 1,074,747	\$ 1,200,213
Unreserved, reported in:										
Special Revenue Funds	-	-	-	-	-	-	-	1,315,386	1,081,802	1,048,274
Debt Service Fund	-	-	-	-	-	-	-	1,493,054	1,485,547	1,228,407
Capital Projects Fund	-	-	-	-	-	-	-	1,533,534	1,967,276	1,681,912
Permanent Fund	-	-	-	-	-	-	-	4,954	5,179	5,105
Nonspendable	4,200	39,200	30,952	33,323	35,408	26,052	22,025	-	-	-
Restricted	11,549,867	29,424,840	48,298,429	25,475,598	5,174,017	5,361,893	4,857,178	-	-	-
Unassigned	(123,871)	(180,209)	(122,931)	(94,535)	(86,413)	(55,070)	(10,207)	-	-	-
Total All Other Governmental Funds	\$ 11,430,196	\$ 29,283,831	\$ 48,206,450	\$ 25,414,386	\$ 5,123,012	\$ 5,332,875	\$ 4,868,996	\$ 5,864,773	\$ 5,614,551	\$ 5,163,911

* - 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)

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Revenues:										
Property and Other Local Taxes	\$ 36,311,526	\$ 36,697,189	\$ 34,303,596	\$ 34,695,452	\$ 35,491,288	\$ 31,839,905	\$ 28,155,939	\$ 26,841,849	\$ 26,533,798	\$ 31,426,021
Intergovernmental	26,157,152	25,786,372	25,155,914	23,706,698	22,252,327	21,591,349	23,477,846	22,840,044	21,451,994	20,294,213
Interest	255,921	306,841	222,495	135,547	112,157	4,576	18,970	16,871	269,720	653,706
Tuition and Fees	1,644,544	1,744,258	1,439,531	1,560,282	1,521,079	1,536,768	1,360,505	1,345,298	1,170,425	1,209,865
Rentals	104,306	120,045	33,739	72,002	90,891	81,507	18,971	21,702	7,690	7,645
Extracurricular Activities	389,567	413,981	322,053	418,822	370,972	450,404	375,297	404,044	351,456	319,403
Gifts and Donations	118,475	105,472	97,651	230,750	137,710	126,850	100,147	82,484	153,210	116,337
Customer Sales and Services	916,820	955,992	866,699	894,093	939,985	1,037,196	996,606	1,014,151	1,205,888	1,055,520
Payment in Lieu of Property Taxes	35,616	14,554	43,581	27,857	-	-	-	-	-	-
Miscellaneous	735,641	821,268	918,094	1,193,823	584,146	724,782	450,492	420,930	322,404	376,410
Total Revenues	66,669,568	66,965,962	63,403,353	62,936,326	61,500,555	57,393,337	54,954,773	52,987,373	51,466,585	55,459,120
Expenditures										
Current:										
Instruction	25,864,821	24,364,282	24,500,853	23,793,783	23,644,328	21,874,431	22,440,012	21,608,728	20,815,485	20,125,163
Regular	9,160,554	8,730,695	8,403,417	8,210,721	6,631,601	5,782,525	6,223,816	5,150,845	5,212,199	4,855,184
Special	201,880	194,430	189,790	178,911	156,218	216,310	310,320	353,597	346,734	344,011
Vocational	1,119,597	1,160,091	1,032,622	896,083	43,894	87,694	108,645	98,747	196,574	-
Student Intervention	204,184	53,412	3,779	152,642	186,635	2,300,758	2,138,369	2,010,131	1,723,802	1,580,947
Support Services	3,264,970	3,051,046	3,040,376	2,863,936	2,618,690	2,585,628	2,488,683	2,518,564	2,391,453	2,250,454
Pupils	1,604,171	1,714,547	1,343,293	1,196,884	2,845,809	2,591,311	3,131,096	3,254,374	2,720,981	2,759,296
Instructional Staff	164,984	144,773	191,129	179,140	176,816	173,989	163,664	187,628	219,277	219,277
Board of Education	3,989,378	3,747,771	3,507,893	3,298,393	3,064,169	2,946,144	2,917,671	3,042,611	3,009,811	2,830,900
Administration	1,402,883	1,346,056	1,225,486	1,250,327	1,169,027	1,086,479	1,093,959	1,007,557	1,080,920	1,045,505
Fiscal Services	404,057	440,405	397,924	400,554	398,364	329,307	372,441	377,307	327,897	423,932
Business	4,847,773	4,848,526	4,714,751	4,403,107	4,016,730	3,988,792	4,496,769	4,686,135	4,567,460	4,189,844
Operation & Maintenance of Plant	3,306,471	3,315,130	2,994,124	3,326,771	2,865,062	2,929,899	3,122,007	3,148,229	2,683,521	2,650,871
Maintenance of Plant	683,359	708,072	708,072	290,702	136,137	264,800	148,832	156,573	159,258	151,691
Pupil Transportation	3,544,750	3,635,699	3,470,873	3,335,134	3,241,302	2,603,170	1,776,700	1,828,851	2,029,209	1,601,572
Central	1,437,579	1,424,513	1,345,343	1,530,591	1,226,922	1,144,501	1,155,990	1,332,903	1,137,966	1,143,867
Non-Instructional Services	19,363,193	20,060,870	8,047,884	1,392,554	1,722,954	3,331,643	997,972	1,062,903	879,519	1,544,533
Extra Curricular Activities	2,442,590	2,763,110	2,768,750	2,749,510	2,565,327	2,427,197	2,328,452	2,299,953	2,281,683	2,677,995
Capital Outlay	2,914,004	2,988,898	1,929,826	1,804,956	1,122,901	1,207,468	1,220,525	1,258,605	1,252,529	1,315,288
Debt Service	-	-	478,759	200,263	-	-	-	-	-	-
Principal Retirement	-	-	-	-	-	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-	-	-	-	-	-
Issuance Costs	-	-	-	-	-	-	-	-	-	-
Total Expenditures	\$ 85,921,198	\$ 84,692,326	\$ 71,163,274	\$ 61,454,962	\$ 57,832,886	\$ 57,272,046	\$ 56,635,923	\$ 55,384,241	\$ 52,939,479	\$ 51,710,320
Excess (deficiency) of revenue over (under) expenditures	\$ (19,251,630)	\$ (17,726,364)	\$ (7,759,921)	\$ 1,481,364	\$ 3,667,669	\$ 121,291	\$ (1,681,150)	\$ (2,396,868)	\$ (1,472,894)	\$ 3,748,800
Other Financing (Sources) Uses										
Refund of prior year expenditure/receipt (net)	-	-	-	-	187,658	-	-	-	-	-
Transfers in	-	-	-	30,000	-	-	-	-	-	-
Transfers (out)	-	-	-	(30,000)	-	-	20,000	31,411	30,000	20,000
Proceeds of Capital Lease Premium on Bonds Issued	-	-	-	-	-	-	(20,000)	(31,411)	(30,000)	(20,000)
Premium on Bonds Issued	-	-	-	-	-	-	-	-	-	255,237
Premium and interest on Bonds Sold	-	-	1,519,061	562,717	-	-	-	-	-	-
General Obligation Bonds Issued	-	-	30,000,000	19,910,000	1,011,208	-	-	-	-	-
Refunding Bonds Issued	-	-	11,580,000	-	8,720,000	-	-	-	-	-
Notes Issued	-	-	-	-	-	-	-	-	-	-
Payments to Refunded Bond Escrow	-	-	-	-	-	2,819,270	-	-	-	-
Total Other Financing Sources (Uses)	-	-	(12,265,776)	20,472,717	(9,639,596)	-	-	-	-	-
Net Change in Fund Balance	\$ (19,251,630)	\$ (17,726,364)	\$ 23,073,364	\$ 21,954,081	\$ 3,946,939	\$ 2,940,561	\$ (1,681,150)	\$ (2,396,868)	\$ (1,472,894)	\$ 4,004,037
Debt Service as a Percentage of Noncapital Expenditures	8.01%	8.86%	7.43%	7.58%	7.04%	7.23%	6.81%	7.01%	15.25%	8.65%

