

**BIG WALNUT LOCAL SCHOOL DISTRICT
DELAWARE COUNTY
JUNE 30, 2019**

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**BIG WALNUT LOCAL SCHOOL DISTRICT
DELAWARE COUNTY**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2019**

FEDERAL GRANTOR Pass Through Grantor Program / Cluster Title	Federal CFDA Number	Pass Through Entity Identifying Number	Total Federal Expenditures
U.S. DEPARTMENT OF AGRICULTURE			
<i>Passed Through Ohio Department of Education</i>			
Child Nutrition Cluster			
Cash Assistance			
School Breakfast Program	10.553	N/A	\$ 53,934
National School Lunch Program	10.555	N/A	298,286
Special Milk Program for Children	10.556	N/A	652
Non-Cash Assistance (Food Distribution)			
National School Lunch Program	10.555	N/A	109,838
Total Child Nutrition Cluster			<u>462,710</u>
Total U.S. Department of Agriculture			<u>462,710</u>
U.S. DEPARTMENT OF EDUCATION			
<i>Passed through Ohio Department of Education</i>			
Title I Grants to Local Educational Agencies	84.010	N/A	188,549
Special Education Cluster			
Special Education Grants to States	84.027	N/A	734,463
Special Education Preschool Grants	84.173	N/A	24,844
Total Special Education Cluster			<u>759,307</u>
English Language Acquisition State Grants	84.365	N/A	3,058
Improving Teacher Quality State Grants	84.367	N/A	58,993
Student Support and Academic Enrichment Program	84.424	N/A	15,848
Total U.S. Department of Education			<u>1,025,755</u>
Total Expenditures of Federal Awards			<u>\$1,488,465</u>

The accompanying notes are an integral part of this schedule.

**BIG WALNUT LOCAL 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, 2019**

NOTE A – BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of Big Walnut Local School District (the School District) under programs of the federal government for the year ended June 30, 2019. 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 School District, it is not intended to and does not present the financial position, changes in net position, or cash flows of the School District.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the cash basis of accounting. Such expenditures are recognized following the cost principles contained in Uniform Guidance wherein certain types of expenditures may or may not be allowable or may be limited as to reimbursement.

NOTE C – INDIRECT COST RATE

The School District has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

NOTE D - CHILD NUTRITION CLUSTER

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

NOTE E – FOOD DONATION PROGRAM

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

OHIO AUDITOR OF STATE KEITH FABER



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Columbus, Ohio 43215-3506
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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS REQUIRED BY *GOVERNMENT AUDITING STANDARDS*

Big Walnut Local School District
Delaware County
110 Tippet Court
Sunbury, 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 Big Walnut Local School District, Delaware County, (the School District) as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements and have issued our report thereon dated December 12, 2019.

Internal Control Over Financial Reporting

As part of our financial statement audit, we considered the School 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 School 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 School 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 School 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 School District's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the School District's internal control and compliance. Accordingly, this report is not suitable for any other purpose.

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

Keith Faber
Auditor of State

Columbus, Ohio

December 12, 2019

OHIO AUDITOR OF STATE KEITH FABER



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

Big Walnut Local School District
Delaware County
110 Tippet Court
Sunbury, Ohio 43074

To the Board of Education:

Report on Compliance for the Major Federal Program

We have audited Big Walnut Local School District's (the School 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 Big Walnut Local School District's major federal program for the year ended June 30, 2019. The *Summary of Auditor's Results* in the accompanying schedule of findings identifies the School District's major federal program.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to opine on the School District's compliance for the School District's major federal program 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 School 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 the School District's major program. However, our audit does not provide a legal determination of the School District's compliance.

Opinion on the Major Federal Program

In our opinion, Big Walnut Local School District complied, in all material respects with the compliance requirements referred to above that could directly and materially affect its major federal program for the year ended June 30, 2019.

Report on Internal Control Over Compliance

The School 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 School 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 School 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 Big Walnut Local School District (the School District) as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements. We issued our unmodified report thereon dated December 12, 2019. We conducted our audit to opine on the School 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.



Keith Faber
Auditor of State

Columbus, Ohio

December 12, 2019

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**BIG WALNUT LOCAL SCHOOL DISTRICT
DELAWARE COUNTY**

**SCHEDULE OF FINDINGS
2 CFR § 200.515
JUNE 30, 2019**

1. SUMMARY OF AUDITOR'S RESULTS

(d)(1)(i)	Type of Financial Statement Opinion	Unmodified
(d)(1)(ii)	Were there any material weaknesses in internal control reported at the financial statement level (GAGAS)?	No
(d)(1)(ii)	Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?	No
(d)(1)(iii)	Was there any reported material noncompliance at the financial statement level (GAGAS)?	No
(d)(1)(iv)	Were there any material weaknesses in internal control reported for major federal programs?	No
(d)(1)(iv)	Were there any significant deficiencies in internal control reported for major federal programs?	No
(d)(1)(v)	Type of Major Programs' Compliance Opinion	Unmodified
(d)(1)(vi)	Are there any reportable findings under 2 CFR § 200.516(a)?	No
(d)(1)(vii)	Major Programs (list):	Child Nutrition Cluster– CFDA #10.553, 10.555, 10.556
(d)(1)(viii)	Dollar Threshold: Type A/B Programs	Type A: > \$ 750,000 Type B: all others
(d)(1)(ix)	Low Risk Auditee under 2 CFR § 200.520?	Yes

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

None

3. FINDINGS FOR FEDERAL AWARDS

None

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BIG WALNUT
LOCAL SCHOOLS

INSPIRE
& GUIDE

Comprehensive Annual Financial Report



Board of Education
Big Walnut Local School District
Sunbury, Ohio
For the Fiscal Year Ended June 30, 2019



BIG WALNUT
LOCAL SCHOOLS

**INSPIRE
& GUIDE**

Introduction



BIG WALNUT LOCAL SCHOOL DISTRICT SUNBURY, OHIO

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For The Fiscal Year Ended June 30, 2019

Prepared By:

Treasurer's Office

Jeremy Buskirk, Treasurer

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BIG WALNUT LOCAL SCHOOL DISTRICT
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

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DISTRICT ADMINISTRATIVE OFFICE

110 Tippett Court
Sunbury, Ohio 43074
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December 12, 2019

To the Citizens and Board of Education of the Big Walnut Local School District:

We are pleased to present the Comprehensive Annual Financial Report (CAFR) of the Big Walnut Local School District for the fiscal year ended June 30, 2019. This CAFR contains financial statements, supplemental statements, and statistical information conforming with generally accepted accounting principles as applicable to governmental entities. It provides complete and full disclosure of all material financial aspects of the School District.

This report enables the School District to comply with Ohio Administrative Code Section 117-2-03 (B), which requires preparing financial statements in accordance with generally accepted accounting principles and Ohio Revised Code Section 117.38, which requires the School District to file an unaudited annual report with the Auditor of State within one hundred fifty days of fiscal year end.

School District management assumes full responsibility for the completeness and reliability of the information contained in this report based on a comprehensive framework of internal controls that it has established for this purpose. Because the cost of internal controls should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

Management's Discussion and Analysis (MD&A) immediately follows the Independent Auditor's Report and provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A complements this letter of transmittal and should be read in conjunction with it.

The Ohio Auditor of State has issued an unmodified opinion on Big Walnut Local School District's financial statements for the fiscal year ended June 30, 2019. The Independent Auditor's Report is located at the front of the financial section of this report.

Profile of the School District

Big Walnut Local School District is organized under Article VI, Sections 2 and 3 of the Constitution of the State of Ohio. The School District operates under a locally-elected Board form of government consisting of five members elected at-large for staggered four-year terms. The School District provides educational services as authorized by state and federal guidelines.

The School District was established in 1950. The School District had an enrollment of 3,809 students for the fiscal year ended June 30, 2019, compared to 3,668 students for the fiscal year ended June 30, 2018. These students are housed in four elementary schools (grades pre-k through four), one intermediate school (grades five and six), one middle school (grades seven and eight), and one high school (grades nine through twelve). The age of the buildings varies, with the oldest built in 1926 and the latest opening in the fall of 2011. The School District also operates an administrative office building, a transportation building, and a maintenance facility. Construction of a new elementary school and a new high school began in April 2019 and the anticipated opening of each is in the fall of 2020 and fall of 2022, respectively.

Based on an updated enrollment study completed in June 2019 by FutureThink, Inc., the School District's enrollment is currently trending closest with the one hundred fifty new homes per year projection, which are 4,032, 4,350, and 4,673 for fiscal years 2020, 2024, and 2029, respectively. These enrollment numbers do not include students living within School District boundaries enrolled in charter schools. For fiscal year 2019, the School District was staffed by one hundred seventy-nine classified, two hundred thirty-nine certified, and twenty-three administrative employees.

The Superintendent is the chief executive officer of the School District and is responsible directly to the Board of Education of the School District. The Superintendent is responsible for the growth and achievement of students and works toward these goals by providing educational direction and supervision to staff members, making programming decisions, and allocating resources to support educational goals.

The Treasurer is the chief financial officer of the School District and also reports directly to the Board of Education of the School District. The Treasurer provides leadership and supervision in the program of fiscal management of all financial activities in addition to serving as the Secretary to the Board of Education.

Annually, the School District approves a temporary budget prior to the start of the fiscal year and a permanent budget before October 1. The annual budget serves as the foundation of the School District's financial planning and control. The objective of budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriation resolution. The level of budgetary control (the level at which expenditures cannot legally exceed the appropriated amount) is established at the fund level.

Local Economy

The School District encompasses approximately one hundred nine square miles in Delaware County, Ohio. Delaware County was founded in 1808 and is located in central Ohio approximately twenty miles north of Columbus, the State capital. For nearly a decade, Delaware County has been the fastest growing county in Ohio. This central location and vast acres of undeveloped land uniquely position the School District for future development of housing, business, and industry.

Ohio's seasonally adjusted unemployment rate decreased to 4 percent in June 2019 compared to 4.6 percent in June 2018 while the nation's unemployment rate for June 2019 was 3.7 percent. Additionally, June 2019 nonagricultural employment in the State of Ohio numbered 5,590,900. Specific employment figures are not available for the Big Walnut Local School District but are available at the county level. Delaware County is a suburban community in central Ohio with a 3.3 percent unemployment rate as of June 2019 which is down from a rate of 4 percent in June 2018 (Ohio Labor Market Information, June 2019, Ohio Department of Job and Family Services). The estimated population of Delaware County was 204,826 in 2018 (U.S. Census Bureau Quick Facts).

Long-Term Financial Planning

The School District has two prevailing objectives for long-term financial management.

First, the School District must carefully monitor the revenue stream provided by real estate taxes, income taxes, and State funding to ensure sufficient revenue to maintain an excellent education system within the next five years. The current financial forecast for the General Fund operations over the next five years demonstrates that the ending cash balance at the end of fiscal year 2020 is projected at \$8,685,696 with positive balances through fiscal year 2021. The School District utilizes a five-year forecasting model to monitor the School District's financial health and implement appropriate actions to maintain a positive cash balance. The School District's diminishing balance reflects the challenge of Ohio school district financing.