**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			
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
2009	692,323,210	1,978,066,314	1,607,906	25,726,496	19,405,750	55,445,000	713,336,866	2,059,237,810	40.91
2008	690,868,930	1,973,911,229	19,792,118	316,673,888	16,486,470	47,104,200	727,147,518	2,337,689,317	40.43

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
Last Ten Years**

**Delaware Township-Delaware City School District
(Per \$1000 Assessed Value)**

Collection Year	Delaware City School District		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	Library	District	Center	Dept	Fire District	Township	Other	Rate	Effective Rate	Effective Rate	Effective Rate	Effective Rate	Effective Rate	Effective Rate	Effective Rate	Effective Rate	Effective Rate	
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	62.716284									
2010	66.83	5.04	1.03	3.20	0.70	5.40	2.40	2.05	86.65	58.704494	62.820631									
2009	67.42	4.25	0.04	3.20	0.70	5.40	2.40	2.05	85.46	57.455739	61.795647									
2008	67.10	4.25	0.06	3.20	0.70	5.40	2.20	1.85	84.76	56.262098	61.180633									

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
Last Ten Years**

**City of Delaware-Delaware City School District
(Per \$1000 Assessed Value)**

Collection Year	Delaware City		Delaware County	City of Delaware	Delaware		Delaware County Library	Delaware Area Career Center	Delaware Health Dept	Other	Total Rate	Residential/ Agriculture Effective Rate	Commercial/ Industrial Effective Rate
	School District	County			County	Center							
2017	77.94	5.88	1.00	2.70	1.50	0.70	2.23	0.70	2.23	91.95	65.706846	69.442996	
2016	78.24	5.90	1.00	2.70	3.20	0.70	1.30	0.70	1.30	93.04	66.101076	69.853772	
2015	78.51	5.91	1.00	2.70	3.20	0.70	2.05	0.70	2.05	94.07	67.154417	71.515893	
2014	78.20	5.91	1.00	2.70	3.20	0.70	2.05	0.70	2.05	93.76	67.524934	71.316492	
2013	76.73	5.05	1.00	2.70	3.20	0.70	2.05	0.70	2.05	91.43	65.176442	68.453865	
2012	76.38	5.05	1.00	2.70	3.20	0.70	2.05	0.70	2.05	91.08	64.784738	67.915646	
2011	66.91	5.05	1.00	2.70	3.20	0.70	2.05	0.70	2.05	81.61	54.025243	57.806992	
2010	66.83	5.04	1.03	2.70	3.20	0.70	2.05	0.70	2.05	81.55	53.910091	57.912998	
2009	67.42	4.25	0.04	2.70	3.20	0.70	2.05	0.70	2.05	80.36	52.670935	56.839017	
2008	67.10	4.25	0.06	2.70	3.20	0.70	1.85	0.70	1.85	79.86	51.601574	56.431302	

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

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- Delaware Township-Delaware City
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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
Real Property Tax Rates - Direct and Overlapping
Last Ten Years**

**Troy Township-Delaware City School District
(Per \$1000 Assessed Value)**

Collection Year	Delaware City School District		Delaware County District Library		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	Library	Center	Health Dept	Fire District	Township	Other	Rate	Residential/ Agriculture Effective Rate	Commercial/ Industrial Effective Rate									
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									
2009	67.42	4.25	0.04	3.20	0.70	5.40	2.20	2.05	85.26	57.340875	61.712491									
2008	67.10	4.25	0.06	3.20	0.70	5.40	2.20	1.85	84.76	56.351536	61.299213									

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

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

Collection Year	Delaware City School District		Delaware County District Library		City of Delaware	Delaware Area Career Center		Delaware Health Dept	Township	Other	Total Rate	Residential/ Agriculture Effective Rate	Commercial/ Industrial Effective Rate
	School District	Delaware County	Delaware County	Delaware Area Career Center									
2017	77.94	5.88	1.35	1.00	1.50	0.70	2.15	2.23	92.75	66.406678	70.108689		
2016	78.24	5.90	1.35	1.00	3.20	0.70	2.15	1.30	93.84	66.813733	70.521761		
2015	78.51	5.91	1.35	1.00	3.20	0.70	2.15	2.05	94.87	67.868691	72.184657		
2014	78.20	5.91	1.35	1.00	3.20	0.70	2.15	2.05	94.56	68.274944	71.993884		
2013	76.73	5.05	1.35	1.00	3.20	0.70	2.15	2.05	92.23	65.924374	69.134658		
2012	76.38	5.05	1.35	1.00	3.20	0.70	2.15	2.05	91.88	65.531649	68.591562		
2011	66.91	5.05	1.35	1.00	3.20	0.70	2.15	2.05	82.41	54.745897	58.483844		
2010	66.83	5.04	1.35	1.03	3.20	0.70	2.15	2.05	82.35	54.625752	58.589194		
2009	67.42	4.25	1.35	0.04	3.20	0.70	2.15	2.05	81.16	53.385799	57.522173		
2008	67.10	4.25	1.35	0.06	3.20	0.70	1.95	1.85	80.46	52.112136	56.912722		

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

Collection Year	Delaware City School District		Delaware County		City of Delaware	Delaware County		Delaware Health Dept	Township	Other	Total Rate	Residential/ Agriculture Effective Rate	Commercial/ Industrial Effective Rate
	Delaware City School District	Delaware County	Delaware County District Library	Delaware Area Career Center									
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		
2009	67.42	4.25	1.35	0.04	3.20	0.70	3.85	2.05	82.86	54.559265	59.150289		
2008	67.10	4.25	1.35	0.06	3.20	0.70	3.85	1.85	82.36	53.575486	58.664327		

This tax district was first used in tax year 2005, collection year 2006

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

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

Collection Year	Delaware City School District		Delaware County District Library		City of Delaware	Delaware Area Career Center		Delaware Health Dept	Township	Other	Total Rate	Residential/ Agriculture Effective Rate	Commercial/ Industrial Effective Rate
	School District	Delaware County	Delaware County District Library	Delaware Area Career Center									
2017	77.94	5.88	1.35	1.00	1.35	1.50	0.70	1.35	2.23	91.95	65.706846	69.442996	
2016	78.24	5.90	1.35	1.00	1.35	3.20	0.70	1.35	1.30	93.04	66.101076	69.853772	
2015	78.51	5.91	1.35	1.00	1.35	3.20	0.70	1.35	2.05	94.07	67.154417	71.515893	
2014	78.20	5.91	1.35	1.00	1.35	3.20	0.70	1.35	2.05	93.76	67.524934	71.316492	
2013	76.73	5.05	1.35	1.00	1.35	3.20	0.70	1.35	2.05	91.43	65.176442	68.453865	
2012	76.38	5.05	1.35	1.00	1.35	3.20	0.70	1.35	2.05	91.08	64.784738	67.915646	
2011	66.91	5.05	1.35	1.00	1.35	3.20	0.70	1.35	2.05	81.61	54.025243	57.806992	
2010	66.83	5.04	1.35	1.03	1.35	3.20	0.70	1.35	2.05	81.55	53.910091	57.912998	
2009	67.42	4.25	1.35	0.04	1.35	3.20	0.70	1.35	2.05	80.36	52.670935	56.839017	
2008	67.10	4.25	1.35	0.06	1.35	3.20	0.70	1.35	1.85	79.86	61.501574	56.431302	

This tax district was first used in tax year 2005, collection year 2006

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

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"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 Taxpayers
June 30, 2017 and June 30, 2008**