Even though the School District continues to see student growth, the School District is on the guarantee for State funding which has kept funding at the same level as fiscal year 2017. With minimal help from State funding, more responsibility is placed on local residents to support education. The Board of Education was successful in renewing a five-year substitute emergency levy in May 2015 that was approved to collect approximately \$4.9 million annually. This amount increases annually due to new construction in the area until its expiration on December 31, 2020. The amount collected in fiscal year 2019 was approximately \$5.1 million. The School District also benefits from the American Electric Power substation located within its boundaries. The School District receives over \$3 million in additional revenue which will continue for many years. However, the amount is anticipated to decline over time as the transmission infrastructure depreciates.

Secondly, the School District must carefully monitor personnel expenditures for salary and benefits. While the School District has direct influence over salary during negotiations, the cost of providing quality health care becomes increasingly challenging. The School District insurance committee composed of representation from each bargaining unit, the Board of Education, and the Administration continually monitor plan design, coverage, and cost in an effort to maintain a sustainable benefit and avoid the additional charges as a result of the Affordable Care Act. This committee and School District leadership will need to work together to maintain sustainable insurance benefits and ensure the long-term financial stability for the School District.

Outlined below are the negotiated contract terms of the School District's four bargaining units effective in the 2019 school year. Readers may request a copy under the public records act for any negotiated agreement, including the salary schedule, by contacting the School District Treasurer.

Big Walnut Education Association (Teachers)

- Effective July 1, 2016 - June 30, 2019
- Base Salary Increase of 2 percent for fiscal year 2017, 2 percent for fiscal year 2018, and 2 percent for fiscal year 2019

Big Walnut Professional Support Staff Association (Secretaries and Aides)

- Effective July 1, 2016 - June 30, 2019
- Base Salary Increase of 2 percent for fiscal year 2017, 2 percent for fiscal year 2018, and 2 percent for fiscal year 2019

OAPSE.AFSCME Local 4/AFL-CIO and Its Local #524
(Maintenance, Custodial, Bus Drivers, Mechanics, and Mail Carrier)

- Effective July 1, 2017 - June 30, 2020
- Base Salary Increase of 2 percent for fiscal year 2018, 2 percent for fiscal year 2019, and 2 percent for fiscal year 2020

OAPSE.AFSCME Local 4/AFL-CIO and Its Local #696
(Head Cooks and Food Service Workers)

- Effective July 1, 2017 - June 30, 2020
- Base Salary Increase of 2 percent for fiscal year 2018, 2 percent for fiscal year 2019, and 2 percent for fiscal year 2020

Financial Policies and Information

The management of the School District is responsible for establishing and maintaining internal controls designed to ensure that the assets of the School 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 Generally Accepted Accounting Principles. 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.

The School District has adopted a modified zero-based budgeting process which calls for administrators and principals to evaluate their needs anew each year and to make budget requests by answering the question, “What do I need to achieve desired results”? While School District needs will always exceed the available resources, we attempt to fund the most critical needs while being mindful of budget constraints.

Major Initiatives

The School District continues to achieve academically. The State of Ohio changed its local report card format and measures for school districts over the last several years with three different systems of testing implemented. The testing format has finally stabilized over the last couple of years. Big Walnut Local School District earned an overall B on the State report card which places the School District in the top third of the State; less than 6 percent of school districts in Ohio earned A ratings. While the School District is proud of the continued growth on the report card, priority continues to be placed on monitoring multiple sources of data, including locally-administered assessments to evaluate program effectiveness. School District leadership is proud to share the fourth annual Quality Profile that reports measures of academic achievement, student culture, staff leadership and development, parent and community involvement, and fiscal stewardship. This tool was designed with input from a community-based Academic Advisory Council.

The School District is entering the final year of working toward the “Big Walnut 2020 Vision” which includes personalizing the learning experience for all students, engaging all students with meaningful activities, and using data to guide our instruction resulting in academic growth for each student. Small group instruction, project-based learning, and utilization of technology are key components in our academic programs.

Additionally, the School District utilizes a Facilities Planning Committee to study current facilities and enrollment projections to make recommendations on facility needs of the School District. The committee explored facility options to meet the expected growth in the School District and made a recommendation to the Board of Education as the basis for the combined bond and permanent improvement levy on the November 2017 ballot to build a new high school, build a new elementary school, and renovate security entrances on five of the existing buildings. The School District is grateful to the community for the 6.6 mill bond levy and 1.25 mill permanent improvement levy that was approved by the voters on November 7, 2017. With the passage of the bond levy, the School District selected both an architect and construction manager in the spring of 2018 and started the planning and design of a new high school and elementary school. In April 2019, a groundbreaking ceremony was held as the construction began. The security enhancements to the existing building entrances were operational for the start of school with final work being completed throughout the 2019 fiscal year. Based on estimated growth of property value in the community and favorable interest rates on bond issued debt over the last couple years, the School District is hopeful that the full amount of the millage will not be needed for the entire repayment schedule.

Awards

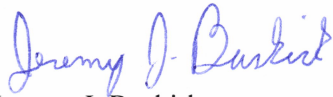
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Big Walnut Local School District for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2018. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports.

In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized Comprehensive Annual Financial Report whose contents conform to program standards. The CAFR 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 continues to conform to the Certificate of Achievement requirements and we are submitting it to the GFOA for consideration.

Acknowledgements

Sincere gratitude goes to the Big Walnut Board of Education members Brad Schneider, Liana Lee, Douglas Crawl, Mindy Meyer, and Andy Wecker for their ongoing support and leadership. Special acknowledgment is extended to the Auditor of State's Local Government Services Section as well as the staff of the Treasurer's Office and the Superintendent's Office for their efforts and contributions in the preparation of this Comprehensive Annual Financial Report.

Respectfully submitted,



Jeremy J. Buskirk
Treasurer



Angela S. Hamberg
Superintendent



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

Big Walnut Local School District
Ohio

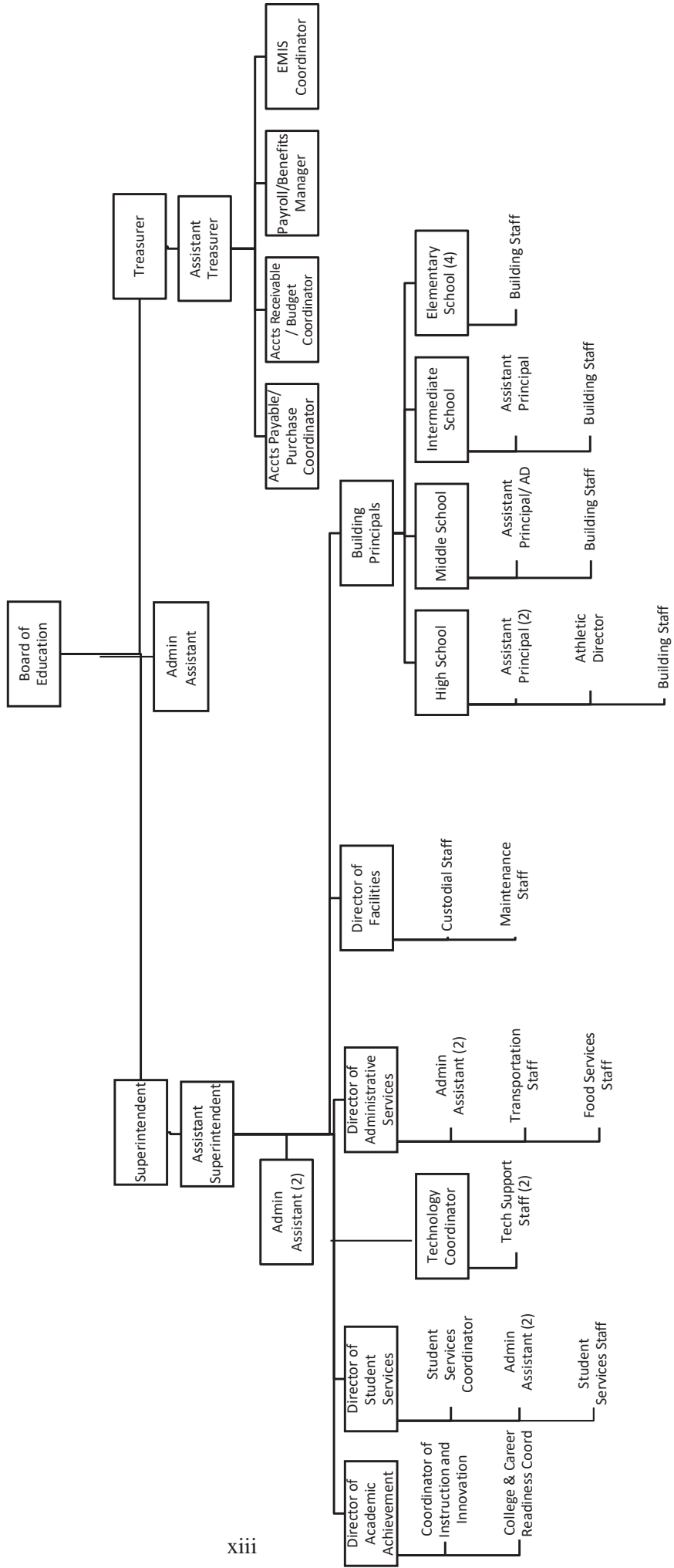
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2018

Christopher P. Morrill

Executive Director/CEO

Big Walnut Local Schools



BIG WALNUT LOCAL SCHOOL DISTRICT

PRINCIPAL OFFICIALS

JUNE 30, 2019

ELECTED OFFICIALS

President, Board of Education Brad Schneider
Vice President, Board of Education..... Liana Lee
Board Member Douglas Crowl
Board Member Mindy Meyer
Board Member Andy Wecker

APPOINTED OFFICIALS

Superintendent Angela S. Hamberg
Treasurer Jeremy J. Buskirk

ADMINISTRATIVE STAFF

Assistant Superintendent Mark Cooper
Principal, High School Andy Jados
Assistant Principal, High School Kelley Bloomer
Assistant Principal, High School James Hall
Principal, Middle School Josh Frame
Assistant Principal, Middle School..... Nick Powell
Principal, Big Walnut Intermediate School Gary Hankins
Assistant Principal,
Big Walnut Intermediate School..... Sarah Wytzka
Principal, Big Walnut Elementary Andrea Clark
Principal, General Rosecrans Elementary..... Kate Thoma
Principal, Harrison Street Elementary Kim Castiglione
Principal, Hylen Souders Elementary Matt Cox
Director of Academic Achievement Jen Young
Director of Student Services Laura Lawrence
Athletic Director Brian Shelton
Director of Technology..... Wayne Thompson
Director of Administrative Services Ron McClure
Director of Facilities Doug Swartz
Assistant Treasurer Lynn Starner



BIG WALNUT
LOCAL SCHOOLS

**INSPIRE
& GUIDE**

Financial



**Prairie Run
Elementary
School**

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OHIO AUDITOR OF STATE KEITH FABER



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Columbus, Ohio 43215-3506
(614) 466-3402 or (800) 443-9275
CentralRegion@ohioauditor.gov

INDEPENDENT AUDITOR'S REPORT

Big Walnut Local School District
Delaware County
110 Tippet Court
Sunbury, Ohio 43074

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 Big Walnut Local School District, Delaware County, Ohio (the School District), as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Big Walnut Local School District, Delaware County, Ohio, as of June 30, 2019, 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 and other post-employment benefit liabilities and pension and other post-employment benefit contributions listed in the table of contents, to supplement the basic financial statements. Although this information is not part of the basic financial statements, the Governmental Accounting Standards Board considers it essential for placing the basic financial statements in an appropriate operational, economic, or historical context. We applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, consisting of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, to the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not opine or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to opine or provide any other assurance.