June 30, 2017		
	Total Assessed Valuation	% of Total Assessed Valuation
Public Utilities		
1 . Ohio Power Company	\$20,500,000	2.83%
2 . Columbia Gas of Ohio	4,682,430	0.65%
3 . Consolidated Electric Cooperative	1,419,180	0.20%
4 . AEP Ohio Transmission Company Inc	1,371,160	0.19%
Real Estate		
1 . HPI Troy Farms LLC	8,353,450	1.15%
2 . Willow Brook Christian Communities Inc.	5,846,230	0.81%
3 . Carson Farms Investments LLC	5,428,500	0.75%
4 . The Crown Group Limited	4,906,740	0.68%
5 . Delaware Preserve LLC	4,221,600	0.58%
6 . Bowtown Apartments Inc.	4,056,220	0.56%
7 . USPG Portfolio Two LLC	3,951,030	0.55%
8 . S A R B G Delaware Ltd	3,754,420	0.52%
9 . Delaware Development Plan Ltd	3,682,760	0.51%
10 . Delaware Preserve Two LLC	3,524,610	0.49%
ALL OTHERS	<u>648,385,250</u>	<u>89.55%</u>
TOTAL ASSESSED VALUATION	<u><u>\$724,083,580</u></u>	<u><u>100.00%</u></u>

June 30, 2008		
	Total Assessed Valuation	% of Total Assessed Valuation
Public Utilities		
1 . Columbus Southern Power Company	\$12,621,250	1.75%
2 . Columbia Gas of Ohio	1,831,040	0.25%
3 . Consolidated Electric Cooperative	469,450	0.06%
4 . Ohio Edison Co	249,960	0.03%
Real Estate		
1 . HPI Troy Fams LLC	7,438,320	1.03%
2 . Bowtown Apartments, Inc.	4,529,210	0.63%
3 . Willow Brook Christian Communities Inc.	4,319,540	0.60%
4 . S A R B G Delaware Ltd	3,871,670	0.54%
5 . JES Delaware Ohio LLC	3,747,800	0.52%
6 . City of Delaware	3,563,260	0.49%
7 . Long Real Estate Inc.	3,404,140	0.47%
8 . USPG Portfolio Two LLC	3,204,720	0.44%
9 . Western Auto Supply Company	2,584,440	0.36%
10 . Machom IV LLC	2,545,830	0.35%
ALL OTHERS	<u>668,671,069</u>	<u>92.48%</u>
TOTAL ASSESSED VALUATION	<u><u>\$723,051,699</u></u>	<u><u>100.00%</u></u>

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

Assessed Values are for the valuation year of 2016 and 2007 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
	\$		\$			\$			\$		\$		
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	
2009	30,310,888		29,350,480		96.83	1,343,737		30,694,216	101.26	1,176,211		3.88	
2008	31,563,964		30,004,262		95.06	1,294,830		31,299,092	99.16	1,030,372		3.26	

Note: The information above is for real estate, public utilities and tangible personal property collections and levies.

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

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

Year	Governmental Activities						
	(a) Net Bonded Debt	(b) Energy Conservation Notes Payable	(b) Capital Leases	Total Primary Government	(c) Percentage of Personal Income	(c) Per Capita	(c) Per Enrollment
2017	\$ 68,388,882	\$ 1,999,940	\$ -	70,388,822	6.64%	\$ 1,822	\$ 12,911
2016	70,889,692	2,172,530	-	73,062,222	7.20%	1,975	13,749
2015	73,698,035	2,340,640	-	76,038,675	7.73%	2,086	14,081
2014	45,563,414	2,504,390	-	48,067,804	5.20%	1,338	8,652
2013	27,803,895	2,663,900	-	30,467,795	3.30%	848	5,574
2012	30,109,237	2,819,270	14,957	32,943,464	3.61%	929	6,259
2011	32,490,263	-	72,154	32,562,417	3.61%	930	6,260
2010	34,725,620	-	125,606	34,851,226	4.83%	996	6,905
2009	36,880,507	-	175,559	37,056,066	5.26%	1,085	7,597
2008	38,984,491	-	222,242	39,206,733	5.68%	1,172	8,106

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
2017	\$ 743,355,520	\$ 68,388,882	\$ 4,227,243	64,161,639	8.63%	\$ 1,660	\$ 11,768
2016	724,083,580	70,889,692	3,921,633	66,968,059	9.25%	1,810	12,602
2015	710,920,160	73,698,035	3,971,413	69,726,622	9.81%	1,912	12,912
2014	695,119,840	45,563,414	3,088,653	42,474,761	6.11%	1,182	7,645
2013	692,862,300	27,803,895	2,579,542	25,224,353	3.64%	702	4,615
2012	694,378,780	30,109,237	2,026,061	28,083,176	4.04%	792	5,336
2011	726,300,470	32,490,263	1,978,209	30,512,054	4.20%	871	5,865
2010	727,228,105	34,725,620	1,905,783	32,819,837	4.51%	938	6,503
2009	713,336,866	36,880,507	1,953,294	34,927,213	4.90%	1,022	7,160
2008	727,147,518	38,984,491	1,917,137	37,067,354	5.10%	1,108	7,663

Sources :

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

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

	2017	2016	2015*	2014	2013	2012	2011	2010	2009	2008
Assessed Valuation	743,355,520	724,083,580	710,920,160	695,119,840	692,862,300	694,378,780	726,300,470	727,228,105	713,336,866	727,147,518
Voted Debt Limit - 9% of Assessed Valuation	66,901,997	65,167,522	63,982,814	62,560,786	62,357,607	62,494,090	65,367,042	65,450,529	64,200,318	65,443,277
Net Indebtedness (a)	64,161,639	66,968,059	69,726,622	42,474,761	25,224,353	28,083,176	30,512,064	32,819,837	34,927,213	37,067,354
Less Exempted Debt (b)	-	66,968,059	69,726,622	42,474,761	25,224,353	28,083,176	30,512,064	32,819,837	34,927,213	37,067,354
Net Voted Indebtedness	64,161,639	-	-	-	-	-	-	-	-	-
Legal Debt Margin*	2,740,358	(1,800,537)	(5,743,808)	20,086,025	37,133,254	34,410,914	34,854,988	32,630,692	29,273,105	28,375,923
Total Net Debt Applicable to the Limit as a percentage of the Debt Limit	96%	103%	109%	68%	40%	45%	47%	50%	54%	57%
Unvoted Debt Limit - 0.1% of Assessed Valuation (General Limitation)	743,356	724,084	710,920	695,120	692,862	694,379	726,300	727,228	713,337	727,148
Unvoted Net Indebtedness	-	-	-	-	-	-	-	-	-	-
Legal Debt Margin	743,356	724,084	710,920	695,120	692,862	694,379	726,300	727,228	713,337	727,148
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)	6,690,200	6,516,752	6,398,281	6,256,079	6,235,761	6,249,409	6,536,704	6,545,053	6,420,032	6,544,328
Energy Conservation Net Indebtedness	1,999,940	2,172,530	2,340,640	2,504,390	2,663,900	2,819,270	-	-	-	-
Legal Debt Margin	4,690,260	4,344,222	4,057,641	3,751,689	3,571,861	3,430,139	6,536,704	6,545,053	6,420,032	6,544,328
Total Net Debt Applicable to the Limit as a percentage of the Debt Limit	30%	33%	37%	40%	43%	45%	0%	0%	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) - See schedule of Ratios of Net General Bonded Debt Outstanding.

(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
 Computation of Direct and Overlapping General Obligation Bonded Debt
 as of June 30, 2017**

Governmental Unit	<u>Gross Debt Outstanding</u>	<u>Percent Applicable to School Dist.</u>	<u>Amount Applicable to Delaware City School District</u>
Delaware City School District	\$ 68,099,940	100.00%	\$68,099,940
Delaware City	18,350,000	89.14%	16,357,190
Delaware County	<u>50,525,100</u>	10.54%	<u>5,325,346</u>
 Total Direct	 68,099,940		 68,099,940
Total Overlapping	<u>68,875,100</u>		<u>21,682,536</u>
Total Direct and Overlapping	<u><u>\$ 136,975,040</u></u>		<u><u>\$89,782,476</u></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: Ohio Municipal Advisory 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
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
2009	34,168	20,633	704,988,344	6.90%	18.30%	4,878
2008	33,440	20,633	689,967,520	4.60%	18.30%	4,837

Sources :

- (a) Population for the District is estimated based on estimates from Census data & the City of Delaware
- (b) US Census Bureau: For 2010 and before, 2000 Census Demographic Profiles for the City of Delaware
For 2011 and after, 2010 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 Ten Years Ago**

2017		
Employer	Employees	Type of Business
Delaware County	1,163	County Government
Ohio Health (Grady Memorial Hospital)	1,026	Healthcare
Delaware City School District	618	Education
American Showa, Inc.	605	Manufacturing
Ohio Wesleyan University	<u>520</u>	Education
	<u><u>3,932</u></u>	

2008		
Employer	Employees	Type of Business
Delaware County	1,082	Government
American Showa, Inc.	709	Manufacturing
Ohio Wesleyan University	612	Education
Grady Memorial Hospital	577	Healthcare
Delaware City Schools	<u>538</u>	Education
	<u><u>3,518</u></u>	

Note: Percentage of total employment is not available, as total employment figures for the District were not available.