Supplementary and Other Information

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

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

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 12, 2019, on our consideration of the School District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School District's internal control over financial reporting and compliance.

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

Keith Faber
Auditor of State

Columbus, Ohio

December 12, 2019

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Big Walnut Local School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2019
Unaudited

The discussion and analysis of Big Walnut Local School District's financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2019. The intent of this discussion and analysis is to look at the School District's financial performance as a whole; readers should also review the basic financial statements and notes to enhance their understanding of the School District's financial performance.

Highlights

Highlights for fiscal year 2019 are as follows:

In total, net position increased \$3,806,157. Net position at the end of the prior fiscal year was (\$12,287,187) and improved to (\$8,481,030). Changes related to pension and OPEB contributed significantly to this increase.

General revenues were \$48,998,767 or 91 percent of total revenues, and reflect the School District's substantial dependence on local taxes and State funding.

Using the Basic Financial Statements

This annual report consists of a series of financial statements and notes to those statements. The statements are organized so the reader can understand Big Walnut Local School District as a financial whole, or as an entire operating entity.

The statement of net position and the statement of activities provide information about the activities of the whole School District, presenting both an aggregate view of the School District's finances and a longer-term view of those finances.

Fund financial statements provide a greater 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 a single column. For Big Walnut Local School District, the General Fund, the Bond Retirement debt service fund, and the Building capital projects fund are the most significant funds.

Reporting the School District as a Whole

The statement of net position and the statement of activities reflect how the School District did financially during fiscal year 2019. These statements include all assets, deferred outflows of resources, liabilities, and deferred inflows of resources using the accrual basis of accounting similar to that which is used by most private-sector companies. This basis of accounting considers all of the current fiscal year's revenues and expenses regardless of when cash is received or paid.

Big Walnut Local School District
 Management's Discussion and Analysis
 For the Fiscal Year Ended June 30, 2019
 Unaudited

These statements report the School District's net position and changes in net position. This change in net position is important because it tells the reader whether the financial position of the School District as a whole has increased or decreased from the prior fiscal year. Over time, these increases and/or decreases are one indicator of whether the financial position is improving or deteriorating. Causes for these changes may be the result of many factors, some financial, some not. Nonfinancial 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, all of the School District activities are reported as governmental activities, including instruction, support services, non-instructional services, and extracurricular activities.

Reporting the School District's Most Significant Funds

Fund financial statements provide detailed information about the School District's major funds. While the School District uses many funds to account for its financial transactions, the fund financial statements focus on the School District's most significant funds. The School District's major funds are the General Fund, the Bond Retirement debt service fund, and the Building capital projects fund.

Governmental Funds - All of the School District's programs are reported in governmental funds, which focus on how monies flow into and out of those funds and the balances left at fiscal year end for spending in future periods. These funds are reported using modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the School District's general government operations and the basic services it provides. Governmental fund information helps determine whether there are more or less financial resources that can be spent in the near future to finance educational programs.

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 on the government-wide financial statements because the resources from these funds are not available to support the School District's programs. These funds use the accrual basis of accounting.

The School District as a Whole

Table 1 provides a summary of the School District's net position for fiscal year 2019 and fiscal year 2018:

Table 1
 Net Position

	Governmental Activities		
	2019	2018	Change
<u>Assets</u>			
Current and Other Assets	\$156,677,371	\$54,032,884	\$102,644,487
Net OPEB Asset	2,471,979	0	2,471,979
Capital Assets, Net	53,465,272	45,574,640	7,890,632
Total Assets	212,614,622	99,607,524	113,007,098

(continued)

Big Walnut Local School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2019
Unaudited

Table 1
Net Position
(continued)

	Governmental Activities		
	2019	2018	Change
<u>Deferred Outflows of Resources</u>			
Pension	\$15,938,912	\$17,381,593	(\$1,442,681)
OPEB	1,610,711	830,342	780,369
Other Amounts	1,764,697	1,796,767	(32,070)
Total Deferred Outflows of Resources	<u>19,314,320</u>	<u>20,008,702</u>	<u>(694,382)</u>
<u>Liabilities</u>			
Current and Other Liabilities	6,705,715	5,199,334	(1,506,381)
Long-Term Liabilities			
Net Pension Liability	44,367,802	43,931,477	(436,325)
Net OPEB Liability	5,156,189	10,070,658	4,914,469
Other Amounts	155,563,577	49,518,422	(106,045,155)
Total Liabilities	<u>211,793,283</u>	<u>108,719,891</u>	<u>(103,073,392)</u>
<u>Deferred Inflows of Resources</u>			
Pension	2,589,401	1,484,711	(1,104,690)
OPEB	4,285,448	1,157,322	(3,128,126)
Other Amounts	21,741,840	20,541,489	(1,200,351)
Total Deferred Inflows of Resources	<u>28,616,689</u>	<u>23,183,522</u>	<u>(5,433,167)</u>
<u>Net Position</u>			
Net Investment in Capital Assets	10,376,623	10,058,821	317,802
Restricted	4,204,500	4,000,967	203,533
Unrestricted (Deficit)	(23,062,153)	(26,346,975)	3,284,822
Total Net Position (Deficit)	<u>(\$8,481,030)</u>	<u>(\$12,287,187)</u>	<u>\$3,806,157</u>

The net pension liability and net OPEB liability (asset) reported by the School District at June 30, 2019, is reported pursuant to Governmental Accounting Standards Board (GASB) Statement No. 68, "Accounting and Financial Reporting for Pensions" and GASB Statement No. 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions", respectively. For reasons discussed below, end users of these financial statements will gain a clearer understanding of the School District's actual financial condition by adding deferred inflows related to pension and OPEB, the net pension liability, and the net OPEB liability (asset) to the reported net position and subtracting deferred outflows related to pension and OPEB.

GASB standards are national standards and apply to all government financial reports prepared in accordance with generally accepted accounting principles. Prior accounting for pensions (GASB Statement No. 27) and postemployment benefits (GASB Statement No. 45) focused on a funding approach. This approach limited pension and OPEB costs to contributions annually required by law, which may or may not be sufficient to fully fund each plan's net pension or net OPEB liability. GASB Statements No. 68 and No. 75 take an earnings approach to pension and OPEB accounting; however, the nature of Ohio's statewide pension/OPEB plans and State law governing those systems requires additional explanation in order to properly understand the information presented in these statements.

Big Walnut Local School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2019
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GASB Statements No. 68 and No. 75 require the net pension liability and the net OPEB liability (asset) to equal the School District's proportionate share of each plan's collective present value of estimated future pension/OPEB benefits attributable to active and inactive employees' past service minus plan assets available to pay these benefits.

GASB notes that pension and OPEB obligations, whether funded or unfunded, are part of the "employment exchange", that is, the employee is trading his or her labor in exchange for wages, benefits, and the promise of a future pension and other postemployment benefits. GASB noted that the unfunded portion of this promise is a present obligation of the government, part of a bargained for benefit to the employee, and should accordingly be reported by the government as a liability since they received the benefit of the exchange. However, the School District is not responsible for certain key factors affecting the balance of these liabilities. In Ohio, the employee shares the obligation of funding pension benefits with the employer. Both employer and employee contribution rates are capped by State statute. A change in these caps requires action of both houses of the General Assembly and approval of the Governor. Benefit provisions are also determined by State statute. The Ohio Revised Code permits, but does not require, the retirement systems to provide health care to eligible benefit recipients. The retirement systems may allocate a portion of the employer contribution to provide for these OPEB benefits.

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

Most long-term liabilities have set repayment schedules or in the case of compensated absences (i.e. vacation and sick leave) are satisfied through paid time off or termination payments. There is no repayment schedule for the net pension liability or the net OPEB liability. As explained above, changes in pension benefits, contribution rates, and return on investments affect the balance of these liabilities but are outside the control of the School District. 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 and the net OPEB liability are satisfied, these liabilities are separately identified within the long-term liability section of the statement of net position.

In accordance with GASB Statements No. 68 and No. 75, the School District's statements prepared on an accrual basis of accounting include an annual pension expense and an annual OPEB expense for their proportionate share of each plan's change in net pension liability and net OPEB liability (asset), respectively, not accounted for as deferred outflows/inflows.

Pension/OPEB related changes noted in the above table reflect an overall decrease in deferred outflows and overall increase in deferred inflows. The increase in the net pension asset and decrease in the net pension/OPEB liability represents the School District's proportionate share of the unfunded benefits. As indicated previously, changes in pension/OPEB benefits, contribution rates, return on investments, and actuarial assumptions all affect the balance of the net pension/OPEB liability (asset).

Big Walnut Local School District
Management's Discussion and Analysis
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Unaudited

Aside from the changes related to pension/OPEB, there are several additional changes of note in the above table. The increase in current and other assets is primarily an increase in cash and cash equivalents. During the fiscal year, the School District issued \$98.5 million in general obligation bonds which had an additional \$8.7 million in premium on those bonds for building construction. As of fiscal year end, none of these proceeds had been spent (note a corresponding increase in other long-term liabilities). There was also an increase in the receivable for property taxes of \$1.9 million resulting from an increase in the assessed valuation of property (property valuations and new construction) of almost \$36 million. The increase in net capital assets is generally related to new building construction.

The increase in current and other liabilities is the result of several factors. Contacts payable outstanding at fiscal year end increased related to the new building construction, separate benefits payable increased due to individuals retiring from the School District whose benefits were not paid until the subsequent fiscal year, and an increase in accrued interest resulting from the increase in debt. While the combination of these factors contributed to the increase in net position, the net change in net pension/OPEB related items were a significant contributing factor to this increase.

Table 2 reflects the change in net position for fiscal year 2019 and fiscal year 2018.