Source: Delaware County; Delaware, Ohio

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

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Professional Staff:										
Teaching Staff:										
Regular Education Teaching	250.60	247.67	241.72	240.07	229.00	225.35	233.71	229.42	230.57	219.00
Special Education Teaching*	62.00	61.00	59.00	60.00	57.13	57.34	56.71	56.83	52.50	53.97
Vocational Education Teaching	2.00	2.00	3.00	3.00	2.57	2.57	2.57	2.57	3.57	3.50
Tutors/Small Group Instruction	-	-	-	-	-	0.19	0.19	-	-	-
Administrators										
District/Building	34.00	34.00	28.00	27.00	20.00	21.00	22.00	21.00	21.00	21.00
Auxiliary Positions										
Psychologists	7.00	6.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00
Counseling	13.00	14.00	13.00	11.00	10.00	11.00	11.00	10.00	10.00	10.00
Nurses	4.00	4.64	3.40	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Speech and Language Therapist	6.00	5.00	5.00	5.00	5.00	4.00	3.00	4.00	4.00	4.00
Adapted Phys Ed/Occupational Therapist										
Physical Therapist										
Social Work	1.00	1.00	1.00	2.00	2.00	2.00	2.00	3.00	3.00	3.00
Librarian/Media	1.00	1.90	1.90	2.00	2.00	2.00	1.00	2.00	2.00	2.00
Remedial Specialist	12.00	9.54	9.00	8.00	10.00	10.00	12.00	10.00	5.00	10.00
Planning, Curriculum										
Other Professional	18.00	15.80	17.00	11.22	8.00	9.00	11.00	11.00	11.00	11.00
Support Staff										
Clerical	33.00	32.00	31.00	29.00	30.00	30.00	30.00	30.00	30.00	29.00
Instructional Paraprofessional	57.00	39.00	43.00	39.00	37.00	31.00	38.00	34.00	32.00	30.00
Teaching Aides	3.00	17.00	4.00	1.00	1.00	1.00	3.00	1.00	1.00	1.00
Library Aide	9.00	9.00	10.00	9.00	8.00	8.00	9.00	10.00	12.00	11.00
Other Technical/Service	-	1.00	3.00	-	-	-	-	-	-	-
Accounting, Bookkeeping	6.00	6.00	5.00	4.00	4.00	4.00	4.00	4.00	4.00	3.00
Food Service	43.00	47.00	45.00	39.00	40.00	37.00	37.00	37.00	36.00	27.00
Dispatching	3.00	3.00	3.00	2.00	1.00	1.00	1.00	1.00	2.00	2.00
Vehicle Operator (non-bus)	-	-	-	-	1.00	1.00	1.00	1.00	1.00	1.00
Custodial	32.00	32.00	34.00	29.00	31.00	30.00	31.00	30.00	30.00	30.00
Maintenance	6.00	7.00	5.00	5.00	3.00	3.00	4.00	4.00	4.00	4.00
Electrician	1.00	1.00	1.00	1.00	2.00	2.00	2.00	2.00	1.00	-
Bus Drivers	52.00	52.00	51.00	44.00	42.00	37.00	36.00	37.00	34.00	33.00
Mechanics	3.00	3.00	4.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Total	<u>658.60</u>	<u>651.55</u>	<u>625.02</u>	<u>580.29</u>	<u>554.70</u>	<u>538.45</u>	<u>560.18</u>	<u>549.82</u>	<u>538.64</u>	<u>517.47</u>

Function	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Governmental Activities										
Instruction										
Regular and Special	326.60	320.21	312.72	311.07	298.70	295.45	305.18	298.82	291.64	286.47
Support Services										
Pupils	49.00	46.44	43.40	35.22	31.00	32.00	33.00	34.00	34.00	34.00
Instructional Staff	70.00	66.90	58.90	51.00	48.00	42.00	51.00	47.00	47.00	44.00
School Administration	54.00	53.00	46.00	43.00	37.00	38.00	39.00	38.00	38.00	37.00
Fiscal	7.00	7.00	6.00	5.00	5.00	5.00	5.00	5.00	5.00	4.00
Business	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Maintenance	41.00	42.00	42.00	37.00	39.00	38.00	40.00	39.00	38.00	37.00
Transportation	60.00	60.00	60.00	51.00	48.00	43.00	42.00	43.00	41.00	40.00
Central	3.00	4.00	6.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Community Service	44.00	48.00	46.00	40.00	41.00	38.00	38.00	38.00	37.00	28.00
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	<u>658.60</u>	<u>651.55</u>	<u>625.02</u>	<u>580.29</u>	<u>554.70</u>	<u>538.45</u>	<u>560.18</u>	<u>549.82</u>	<u>538.64</u>	<u>517.47</u>
Total Primary Government	<u>658.60</u>	<u>651.55</u>	<u>625.02</u>	<u>580.29</u>	<u>554.70</u>	<u>538.45</u>	<u>560.18</u>	<u>549.82</u>	<u>538.64</u>	<u>517.47</u>

N/A - Information not available at the time of this document's preparation. EMIS has changed their reporting and we are working to develop a report that provides us this information.
* 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	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Governmental Activities										
Instruction										
Regular and Special Support Services - Pupil Enrollment (Students)	5,452	5,314	5,453	5,556	5,466	5,263	5,202	5,047	4,878	4,837
Graduation Rate*	92.6%	93.8%	90.9%	93.2%	90.4%	90.4%	90.2%	92.6%	91.5%	92.6%
% of Students with Disabilities	14.3%	14.7%	14.4%	14.3%	14.5%	14.1%	14.8%	14.2%	14.5%	14.8%
% of Limited English Proficient Students	1.3%	0.7%	1.4%	1.1%	1.1%	1.0%	1.4%	1.7%	1.4%	1.1%
Support Services										
Instructional Staff										
Information Technology Services										
Work Orders Completed	2,262	2,778	3,014	2,885	2,596	2,278	2,636	2,446	2,153	N/A
School Administration										
Student Attendance Rate	94.9%	95.2%	95.2%	95.7%	95.0%	94.8%	95.1%	94.6%	94.5%	94.4%
Fiscal										
Purchase Orders Processed	3,384	3,406	3,919	4,023	4,290	4,100	4,492	4,559	4,501	4,567
Nonpayroll Checks Issued	4,365	4,361	4,724	5,665	5,703	5,312	4,862	4,937	5,048	4,989
Maintenance										
District Square Footage Maintained by Custodians and Maintenance Staff	928,049	755,801	736,968	736,968	736,968	736,968	736,968	736,968	736,968	736,968
District Acreage Maintained by Grounds Staff	187.47	163.42	162.52	161.43	161.43	161.43	161.43	161.43	161.43	161.43
Transportation										
Avg. Public and Parochial Students Transported Daily (includes special education)	2,841	3,025	2,932	3,104	2,933	3,120	3,097	2,773	2,592	2,939
Avg. Daily Bus Fleet Mileage	2,618	2,675	2,433	2,504	2,450	2,474	2,508	2,442	2,399	2,255
Number of Buses in District Fleet	47	51	50	49	48	48	47	45	43	41
Community Services										
Number of Students Enrolled in District School-Aged Childcare Program	529	559	535	514	830	512	481	435	350	N/A
Food Service Operations										
Meals Served to Students	446,498	465,941	440,868	475,455	503,834	535,678	498,114	478,490	440,392	414,041
Lunch	116,261	112,054	92,616	93,969	98,740	107,528	98,333	85,717	64,522	46,331
Breakfast										

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.

N/A - Information not available at time of publication

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**

	2017	2016	2015	2014
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	2,399,191	2,399,191
Buildings and Improvements	51,397,911	51,548,976	50,044,500	50,044,500
Furniture Fixtures and Equip.	1,386,409	1,364,397	1,405,332	1,392,240
Books	341,357	341,357	341,357	341,357
Special Instruction				
Furniture Fixtures and Equip.	5,995	5,995	5,995	5,995
Vocational Instruction				
Furniture Fixtures and Equip.	-	-	28,509	28,509
Instructional Staff Support				
Furniture Fixtures and Equip.	118,616	138,084	138,084	138,084
Books	925,054	925,054	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	86,717	91,745	97,945
Operations and Maintenance				
Land	116,379	116,379	116,379	116,379
Land Improvements	2,729,078	63,463	39,567	39,567
Buildings and Improvements	5,564,608	5,307,061	2,295,985	2,084,280
Furniture Fixtures and Equip.	629,340	602,121	562,984	877,470
Buses, autos and trucks	161,627	145,627	145,627	102,417
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.	7,695	7,695	7,695	7,695
Buses, autos and trucks	4,177,502	4,059,918	4,040,379	3,872,605
Community Relations				
Furniture Fixtures and Equip.	55,487	36,269	29,664	6,934
Food Service Operations				
Furniture Fixtures and Equip.	606,063	606,063	614,055	389,367
Extracurricular Activities				
Land Improvements	283,318	259,853	259,853	259,853
Buildings and Improvements	884,512	884,512	1,119,512	1,119,512
Furniture Fixtures and Equip.	48,242	42,766	28,378	28,378
Other Facilities Acquisition & Construction				
Land	487,169	487,169	335,224	-
Building		-	-	-
Total Governmental Activities Capital Assets	\$ 75,997,301	\$ 73,031,540	\$ 68,580,174	\$ 67,882,438

* Indicates a year that was later restated.

Source: School District capital asset records

	2013	2012	2011	2010	2009	2008
\$	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	47,272,379	47,272,380	47,274,614	47,317,690	47,268,715
	1,470,257	1,454,621	1,460,511	1,540,099	1,541,148	1,520,583
	341,357	341,357	341,356	341,356	341,356	341,356
	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
	97,945	87,774	87,774	87,774	102,245	102,245
	116,379	116,379	116,379	116,379	116,379	116,379
	39,567	91	91	-	-	-
	1,966,413	1,674,758	1,317,624	566,638	255,618	60,203
	737,744	697,268	670,994	664,031	608,793	562,497
	102,417	102,417	102,417	102,416	88,616	51,865
	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
	3,765,039	3,797,547	3,458,666	3,138,037	3,249,151	3,072,516
	389,367	375,159	375,159	375,853	381,072	404,559
	259,853	259,853	259,853	259,853	259,853	259,853
	1,119,512	1,119,512	1,067,610	1,067,610	887,610	887,610
	17,520	17,520	17,520	17,520	17,520	-
	-	-	-	-	-	-
	-	-	-	-	-	-
<u>\$</u>	<u>67,577,505</u>	<u>\$ 64,426,270</u>	<u>\$ 63,651,974</u>	<u>\$ 62,655,820</u>	<u>\$ 62,270,691</u>	<u>\$ 61,752,021</u>

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

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Ervin Carlisle Elementary (1955, 1979, 2017)				
Square Feet	69,786	45,269	45,269	45,269
Capacity (Students)	766	491	491	491
Enrollment	576	478	505	549
James Conger Elementary (1966, 1995, 2017)				
Square Feet	64,624	52,780	52,780	52,780
Capacity (Students)	632	524	524	524
Enrollment	476	342	379	399
John C. Dempsey Middle School (2000, 2017)				
Square Feet	173,347	132,144	132,144	132,144
Capacity (Students)	1,366	816	816	816
Enrollment	1,195	834	858	824
Rutherford B. Hayes High School (1962, 1996, 2017)				
Square Feet	291,105	233,380	233,380	233,380
Capacity (Students)	1,932	1,366	1,366	1,366
Enrollment	1,524	1,489	1,460	1,444
Robert F. Schultz Elementary (1994, 2016)				
Square Feet	74,442	74,442	55,609	55,609
Capacity (Students)	766	532	532	532
Enrollment	740	600	555	539
David Smith Elementary (1950, 1982, 2017)				
Square Feet	52,360	34,628	34,628	34,628
Capacity (Students)	541	425	425	425
Enrollment	478	413	401	411
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	807	877
Laura Woodward Elementary (1950, 1975, 1980, 2017)				
Square Feet	58,765	39,565	39,565	39,565
Capacity (Students)	658	500	500	500
Enrollment	462	330	435	423
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)				
Square Feet	5,027	5,000	5,000	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.