Table 2
Change in Net Position

	Governmental Activities		
	2019	2018	Change
<u>Revenues</u>			
Program Revenues			
Charges for Services	\$2,457,554	\$2,373,030	\$84,524
Operating Grants, Contributions, and Interest	2,287,231	2,261,866	25,365
Total Program Revenues	<u>4,744,785</u>	<u>4,634,896</u>	<u>109,889</u>
General Revenues			
Property Taxes Levied for General Purposes	23,151,704	22,552,163	599,541
Property Taxes Levied for Debt Service Purposes	4,193,152	3,051,453	1,141,699
Property Taxes Levied for Permanent Improvements	1,098,417	856,815	241,602
Payment in Lieu of Taxes	0	100,000	(100,000)
Income Taxes Levied for General Purposes	8,108,834	7,102,089	1,006,745
Grants and Entitlements	9,289,852	9,104,648	185,204
Interest	2,080,163	298,431	1,781,732
Gifts and Donations	270,455	243,094	27,361
Miscellaneous	806,190	456,717	349,473
Total General Revenues	<u>48,998,767</u>	<u>43,765,410</u>	<u>5,233,357</u>
Total Revenues	<u>53,743,552</u>	<u>48,400,306</u>	<u>5,343,246</u>

(continued)

Big Walnut Local School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2019
Unaudited

Table 2
Change in Net Position
(continued)

	Governmental Activities		
	2019	2018	Change
<u>Expenses</u>			
Instruction			
Regular	\$18,955,861	\$10,254,559	(\$8,701,302)
Special	6,616,961	4,266,106	(2,350,855)
Vocational	105,709	57,054	(48,655)
Support Services			
Pupils	2,050,548	1,302,823	(747,725)
Instructional Staff	1,202,464	635,746	(566,718)
Board of Education	0	141,801	141,801
Administration	4,702,163	1,203,922	(3,498,241)
Fiscal	1,397,464	1,102,816	(294,648)
Business	14,809	14,613	(196)
Operation and Maintenance of Plant	3,582,968	3,272,304	(310,664)
Pupil Transportation	3,676,052	2,982,312	(693,740)
Central	471,534	419,477	(52,057)
Non-Instructional Services	1,749,867	1,624,643	(125,224)
Extracurricular Activities	1,047,288	741,650	(305,638)
Interest and Fiscal Charges	4,363,707	1,798,985	(2,564,722)
Total Expenses	<u>49,937,395</u>	<u>29,818,811</u>	<u>(20,118,584)</u>
Increase in Net Position	3,806,157	18,581,495	(14,775,338)
Net Position (Deficit) Beginning of Year	<u>(12,287,187)</u>	<u>(30,868,682)</u>	<u>18,581,495</u>
Net Position (Deficit) End of Year	<u><u>(\$8,481,030)</u></u>	<u><u>(\$12,287,187)</u></u>	<u><u>\$3,806,157</u></u>

For governmental activities, there was an 11 percent increase in total revenues. The change for program revenues was not significant. The increase in general revenues is largely due to an increase in property tax revenues (first full year of collection on bond levy and permanent improvement levy and increase in assessed valuation resulting from property reappraisal and new construction), an increase in income tax revenue (business and residential growth and improved economy), and interest revenue (investment performance and additional resources invested).

The most significant increase in total expenses is due to an increase in overall pension/OPEB expense of almost \$15 million. Expenses also increased due to the increase in enrollment of two hundred twenty-seven students as well as salary and benefit increases.

Big Walnut Local School District
Management's Discussion and Analysis
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Table 3 indicates the total cost of services and the net cost of services for governmental activities. The statement of activities reflects the cost of program services and the charges for services, grants, and contributions offsetting those services. The net cost of services identifies the cost of those services supported by tax revenues and unrestricted state entitlements.

Table 3
Governmental Activities

	Total Cost of Services		Net Cost of Services	
	2019	2018	2019	2018
Instruction				
Regular	\$18,955,861	\$10,254,559	\$17,739,428	\$9,107,650
Special	6,616,961	4,266,106	5,109,040	2,770,957
Vocational	105,709	57,054	104,215	55,559
Support Services				
Pupils	2,050,548	1,302,823	2,034,429	1,263,315
Instructional Staff	1,202,464	635,746	1,202,464	635,746
Board of Education	0	141,801	0	141,801
Administration	4,702,163	1,203,922	4,702,163	1,203,922
Fiscal	1,397,464	1,102,816	1,397,464	1,102,816
Business	14,809	14,613	14,809	14,613
Operation and Maintenance of Plant	3,582,968	3,272,304	3,582,968	3,272,304
Pupil Transportation	3,676,052	2,982,312	3,564,936	2,917,513
Central	471,534	419,477	471,534	419,477
Non-Instructional Services	1,749,867	1,624,643	191,520	66,071
Extracurricular Activities	1,047,288	741,650	713,933	413,186
Interest and Fiscal Charges	4,363,707	1,798,985	4,363,707	1,798,985
Total Expenses	<u>\$49,937,395</u>	<u>\$29,818,811</u>	<u>\$45,192,610</u>	<u>\$25,183,915</u>

With the substantial contribution of general revenues for funding the School District's activities, only a limited number of activities are affected by program revenues. Instruction costs are partially offset by tuition and fees and grants restricted for various instruction purposes. Non-instructional services costs are supported by cafeteria sales, state and federal subsidies, and donated commodities for food service operations. In addition, this program includes resources received and spent on behalf of the parochial school located within the School District. Extracurricular activities costs are supported by music and athletic fees, ticket sales, and gate receipts at musical and athletic events.

The School District's Funds

The School District's governmental funds are accounted for using the modified accrual basis of accounting.

Fund balance increased \$1,331,108 (nearly 10 percent) for the General Fund. Revenues increased \$2.2 million for reasons described previously; property taxes (valuation and new construction), income taxes (growth and good economy), and interest (performance and additional resources invested). Expenses increased \$1.5 million primarily due to salary and benefit increases and increase in student population.

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Unaudited

The increase in fund balance in the Bond Retirement debt service fund was due to property tax and related revenues and the premium on new general obligation bonds issued (required by Ohio law to be recorded to a bond retirement fund) exceeding amounts required for debt retirement.

The increase in fund balance in the Building capital projects fund is the result of new general obligation bonds issued for building construction (proceeds which remained unspent as of fiscal year end).

General Fund Budgeting Highlights

The School District's budget is prepared according to Ohio law and is based upon accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The most significant budgeted fund is the General Fund.

During fiscal year 2019, the School District amended its General Fund budget as needed. For revenues, changes from the original budget to the final budget were not significant; however, there were modest changes made to most revenue sources as better estimates became available. Changes from the final budget to actual revenues were not significant (less than 1 percent overall). For expenditures, there was very little change from the original budget to the final budget. Changes from the final budget to actual expenditures were also not significant (less than 2 percent overall).

Capital Assets and Debt Administration

Capital Assets

At the end of fiscal year 2019, the School District had \$53,465,272 invested in capital assets (net of accumulated depreciation). The most significant additions for fiscal year 2019 were the continued construction on the new high school, elementary school, athletic complex, and central energy plant along with security improvements to existing buildings, the purchase of some land, and three new buses. Eight buses were disposed. For further information regarding the School District's capital assets, refer to Note 11 to the basic financial statements.

Debt

The School District's outstanding debt at June 30, 2019, consisted of general obligation bonds and capital leases, in the amount of \$152,807,207 and \$559,631, respectively. During fiscal year 2019, the School District issued general obligation bonds, in the amount of \$98.5 million, for building construction/improvement. The School District's long-term obligations also include the net pension/OPEB liability and compensated absences. For further information regarding the School District's debt, refer to Notes 18 and 19 to the basic financial statements.

Big Walnut Local School District
Management's Discussion and Analysis
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Unaudited

Current Issues

In fiscal year 2019, the effective class I millage rate for the School District was at the 20 mill floor which will be reflected in general property tax revenue as growth continues. Calendar year 2017 was a reappraisal year for Delaware County and affected the valuation of property for tax collections in fiscal year 2018 (half-year) and fiscal year 2019 (full-year). A county reappraisal or update does increase the amount of taxes collected since the School District is at the 20 mill floor. With community growth, the School District also expects an increase in property tax and income tax receipts as new residents move into the community. Along with these funding benefits that come with new construction and growth, there are the financial challenges that occur to accommodate the enrollment growth. Careful planning, monitoring, and foresight over enrollment and expenditures will be a necessary and important process.

The School District utilizes the General Fund five-year forecast as a tool to plan and manage resources effectively. The School District's five-year forecast shows a positive General Fund cash balance through the end of fiscal year 2021. The positive cash balance is the result of passing a 6.9 mill substitute emergency levy in May 2015, which has a current effective rate of 5.45, and significant investment of public utility personal property by AEP Ohio Transmission Co., Inc. The renewal of the substitute emergency level in 2020 as well as further evaluation of revenues and service levels will be necessary to ensure long-term financial health. The School District formed a finance committee with citizen members with finance backgrounds during fiscal year 2019 which will help the School District review and plan its finances to maintain financial health and sustainability.

Over the last decade, the School District has experienced a steady increase in enrollment, as development in the surrounding communities has increased, which initially prompted the School District to contract with FutureThink, Inc. to have an enrollment study completed in 2015. This study was updated in the spring of 2019. The study provides several scenarios of estimated enrollment growth through the 2029 school year. School District leadership uses these enrollment projections to plan for growth in both staffing and facility needs. Based on the local economy and development plans, enrollment growth is anticipated to continue for the foreseeable future.

With the approval of a 6.6 mill bond levy in November 2017, the School District, with the help of the facilities committee, selected both an architect and construction manager in the spring of 2018 and began construction on the elementary school and the central energy plant in the spring of 2019. Construction of the high school started in the fall of 2019 with the athletic fields and structures to begin in 2020. The School District's multi-year plan for debt financing, which allowed for a phase in of millage, was completed during fiscal year 2019. Based on estimated growth of property value in the community and favorable interest rates, the School District does not anticipate the full amount of the millage to be collected over the entire repayment schedule; however, close monitoring of funding needs will be required.

The School District's facilities range in age from eight years to ninety-three years in age and require varying degrees of maintenance and upkeep. As part of the November 2017 levy, there was a 1.25 mill permanent improvement levy that will be used to help add new buses for enrollment growth, replace old buses, update equipment, and maintain aging buildings and grounds. During fiscal year 2019, School District leadership evaluated maintenance and upkeep needs. While the permanent improvement levy is a great benefit to the School District, the current needs in all buildings far surpass resources available each year and a continued evaluation will be necessary to identify which facility and capital needs are the most critical each year.

Big Walnut Local School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2019
Unaudited

The School District negotiated two-year agreements in the fall of 2019 with both the Big Walnut Education Association (BWEA) and the Big Walnut Professional Support Staff (BWPSS) bargaining units that provided for a 3 percent increase to the base salary each year and replacement of the current insurance plan with a high deductible health plan. Both agreements expired on June 30, 2021. The School District negotiated three-year agreements with the Ohio Association of Public School Employees (OAPSE) Local #524 and Local #696 bargaining units, which expire June 30, 2020, providing for a 2 percent increase to the base salary each year.

The School District has formed an Economic Development Committee, comprised of an elected official from each of the six townships and two villages, and representatives from the emergency services departments, local businesses, the library, and the Chamber of Commerce. This committee meets to have two-way discussions concerning growth and development in each area as well as the financial impact on the School District from this growth. The information discussed is messaged to the community via these stakeholders. With the growth in various areas of the Big Walnut community it is important that each understands how each area can impact the schools.

Sunbury Meadows Community Development Authority, located in the Village of Sunbury, is in the process of building approximately five hundred new homes on the east side of State Route 3. Arrowhead Lake Estates and Retreats at Dustin are two new developments being planned within the School District's boundaries. Property owners in these subdivisions pay an additional four mills of property tax for twenty years. This tax is currently designated to the School District to be used for permanent improvements. Upon receipt, these funds are deposited directly into the School District's Permanent Improvement capital projects fund.

There are numerous other areas of development including residential, commercial, and industrial that are either beginning or pending approval that are being tracked and accounted for as the Administration monitors growth and plans for the future.