2013	2012	2011	2010	2009	2008
45,269	45,269	45,269	45,269	45,269	45,269
491	491	491	491	491	491
549	540	524	531	520	480
52,780	52,780	52,780	52,780	52,780	52,780
524	524	524	524	524	524
399	423	431	417	389	388
132,144	132,144	132,144	132,144	132,144	132,144
816	816	816	816	816	816
824	753	720	724	685	668
233,380	233,380	233,380	233,380	233,380	233,380
1,366	1,366	1,366	1,366	1,366	1,366
1,444	1,397	1,423	1,359	1,363	1,418
55,609	55,609	55,609	55,609	55,609	55,609
532	532	532	532	532	532
539	528	516	509	471	461
34,628	34,628	34,628	34,628	34,628	34,628
425	425	425	425	425	425
411	403	384	399	417	403
118,353	118,353	118,353	118,353	118,353	118,353
729	729	729	729	729	729
877	841	815	753	698	707
39,565	39,565	39,565	39,565	39,565	39,565
500	500	500	500	500	500
423	378	389	355	335	312
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**

	2016-17	2015-16	2014-15	2013-14	2012-13	2011-12	2010-11	2009-10	2008-09	2007-08
ACT Scores (Averages)										
Delaware	20.4	22.8	22.3	21.8	22.4	22.9	22.5	21.8	22.4	22.5
Ohio	19.8	22.0	22.0	22.0	21.8	21.8	21.8	21.8	21.7	21.7
National	19.8	20.8	21.0	21.0	20.9	21.1	21.1	21.0	21.1	21.1
SAT Scores (Averages)										
Delaware										
Verbal/Critical Reading	N/A	N/A	541	552	536	573	545	535	531	560
Mathematics	N/A	N/A	539	556	529	569	544	531	534	562
Writing	N/A	N/A	508	521	507	537	527	495	525	531
Ohio										
Verbal/Critical Reading	N/A	N/A	557	555	548	543	539	538	537	534
Mathematics	N/A	N/A	563	562	556	552	545	548	546	544
Writing	N/A	N/A	537	535	531	525	522	522	523	521
National										
Verbal/Critical Reading	N/A	N/A	495	497	496	496	497	501	501	502
Mathematics	N/A	N/A	511	513	514	514	514	516	515	515
Writing	N/A	N/A	484	487	488	488	489	492	493	494
National Merit Scholars										
Finalist	0	2	0	0	0	0	1	0	2	1
Semi-Finalist	0	0	2	4	3	0	1	0	3	3
Commended Scholars	2	0	0	2	0	4	0	2	1	2
State Testing Indicators										
Total Number of Indicators	23	29	33	24	24	26	26	26	30	30
Delaware Met	5	11	26	23	23	26	26	24	27	26
State Average Met	N/A	N/A	N/A	N/A	20	21	18	18	19	18
Performance Index Score *										
	76.9	73.5	76.5	101.4	100.0	100.3	100.3	97.8	98.2	96.3
ODE Per Pupil Costs										
Delaware	N/A	\$ 9,733	\$ 9,923	\$ 9,597	\$ 9,142	\$ 9,681	\$ 10,008	\$ 9,821	\$ 10,235	\$ 9,463
State Avg.	N/A	\$ 11,163	\$ 10,985	\$ 10,913	\$ 10,446	\$ 10,597	\$ 10,697	\$ 10,565	\$ 10,253	\$ 9,990
Average Teacher Salary										
Delaware	N/A	\$ 59,635	\$ 57,720	\$ 57,305	\$ 57,700	\$ 56,543	\$ 57,373	\$ 56,865	\$ 55,473	\$ 52,500
State Avg.	N/A	\$ 58,690	\$ 56,748	\$ 57,636	\$ 57,966	\$ 58,120	\$ 57,904	\$ 56,995	\$ 55,583	\$ 54,210
Teacher Years' Experience										
% Teachers 0-4 Years Experience	N/A	27.4%	26.5%	26.9%	21.3%	26.1%	23.8%	25.0%	21.6%	17.7%
% Teachers 4-10 Years Experience	N/A	20.3%	22.1%	20.1%	21.0%	15.7%	20.1%	16.6%	19.2%	23.1%
% Teachers 10+ Years Experience	N/A	52.3%	51.4%	53.0%	57.6%	58.2%	56.1%	58.5%	59.2%	59.2%
Percentage of Teachers with a Master's Degree or Higher										
	68.7%	68.9%	69.9%	71.1%	72.8%	71.9%	58.4%	60.0%	63.7%	66.6%
ODE Teacher/Pupil Ratio										
Delaware	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	19.73
State Avg.	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	18.47
Percentage of Students on Free/Reduced Lunch										
	N/A	36.8%	35.1%	36.2%	38.2%	37.0%	35.5%	33.9%	31.6%	27.9%

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.

Source : School District Student Records and Ohio Department of Education

Delaware City School District

Delaware, Ohio



FRONTSIDE OF BACK COVER



Delaware City School District
74 W. William Street
Delaware, OH 43015
740.833.1100
www.dcs.k12.oh.us



Dave Yost • Auditor of State

DELAWARE CITY SCHOOL DISTRICT

DELAWARE COUNTY

CLERK'S CERTIFICATION

This is a true and correct copy of the report which is required to be filed in the Office of the Auditor of State pursuant to Section 117.26, Revised Code, and which is filed in Columbus, Ohio.

Susan Babbitt

CLERK OF THE BUREAU

CERTIFIED
JANUARY 25, 2018