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 reflect the School District's accountability for the monies it receives. Questions concerning any of the information in this report or requests for additional information should be directed to Jeremy Buskirk, Treasurer, Big Walnut Local School District, 110 Tippet Court, Sunbury, Ohio 43074.

Big Walnut Local School District
Statement of Net Position
June 30, 2019

	Governmental Activities
<u>Assets</u>	
Equity in Pooled Cash and Cash Equivalents	\$123,042,877
Accounts Receivable	191,218
Accrued Interest Receivable	246,342
Intergovernmental Receivable	586,377
Income Taxes Receivable	3,583,053
Prepaid Items	36,217
Inventory Held for Resale	8,286
Materials and Supplies Inventory	6,404
Property Taxes Receivable	28,876,597
Payment in Lieu of Taxes Receivable	100,000
Net OPEB Asset	2,471,979
Nondepreciable Capital Assets	11,113,591
Depreciable Capital Assets, Net	42,351,681
Total Assets	212,614,622
<u>Deferred Outflows of Resources</u>	
Deferred Charge on Refunding	1,764,697
Pension	15,938,912
OPEB	1,610,711
Total Deferred Outflows of Resources	19,314,320
<u>Liabilities</u>	
Accounts Payable	366,781
Contracts Payable	816,580
Accrued Wages and Benefits Payable	3,719,842
Matured Compensated Absences Payable	85,200
Retainage Payable	100,476
Special Termination Benefits Payable	315,000
Intergovernmental Payable	820,770
Accrued Interest Payable	481,066
Long-Term Liabilities	
Due Within One Year	2,825,964
Due in More Than One Year	
Net Pension Liability	44,367,802
Net OPEB Liability	5,156,189
Other Amounts Due in More Than One Year	152,737,613
Total Liabilities	211,793,283
<u>Deferred Inflows of Resources</u>	
Property Taxes	21,641,840
Payment in Lieu of Taxes	100,000
Pension	2,589,401
OPEB	4,285,448
Total Deferred Inflows of Resources	28,616,689
<u>Net Position</u>	
Net Investment in Capital Assets	10,376,623
Restricted For	
Debt Service	1,352,272
Capital Projects	2,305,434
Athletics and Music	58,633
Food Service	66,064
Special Instruction	168,248
Other Purposes	253,849
Unrestricted (Deficit)	(23,062,153)
Total Net Position (Deficit)	(\$8,481,030)

See Accompanying Notes to the Basic Financial Statements

Big Walnut Local School District
Statement of Activities
For the Fiscal Year Ended June 30, 2019

	Program Revenues		
	Expenses	Charges for Services	Operating Grants, Contributions, and Interest
<u>Governmental Activities</u>			
Instruction			
Regular	\$18,955,861	\$1,148,476	\$67,957
Special	6,616,961	50,611	1,457,310
Vocational	105,709	0	1,494
Support Services			
Pupils	2,050,548	0	16,119
Instructional Staff	1,202,464	0	0
Administration	4,702,163	0	0
Fiscal	1,397,464	0	0
Business	14,809	0	0
Operation and Maintenance of Plant	3,582,968	0	0
Pupil Transportation	3,676,052	12,752	98,364
Central	471,534	0	0
Non-Instructional Services	1,749,867	916,442	641,905
Extracurricular Activities	1,047,288	329,273	4,082
Interest and Fiscal Charges	4,363,707	0	0
 Total Governmental Activities	 \$49,937,395	 \$2,457,554	 \$2,287,231

General Revenues

Property Taxes Levied for General Purposes
Property Taxes Levied for Debt Service Purposes
Property Taxes Levied for Permanent Improvements
Income Taxes Levied for General Purposes
Grants and Entitlements not Restricted to Specific Programs
Interest
Contributions
Miscellaneous

Total General Revenues

Change in Net Position

Net Position (Deficit) Beginning of Year

Net Position (Deficit) End of Year

See Accompanying Notes to the Basic Financial Statements

Net (Expense) Revenue
and Change in Net Position

Governmental
Activities

(\$17,739,428)
(5,109,040)
(104,215)

(2,034,429)
(1,202,464)
(4,702,163)
(1,397,464)
(14,809)
(3,582,968)
(3,564,936)
(471,534)
(191,520)
(713,933)
(4,363,707)

(45,192,610)

23,151,704
4,193,152
1,098,417
8,108,834
9,289,852
2,080,163
270,455
806,190

48,998,767

3,806,157

(12,287,187)

(\$8,481,030)

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Big Walnut Local School District
Balance Sheet
Governmental Funds
June 30, 2019

	General	Bond Retirement	Building	Other Governmental	Total
<u>Assets</u>					
Equity in Pooled Cash and Cash Equivalents	\$11,186,426	\$9,926,197	\$100,399,084	\$1,501,006	\$123,012,713
Accounts Receivable	188,593	0	0	2,625	191,218
Accrued Interest Receivable	42,492	0	203,850	0	246,342
Interfund Receivable	94,279	0	0	0	94,279
Intergovernmental Receivable	199,775	0	0	386,602	586,377
Income Taxes Receivable	3,583,053	0	0	0	3,583,053
Prepaid Items	34,641	0	56	1,520	36,217
Inventory Held for Resale	0	0	0	8,286	8,286
Materials and Supplies Inventory	0	0	0	6,404	6,404
Restricted Assets:					
Equity in Pooled Cash and Cash Equivalents	30,164	0	0	0	30,164
Property Taxes Receivable	23,383,906	4,376,217	0	1,116,474	28,876,597
Payment in Lieu of Taxes Receivable	0	0	0	100,000	100,000
Total Assets	\$38,743,329	\$14,302,414	\$100,602,990	\$3,122,917	\$156,771,650
<u>Liabilities</u>					
Accounts Payable	\$109,470	\$0	\$8,575	\$248,736	\$366,781
Contracts Payable	0	0	813,639	2,941	816,580
Accrued Wages and Benefits Payable	3,546,056	0	0	173,786	3,719,842
Matured Compensated Absences Payable	85,200	0	0	0	85,200
Retainage Payable	0	0	100,476	0	100,476
Special Termination Benefits Payable	315,000	0	0	0	315,000
Interfund Payable	0	0	0	94,279	94,279
Intergovernmental Payable	786,664	0	1,400	32,706	820,770
Total Liabilities	4,842,390	0	924,090	552,448	6,318,928
<u>Deferred Inflows of Resources</u>					
Property Taxes	17,637,874	3,188,841	0	815,125	21,641,840
Payment in Lieu of Taxes	0	0	0	100,000	100,000
Unavailable Revenue	926,644	27,714	102,352	223,985	1,280,695
Total Deferred Inflows of Resources	18,564,518	3,216,555	102,352	1,139,110	23,022,535
<u>Fund Balances</u>					
Nonspendable	64,805	0	56	7,924	72,785
Restricted	2,995	11,085,859	99,576,492	1,059,499	111,724,845
Committed	0	0	0	125,031	125,031
Assigned	2,317,075	0	0	260,495	2,577,570
Unassigned (Deficit)	12,951,546	0	0	(21,590)	12,929,956
Total Fund Balances	15,336,421	11,085,859	99,576,548	1,431,359	127,430,187
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$38,743,329	\$14,302,414	\$100,602,990	\$3,122,917	\$156,771,650

See Accompanying Notes to the Basic Financial Statements

Big Walnut Local School District
 Reconciliation of Total Governmental Fund Balances
 to Net Position of Governmental Activities
 June 30, 2019

Total Governmental Fund Balances \$127,430,187

Amounts reported for governmental activities on the statement of net position are different because of the following:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. 53,465,272

Deferred outflows of resources includes deferred charges on refundings which do not provide current financial resources and, therefore, are not reported in the funds. 1,764,697

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

Accounts Receivable	201,781	
Accrued Interest Receivable	114,342	
Intergovernmental Receivable	337,762	
Income Taxes Receivable	450,682	
Delinquent Property Taxes Receivable	176,128	
		1,280,695

Accrued interest on outstanding debt is not due and payable in the current period and, therefore, is not reported in the funds; it is reported when due. (481,066)

Some liabilities are not due and payable in the current period and, therefore, are not reported in the funds.

General Obligation Bonds Payable	(152,807,207)	
Compensated Absences Payable	(2,196,739)	
Capital Leases Payable	(559,631)	
		(155,563,577)

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

Deferred Outflows - Pension	15,938,912	
Deferred Inflows - Pension	(2,589,401)	
Net Pension Liability	(44,367,802)	
Net OPEB Asset	2,471,979	
Deferred Outflows - OPEB	1,610,711	
Deferred Inflows - OPEB	(4,285,448)	
Net OPEB Liability	(5,156,189)	
		(36,377,238)

Net Position (Deficit) of Governmental Activities (\$8,481,030)

See Accompanying Notes to the Basic Financial Statements

Big Walnut Local School District
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended June 30, 2019

	General	Bond Retirement	Building	Other Governmental	Total
<u>Revenues</u>					
Property Taxes	\$23,163,607	\$4,187,290	\$0	\$1,098,970	\$28,449,867
Payment in Lieu of Taxes	0	0	0	100,000	100,000
Income Taxes	8,113,752	0	0	0	8,113,752
Intergovernmental	9,541,073	343,178	0	1,726,208	11,610,459
Interest	539,111	0	1,438,471	6,772	1,984,354
Tuition and Fees	1,088,298	0	0	0	1,088,298
Extracurricular Activities	0	0	0	295,078	295,078
Charges for Services	13,844	0	0	916,442	930,286
Contributions	138,632	0	0	127,458	266,090
Miscellaneous	658,759	38,293	0	80,534	777,586
Total Revenues	43,257,076	4,568,761	1,438,471	4,351,462	53,615,770
<u>Expenditures</u>					
Current:					
Instruction					
Regular	19,631,051	0	0	679,660	20,310,711
Special	5,838,325	0	0	919,276	6,757,601
Vocational	106,242	0	0	0	106,242
Support Services					
Pupils	2,124,203	0	0	42,559	2,166,762
Instructional Staff	1,196,104	0	0	61,568	1,257,672
Board of Education	178,973	0	0	0	178,973
Administration	3,860,863	0	52,975	119,690	4,033,528
Fiscal	1,239,503	49,544	0	12,937	1,301,984
Business	14,121	0	0	0	14,121
Operation and Maintenance of Plant	3,357,772	0	0	23,314	3,381,086
Pupil Transportation	3,288,881	0	0	286,800	3,575,681
Central	438,551	0	0	12,600	451,151
Non-Instructional Services	3,558	0	0	1,582,715	1,586,273
Extracurricular Activities	678,021	0	0	321,949	999,970
Capital Outlay	0	0	9,104,982	230,817	9,335,799
Debt Service:					
Principal Retirement	25,341	1,306,150	0	175,157	1,506,648
Interest and Fiscal Charges	2,603	3,747,640	0	10,685	3,760,928
Interest on Capital Appreciation Bonds	0	288,850	0	0	288,850
Total Expenditures	41,984,112	5,392,184	9,157,957	4,479,727	61,013,980
Excess of Revenues Over (Under) Expenditures	1,272,964	(823,423)	(7,719,486)	(128,265)	(7,398,210)
<u>Other Financing Sources</u>					
General Obligation Bonds Issued	0	0	98,500,000	0	98,500,000
Premium on Bonds Issued	0	8,743,822	0	0	8,743,822
Inception of Capital Lease	58,144	0	0	265,971	324,115
Total Other Financing Sources	58,144	8,743,822	98,500,000	265,971	107,567,937
Changes in Fund Balances	1,331,108	7,920,399	90,780,514	137,706	100,169,727
Fund Balances Beginning of Year	14,005,313	3,165,460	8,796,034	1,293,653	27,260,460
Fund Balances End of Year	<u>\$15,336,421</u>	<u>\$11,085,859</u>	<u>\$99,576,548</u>	<u>\$1,431,359</u>	<u>\$127,430,187</u>

See Accompanying Notes to the Basic Financial Statements

Big Walnut Local School District
 Reconciliation of Statement of Revenues, Expenditures, and Changes in Fund Balances
 of Governmental Funds to Statement of Activities
 For the Fiscal Year Ended June 30, 2019

Changes in Fund Balances - Total Governmental Funds \$100,169,727

Amounts reported for governmental activities on the statement of activities are different because of the following:

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

Nondepreciable Capital Assets	8,627,995	
Depreciable Capital Assets	554,766	
Depreciation	<u>(1,241,671)</u>	7,941,090

The book value of capital assets is removed from the capital asset account on the statement of net position when disposed of resulting in a loss on disposal of capital assets on the statement of activities. (50,458)

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

Delinquent Property Taxes	(6,594)	
Payment in Lieu of Taxes	(100,000)	
Income Taxes	(4,918)	
Intergovernmental	(44,443)	
Interest	102,581	
Tuition and Fees	109,697	
Extracurricular Activities	1,212	
Contributions	8,660	
Miscellaneous	<u>61,587</u>	127,782

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

General Obligation Bonds	1,306,150	
Capital Leases	<u>200,498</u>	1,506,648

Bond proceeds are other financing sources in the governmental funds but the issuance increase long-term liabilities on the statement of net position. (98,500,000)

The termination of a capital lease is not reflected in the governmental funds but the termination reduces long-term liabilities on the statement of net position. 31,243

(continued)

Big Walnut Local School District
 Reconciliation of Statement of Revenues, Expenditures, and Changes in Fund Balances
 of Governmental Funds to Statement of Activities
 For the Fiscal Year Ended June 30, 2019
 (continued)

The inception of a capital lease is reported as an other financing source in the governmental funds but increases long-term liabilities on the statement of net position. (\$324,115)

Interest is reported as an expenditure when due in the governmental funds but is accrued on outstanding debt on the statement of net position. Premiums and discounts are reported as revenues and expenditures when the debt is first issued; however, these amounts are deferred and amortized on the statement of activities. Accounting losses are amortized over the life of the debt on the statement of activities.

Accrued Interest Payable	(359,754)	
Annual Accretion on Capital Appreciation Bonds	(254,461)	
Payment of Accretion on Capital Appreciation Bonds	288,850	
Unamortized Premium	(8,743,822)	
Amortization of Premium	46,707	
Amortization of Discount	(3,201)	
Amortization of Deferred Charge on Refunding	<u>(32,070)</u>	(9,057,751)

Compensated absences reported on the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. (93,004)

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

Pension	(6,367,161)	
OPEB	<u>4,914,550</u>	(1,452,611)

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

Pension	3,383,465	
OPEB	<u>124,141</u>	<u>3,507,606</u>

Change in Net Position of Governmental Activities \$3,806,157

See Accompanying Notes to the Basic Financial Statements

Big Walnut Local School District
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
General Fund
For the Fiscal Year Ended June 30, 2019

	Budgeted Amounts		Actual	Variance with Final Budget Over (Under)
	Original	Final		(Under)
<u>Revenues</u>				
Property Taxes	\$22,577,302	\$22,665,939	\$22,741,430	\$75,491
Income Taxes	7,433,673	7,610,173	7,609,785	(388)
Intergovernmental	9,507,825	9,627,688	9,541,073	(86,615)
Interest	250,000	499,000	488,909	(10,091)
Tuition and Fees	1,147,250	1,310,153	1,201,314	(108,839)
Charges for Services	7,000	16,578	13,844	(2,734)
Contributions	81,547	131,434	129,972	(1,462)
Miscellaneous	125,650	476,852	463,329	(13,523)
Total Revenues	41,130,247	42,337,817	42,189,656	(148,161)
<u>Expenditures</u>				
Current:				
Instruction				
Regular	19,763,670	19,554,472	19,196,520	357,952
Special	5,859,177	5,835,939	5,785,832	50,107
Vocational	106,559	108,682	105,823	2,859
Support Services				
Pupils	2,129,907	2,169,709	2,151,256	18,453
Instructional Staff	1,313,411	1,255,862	1,213,746	42,116
Board of Education	210,532	211,029	208,390	2,639
Administration	4,228,780	3,908,433	3,851,959	56,474
Fiscal	1,259,584	1,324,885	1,234,015	90,870
Business	13,791	14,601	14,171	430
Operation and Maintenance of Plant	3,436,315	3,658,318	3,547,717	110,601
Pupil Transportation	3,151,261	3,348,563	3,308,742	39,821
Central	489,983	492,169	442,715	49,454
Non-Instructional Services	4,676	4,027	3,510	517
Extracurricular Activities	639,687	696,086	678,342	17,744
Total Expenditures	42,607,333	42,582,775	41,742,738	840,037
Excess of Revenues Over (Under) Expenditures	(1,477,086)	(244,958)	446,918	691,876
<u>Other Financing Sources</u>				
Refund of Prior Year Expenditures	26,624	375,624	375,212	(412)
Changes in Fund Balance	(1,450,462)	130,666	822,130	691,464
Fund Balance Beginning of Year	9,813,037	9,813,037	9,813,037	0
Prior Year Encumbrances Appropriated	345,335	345,335	345,335	0
Fund Balance End of Year	\$8,707,910	\$10,289,038	\$10,980,502	\$691,464

See Accompanying Notes to the Basic Financial Statements

Big Walnut Local School District
Statement of Fiduciary Assets and Liabilities
Agency Funds
June 30, 2019

<u>Assets</u>	
Equity in Pooled Cash and Cash Equivalents	<u>\$147,817</u>
 <u>Liabilities</u>	
Undistributed Assets	\$20,618
Due to Students	<u>127,199</u>
 Total Liabilities	 <u>\$147,817</u>

See Accompanying Notes to the Basic Financial Statements

Big Walnut Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2019

Note 1 - Description of the School District and Reporting Entity

Big Walnut Local School District is organized under Article VI, Sections 2 and 3 of the Constitution of the State of Ohio. The School District operates under a locally-elected Board form of government consisting of five members elected at-large for staggered four year terms. The School District provides educational services as authorized by state and federal guidelines.

The School District was established in 1950. The School District serves an area of approximately one hundred ten square miles and is located in Delaware County. It is staffed by one hundred seventy-nine classified employees, two hundred thirty-nine certified employees (two hundred twenty-seven teachers and twelve others), and twenty-three administrative employees who provide services to 3,809 students and other community members. The School District currently operates four elementary schools, an intermediate school, a middle school, and a high school.

Reporting Entity

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

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

The following activity is included within the School District's reporting entity:

Within the School District boundaries, Genoa Christian Academy is operated as a private school. Current state legislation provides funding to this parochial school. The monies are received and disbursed on behalf of the parochial school by the Treasurer of the School District, as directed by the parochial school. This activity is reflected in the Auxiliary Services special revenue fund for financial reporting purposes by the School District.

Big Walnut Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2019

Note 1 - Description of the School District and Reporting Entity (continued)

The School District participates in three jointly governed organizations and two insurance pools, and is associated with a related organization. These organizations are the Metropolitan Educational Technology Association, Delaware Area Career Center, Village of Sunbury Community Park Joint Recreation Board, Ohio School Plan, Ohio Association of School Business Officials Workers' Compensation Group Rating Plan, and the Sunbury Community Library. These organizations are presented in Notes 22, 23, and 24 to the basic financial statements.

Note 2 - Summary of Significant Accounting Policies

The basic financial statements of Big Walnut Local 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. Following are the more significant of the School District's accounting policies.

A. Basis of Presentation

The School District's basic financial statements consist of government-wide financial 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. These statements usually distinguish between those activities of the School District that are governmental activities (primarily supported by taxes and intergovernmental revenues) and those that are considered business-type activities (primarily supported by fees and charges). However, the School District has no business-type activities.

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

Big Walnut Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2019

Note 2 - Summary of Significant Accounting Policies (continued)

Fund Financial Statements

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

B. Fund Accounting

The School District uses funds to maintain its financial records during the fiscal year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The funds of the School District are divided into two categories, governmental and fiduciary.

Governmental Funds

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

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 balance is available to the School District for any purpose provided it is expended or transferred according to the general laws of Ohio.

Bond Retirement Fund - The Bond Retirement Fund is used to account for and report property taxes and related revenues restricted for the payment of principal and interest on general obligation bonds.

Building Fund - The Building Fund is used to account for and report debt proceeds and other resources restricted to building improvements.

The other governmental funds of the School District account for grants and other resources whose use is restricted, committed, or assigned to a particular purpose.

Note 2 - Summary of Significant Accounting Policies (continued)

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 not available to support the School District's own programs. The School District did not have any trust funds in fiscal year 2019. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The School District's agency funds account for various staff-related and student-managed activities, the Sunbury Meadows Community Development Authority, and State athletic tournament collections.

C. Measurement Focus

Government-Wide Financial Statements

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

Fund Financial Statements

All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. The statement of revenues, expenditures, and changes in fund balances reflects 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, include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the fund financial statements for governmental funds.

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; fiduciary funds use the accrual basis of accounting. Differences in the accrual and modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred outflows and deferred inflows of resources, and in the presentation of expenses versus expenditures.

Big Walnut Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2019

Note 2 - Summary of Significant Accounting Policies (continued)

Revenues - Exchange and Nonexchange 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 the modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the School District, available means expected to be received within sixty days of fiscal year end.

Nonexchange transactions, in which the School District receives value without directly giving equal value in return, include property taxes, income taxes, grants, entitlements, and donations. On the accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from income taxes is recognized in the fiscal year in which the income is earned. 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 fiscal 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 the modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

Under the modified accrual basis, the following revenue sources are considered both measurable and available at fiscal year end: property taxes available as an advance, income taxes, grants, interest, tuition, student fees, and charges for services.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position may report 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 that time. For the School District, deferred outflows of resources are reported on the government-wide statement of net position for a deferred charge on refunding and for pension and OPEB. A deferred charge on refunding results from the difference in the carrying value of refunded debt and the reacquisition price. This amount is deferred and amortized over the life of the old debt or the life of the new debt, whichever is shorter. Deferred outflows of resources are reported on the government-wide statement of net position for pension and OPEB and explained in Note 15 and Note 16 to the basic financial statements.

Big Walnut Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2019

Note 2 - Summary of Significant Accounting Policies (continued)

In addition to liabilities, the statement of financial position may report 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 until that time. For the School District, deferred inflows of resources consists of property taxes, payment in lieu of taxes, unavailable revenue, pension, and OPEB. Property taxes represent amounts for which there was an enforceable legal claim as of June 30, 2019, but which were levied to finance fiscal year 2020 operations. Payment in lieu of taxes represents a contractual promise to make payment of property taxes which reflect all or a portion of the taxes which would have been paid if the taxes had not been exempted. These amounts have been recorded as deferred inflows of resources on both the government-wide statement of net position and the governmental fund financial statements. Unavailable revenue is reported only on the governmental fund balance sheet and represents receivables which will not be collected within the available period. For the School District, unavailable revenue includes accrued interest, intergovernmental revenue including grants, income taxes, delinquent property taxes, and other sources. These amounts are deferred and recognized as inflows of resources in the period when the amounts become available. For further details on unavailable revenue, refer to the Reconciliation of Total Governmental Fund Balances to Net Position of Governmental Activities on page 20. Deferred inflows of resources related to pension and OPEB are reported on the government-wide statement of net position and explained in Note 15 and Note 16 to the basic financial statements.

Expenses/Expenditures

On the accrual basis, expenses are recognized at the time they are incurred.

The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. Allocations of cost, such as depreciation and amortization, are not recognized in governmental funds.

E. Budgetary Process

All funds, except agency funds, are legally required to be budgeted and appropriated. The major documents prepared are the alternative tax budget, the certificate of estimated resources, and the appropriations resolution, all of which are prepared on the budgetary basis of accounting. The alternative 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 appropriations resolution is the Board's authorization to spend resources and sets annual limits on expenditures plus encumbrances at the level of control selected by the Board. The legal level of budgetary control is at the fund level for all funds. Budgetary allocations at the function and object level within all funds are made by the School District Treasurer.

The certificate of estimated resources may be amended during the fiscal year if projected increases or decreases in revenue are identified by the Treasurer. The amounts reported as the original budgeted amounts on the budgetary statements reflect the amounts on the certificate of estimated resources when the original appropriations were adopted. The amounts reported as the final budgeted amounts on the budgetary statements reflect the amounts on the amended certificate of estimated resources in effect at the time final appropriations were passed by the Board.

Note 2 - Summary of Significant Accounting Policies (continued)

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

F. Cash and Investments

To improve cash management, cash received by the School District is pooled. Monies for all funds are maintained in this pool. Individual fund integrity is maintained through School District records. Interest in the pool is presented as “Equity in Pooled Cash and Cash Equivalents”.

During fiscal year 2019, the School District invested in mutual funds, negotiable certificates of deposit, federal agency securities, United States Treasury securities, commercial paper, and STAR Ohio. Investments are reported at fair value or amortized cost. Fair value is based on quoted market price or current share price. 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 Statement No. 79, “Certain External Investment Pools and Pool Participants”. The School District measures the 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 that approximates fair value.

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

The School District’s commercial paper is measured at amortized cost as it is a highly liquid debt instrument with a remaining maturity at the time of purchase of less than one year.

The Board of Education has allocated interest earnings according to State statutes. Interest revenue credited to the General Fund during fiscal year 2019 was \$539,111, which includes \$189,688 assigned from other School District funds.

Investments of the School District’s cash management pool and investments with an original maturity of three months or less at the time they are purchased by the School District are presented on the financial statements as cash equivalents. Investments with an initial maturity of more than three months that were not purchased from the pool are reported as investments.

Big Walnut Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2019

Note 2 - Summary of Significant Accounting Policies (continued)

G. Prepaid Items

Payments made to vendors for services that will benefit periods beyond June 30, 2019, are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of purchase and an expenditure/expense is reported in the year in which services are consumed.

H. Inventory

Inventory is presented at cost on a first-in, first-out basis and is expended/expensed when used. Inventory consists of administrative supplies and donated and purchased food.

I. Restricted Assets

Assets are reported as restricted when limitations on their use change the nature or normal understanding of the availability of the asset. Such constraints are either imposed by creditors, contributors, grantors, laws of other governments, or imposed by law through constitutional provisions. Unclaimed monies that have a legal restriction on their use are reported as restricted.

J. Capital Assets

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

All capital assets are capitalized at cost and updated for additions and reductions during the fiscal year. Donated capital assets are recorded at their acquisition value on the date donated. The School District maintains a capitalization threshold of ten thousand dollars. Improvements are capitalized. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not capitalized.

All capital assets, except 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:

Description	Useful Lives
Land Improvements	10 - 40 years
Buildings and Building Improvements	10 - 100 years
Furniture, Fixtures, and Equipment	5 - 40 years
Vehicles	10 - 12 years

Note 2 - Summary of Significant Accounting Policies (continued)

K. Deferred Charge on Refunding

For advance refundings resulting in the defeasance of debt, the difference between the reacquisition price and the net carrying amount of the old debt is deferred and amortized as a component of interest expense. This deferred amount is amortized over the remaining life of the old debt or the life of the new debt, whichever is shorter, and is presented as deferred outflows of resources on the statement of net position.

L. Interfund Assets/Liabilities

On fund financial statements, receivables and payables resulting from short-term interfund loans are classified as “Interfund Receivables/Payables”. Interfund balances within governmental activities are eliminated on the statement of net position.

M. Compensated Absences

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

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

The entire compensated absences liability is reported on the government-wide financial statements.

On governmental fund financial statements, compensated absences are recognized as a liability and expenditure to the extent payments come due each period upon the occurrence of employee resignations and retirements. These amounts are recorded in the account “Matured Compensated Absences Payable” in the fund from which the employees who have accumulated unpaid leave are paid.

N. Accrued Liabilities and Long-Term Obligations

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

Big Walnut Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2019

Note 2 - Summary of Significant Accounting Policies (continued)

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 are paid from governmental funds are reported as liabilities on the fund financial statements only to the extent that they are due for payment during the current fiscal year. The net pension/OPEB liability should be recognized in the governmental funds to the extent that benefit payments are due and payable and the pension/OPEB plan's fiduciary net position is not sufficient to pay those benefits. Bonds and capital leases are recognized as a liability on the fund financial statements when due.

O. Unamortized Premiums and Discounts

On government-wide financial statements, premiums and discounts are deferred and amortized over the term of the bonds using the bonds-outstanding method, which approximates the effective interest method. Bond premiums are presented as an addition to the face amount of bonds payable. Bond discounts are presented as a reduction of the face amount of bonds payable.

On the governmental fund financial statements, bond premiums and discounts are recognized in the period when the debt is issued.

Under Ohio law, premiums on the original issuance of debt are to be deposited in the Bond Retirement Fund. Ohio law does allow premiums on refunding debt to be used as part of the payment to a bond escrow agent.

P. Net Position

Net position represents the difference between all other elements on the statement of financial position. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any borrowing used for the acquisition, construction, or improvement of those assets. Net position is reported as restricted when there are limitations imposed on its use through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. Net position restricted for other purposes includes resources restricted for federal and state grants.

The School District's policy is to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

Q. 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 governmental funds. The classifications are as follows:

Nonspendable - The nonspendable classification includes amounts that cannot be spent because they are not in spendable form or legally or contractually required to be maintained intact. The "not in spendable form" includes items that are not expected to be converted to cash.

Big Walnut Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2019

Note 2 - Summary of Significant Accounting Policies (continued)

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 are imposed by law through constitutional provisions.

Committed - The committed classification includes amounts that can be used only for the specific purposes imposed by a formal action (resolution) of the Board of Education. The committed amounts cannot be used for any other purpose unless the Board of Education removes or changes the specified use by taking the same type of action (resolution) it employed to previously commit those amounts. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

Assigned - Amounts in the assigned 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. Assigned fund balance represents the remaining amount that is not restricted or committed. Assigned amounts represent intended uses established by the Board of Education. Fund balance policy of the Board of Education has authorized the Treasurer to assign fund balance for purchases on order provided those amounts have been lawfully appropriated. The Board of Education has also assigned fund balance to cover a gap between estimated resources and appropriations in the fiscal year 2020 budget, as well as certain educational and extracurricular activities, and for permanent improvements.

Unassigned - Unassigned fund balance is the residual classification for the General Fund and includes all spendable amounts not contained in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance.

The School District first applies restricted resources when an expenditure is 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 can be used.

R. Pensions/Other Postemployment Benefits

For purposes of measuring the net pension/OPEB liability (asset), deferred outflows of resources and deferred inflows of resources related to pensions/OPEB, pension/OPEB expense, information about the fiduciary net position of the pension/OPEB plans, and additions to/deductions from their fiduciary net position have been determined on the same basis as they are reported by the pension/OPEB 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/OPEB systems report investments at fair value.

S. Estimates

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

Big Walnut Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2019

Note 3 - Change in Accounting Principles

For fiscal year 2019, the School District has implemented Governmental Accounting Standards Board (GASB) Statement No. 88, “Certain Disclosures Related to Debt including Direct Borrowings and Direct Placements” and Statement No. 89, “Accounting for Interest Costs Incurred Before the End of a Construction Period”.

GASB Statement No. 88 improves the information that is disclosed in the notes to the financial statements related to debt, including direct borrowings and direct placements. It also clarifies which liabilities governments should include when disclosing information related to debt. These changes were incorporated in the School District’s fiscal year 2019 financial statements; however, there was no effect on beginning net position/fund balance.

GASB Statement No. 89 establishes accounting requirements for interest costs incurred before the end of a construction period. These changes were incorporated in the School District’s fiscal year 2019 financial statements; however, there was no effect on beginning net position/fund balance.

For fiscal year 2019, the School District also implemented GASB Implementation Guide No. 2017-2. These changes were incorporated in the School District’s fiscal year 2019 financial statements; however, there was no effect on beginning net position/fund balance.

Note 4 - Accountability

At June 30, 2019, the Title VI-B special revenue fund had a deficit fund balance, in the amount of \$20,920, due to deficit spending. The General Fund provides transfers to cover deficit balances; however, this is done when cash is needed rather than when accruals occur.

Note 5 - 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 for the General Fund is presented on the budgetary basis to provide a meaningful comparison of actual results with the budget. The major differences between the budget basis and the GAAP basis 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 liability is incurred (GAAP basis).
3. Encumbrances are treated as expenditures (budget basis) rather than as restricted, committed, or assigned fund balance (GAAP basis).

Big Walnut Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2019

Note 5 - Budgetary Basis of Accounting (continued)

The adjustments necessary to reconcile the GAAP and budgetary basis statements for the General Fund are as follows:

Changes in Fund Balance	
GAAP Basis	\$1,331,108
<u>Increase (Decrease) Due To:</u>	
Revenue Accruals:	
Accrued FY 2018, Received in Cash FY 2019	8,183,698
Accrued FY 2019, Not Yet Received in Cash	(8,833,301)
Expenditure Accruals:	
Accrued FY 2018, Paid in Cash FY 2019	(4,364,712)
Accrued FY 2019, Not Yet Paid in Cash	4,842,390
Cash Adjustments:	
Unrecorded Cash Activity FY 2018	(779)
Unrecorded Cash Activity FY 2019	(41,826)
Prepaid Items	(5,907)
Encumbrances Outstanding at Fiscal Year End (Budget Basis)	(288,541)
Budget Basis	\$822,130

Note 6 - Deposits and Investments

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

Active monies are public monies determined to be necessary to meet current demands upon the School District treasury. Active monies must be maintained either as cash in the School District treasury, in commercial accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.

Inactive deposits are public deposits the Board of Education has identified as not required for use within the current five year period of designation of depositories. Inactive deposits must either be evidenced by certificates of deposit maturing not later than the end of the current period of designation of depositories, or by savings or deposit accounts including, but not limited to, passbook accounts.

Big Walnut Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2019

Note 6 - Deposits and Investments (continued)

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

Protection of the School District's deposits is provided by the Federal Deposit Insurance Corporation (FDIC), by eligible securities pledged by the financial institution as security for repayment, or by the financial institutions participation in the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution.

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

1. United States Treasury bills, bonds, notes, or any other obligation or security issued by the United States Treasury, or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligation or security issued by any federal government agency or instrumentality including, but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, and Government National Mortgage Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least 2 percent and be marked to market daily, and the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio and, with certain limitations including a requirement for maturity within ten years from the date of settlement, bonds and other obligations of political subdivisions of the State of Ohio (if training requirements have been met);
5. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
6. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) and repurchase agreements secured by such obligations provided that investments in securities described in this division are made only through eligible institutions;
7. The State Treasurer's investment pool (STAR Ohio); and
8. Certain bankers' acceptances for a period not to exceed one hundred eighty days and commercial paper notes for a period not to exceed two hundred seventy days in an amount not to exceed 40 percent of the interim monies available for investment at any one time (if training requirements have been met).

Big Walnut Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2019

Note 6 - Deposits and Investments (continued)

Investments in stripped principal or interest obligations, reverse repurchase agreements, and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage, and short selling are also prohibited. Except as noted above, an investment must mature within five years from the date of settlement, unless matched to a specific obligation or debt of the School District, and must be purchased with the expectation that it will be held to maturity.

Investments may only be made through specified dealers and institutions. Payment for investments may be made only upon delivery of the securities representing the investments to the Treasurer or qualified trustee or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

Investments

Investments are reported at fair value or amortized cost. As of June 30, 2019, the School District had the following investments:

<u>Measurement/Investment</u>	<u>Measurement Amount</u>	<u>Less Than Six Months</u>	<u>Six Months to One Year</u>	<u>One Year to Two Years</u>	<u>More Than Two Years</u>
Fair Value - Level One Inputs					
Mutual Funds	\$642,625	\$642,625	\$0	\$0	\$0
Fair Value - Level Two Inputs					
Negotiable Certificates of Deposit	7,914,854	247,936	4,862,468	2,804,450	0
Federal Home Loan Bank Notes	15,037,027	0	1,035,807	14,001,220	0
Federal Home Loan Mortgage Association Notes	3,835,807	532,946	498,555	1,982,994	821,312
Federal National Mortgage Corporation Notes	12,151,902	0	9,953,103	2,198,799	0
United States Treasury Bills/Notes	28,224,609	20,323,266	7,901,343	0	0
Total Fair Value - Level Two Inputs	<u>67,164,199</u>	<u>21,104,148</u>	<u>24,251,276</u>	<u>20,987,463</u>	<u>821,312</u>
Amortized Cost					
Commercial Paper	38,121,816	24,277,869	13,843,947	0	0
Net Asset Value Per Share					
STAR Ohio	14,976,893	14,976,893	0	0	0
Total Investments	<u>\$120,905,533</u>	<u>\$61,001,535</u>	<u>\$38,095,223</u>	<u>\$20,987,463</u>	<u>\$821,312</u>

Big Walnut Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2019

Note 6 - Deposits and Investments (continued)

The School District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets. Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The above chart identifies the School District's recurring fair value measurements as of June 30, 2019. The mutual funds are measured at fair value using quoted market prices (Level 1 inputs). The School District's remaining investments measured at fair value are valued using methodologies that incorporate market inputs such as benchmark yields, reported trades, broker/dealer quotes, issuer spreads, two-sided markets, benchmark securities, bids, offers, and reference data including market research publications. Market indicators and industry and economic events are also monitored which could require the need to acquire further market data (Level 2 inputs).

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The investment policy restricts the Treasurer from investing in any securities other than those identified in the Ohio Revised Code and that all investments must mature within five years from the date of investment unless they are matched to a specific obligation or debt of the School District. The School District's policy indicates that it will attempt to minimize the effect of market value fluctuations by (1) maintaining adequate liquidity so that current obligations can be met without a sale of securities; (2) diversification of maturities; and (3) diversification of assets.

The mutual funds carry a rating of Aaa by Moody's. The negotiable certificates of deposit are covered by FDIC and/or SIPC insurance. The federal agency securities and United States Treasury securities carry a rating of Aaa by Moody's. The commercial paper carries a rating of P-1 by Moody's. STAR Ohio carries a rating of AAA by Standard and Poor's. The School District has no investment policy dealing with credit risk beyond the requirements of State statute. Ohio law requires that mutual funds must be rated, at the time of purchase, in the highest category by at least one nationally recognized standard rating service, commercial paper must be rated in the highest category at the time of purchase by two nationally recognized standard rating services, and STAR Ohio must maintain the highest rating provided by at least one nationally recognized standard rating service.

The School District places no limit on the amount of its interim monies it may invest in a particular security.

	Fair Value	Percentage of Portfolio
Negotiable Certificates of Deposit	\$7,914,854	6.55%
Federal Home Loan Bank Notes	15,037,027	12.44
Federal Home Loan Mortgage Association Notes	12,151,902	10.05
Federal National Mortgage Association Notes	3,835,807	3.17
United States Treasury Bills/Notes	28,224,609	23.34
Commercial Paper	38,121,816	31.53

Big Walnut Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2019

Note 7 - Receivables

Receivables at June 30, 2019, consisted of accounts (student fees and billings for user charged services), accrued interest, interfund, intergovernmental, income taxes, property taxes, and payment in lieu of taxes. All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes, the stable condition of State programs, and the current year guarantee of federal funds. All receivables, except income taxes and property taxes, are expected to be collected within one year. Income taxes and property taxes, although ultimately collectible, include some portion of delinquencies that will not be collected within one year.

A summary of the principal items of intergovernmental receivables follows:

	Amount
Governmental Activities	
Major Fund	
General Fund	
Bureau of Workers' Compensation	\$61,587
Tuition	138,188
Total General Fund	199,775
Other Governmental Funds	
Title VI-B	306,066
Title I	14,812
Early Childhood Special Education	6,490
Title II-A	43,079
Title IV-A	16,155
Total Other Governmental Funds	386,602
Total Intergovernmental Receivables	\$586,377

Note 8 - Income Taxes

The School District levies a voted tax of .75 percent for general operations on the income of residents and of estates. The tax was effective on January 1, 2000, for a five-year period. In May 2006, voters approved the tax as a continuing tax. Employers of residents are required to withhold income tax on compensation and remit the tax to the State. Taxpayers are required to file an annual return. The State makes quarterly distributions to the School District after withholding amounts for administrative fees and estimated refunds. Income tax revenue is credited to the General Fund.

Note 9 - Property Taxes

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

Big Walnut Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2019

Note 9 - Property Taxes (continued)

Property taxes include amounts levied against all real and public utility property located in the School District. Real property tax revenues received in calendar year 2019 represent the collection of calendar year 2018 taxes. Real property taxes received in calendar year 2019 were levied after April 1, 2018, on the assessed values as of January 1, 2018, the lien date. Assessed values for real property taxes are established by State statute at 35 percent of appraised market value. Real property taxes are payable annually or semiannually. If paid annually, payment is due December 31; if paid semiannually, the first payment is due December 31, with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established.

Public utility property tax revenues received in calendar year 2019 represent the collection of calendar year 2018 taxes. Public utility real and tangible personal property taxes received in calendar year 2019 became a lien on December 31, 2017, were levied after April 1, 2018, and are collected with real property taxes. Public utility real property is assessed at 35 percent of true value; public utility tangible personal property is currently assessed at varying percentages of true value.

The School District receives property taxes from Delaware County. The County Auditor periodically advances to the School District its portion of the taxes collected. Second-half real property tax payments collected by the county by June 30, 2019, are available to finance fiscal year 2019 operations. The amount available to be advanced can vary based on the date the tax bills are sent.

Accrued property taxes receivable represents real and public utility property taxes which were measurable as of June 30, 2019, and for which there was an enforceable legal claim. Although total property tax collections for the next fiscal year are measurable, only the amount of real property taxes available as an advance at June 30 was levied to finance current fiscal year operations and is reflected as revenue at fiscal year end. The portion of the receivable not levied to finance current fiscal year operations is offset by a credit to deferred inflows of resources - property taxes.

The amount available as an advance at June 30, 2019, was \$5,603,931 in the General Fund, \$1,159,662 in the Bond Retirement debt service fund, and \$295,036 in the Permanent Improvement capital projects fund. The amount available as an advance at June 30, 2018, was \$5,181,754 in the General Fund, \$746,204 in the Bond Retirement debt service fund, and \$276,229 in the Permanent Improvement capital projects fund.

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

Big Walnut Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2019

Note 9 - Property Taxes (continued)

The assessed values upon which fiscal year 2019 taxes were collected are:

	2018 Second- Half Collections		2019 First- Half Collections	
	Amount	Percent	Amount	Percent
Agricultural/Residential and Other Real Estate	\$810,593,340	86.10%	\$845,522,450	86.52%
Public Utility Personal	130,844,650	13.90	131,757,830	13.48
Total Assessed Value	<u>\$941,437,990</u>	<u>100.00%</u>	<u>\$977,280,280</u>	<u>100.00%</u>
Tax rate per \$1,000 of assessed valuation	\$38.85		\$40.17	

Note 10 - Payment in Lieu of Taxes

In accordance with agreements related to tax increment financing districts, Delaware County has entered into agreements with a number of property owners under which the County has granted property tax exemptions to those property owners. The property owners have agreed to make payments to the County which reflect all or a portion of the property taxes which the property owners would have paid if their taxes had not been exempted. The agreements require a portion of these payments to be made to the School District. Each property owner contractually promises to make these payments in lieu of taxes until the agreement expires.

Note 11 - Capital Assets

Capital asset activity for the fiscal year ended June 30, 2019, was as follows:

	Balance at 6/30/18	Additions	Reductions	Balance at 6/30/19
Governmental Activities				
Nondepreciable Capital Assets				
Land	\$1,762,898	\$2,039,402	\$0	\$3,802,300
Construction in Progress	722,698	6,588,593	0	7,311,291
Total Nondepreciable Capital Assets	<u>2,485,596</u>	<u>8,627,995</u>	<u>0</u>	<u>11,113,591</u>
Depreciable Capital Assets				
Land Improvements	862,747	32,320	0	895,067
Buildings and Building Improvements	52,960,952	0	0	52,960,952
Furniture, Fixtures, and Equipment	950,230	236,196	(213,740)	972,686
Vehicles	3,567,397	286,250	(429,403)	3,424,244
Total Depreciable Capital Assets	<u>58,341,326</u>	<u>554,766</u>	<u>(643,143)</u>	<u>58,252,949</u>

(continued)

Big Walnut Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2019

Note 11 - Capital Assets (continued)

	Balance at 6/30/18	Additions	Reductions	Balance at 6/30/19
Governmental Activities (continued)				
Less Accumulated Depreciation				
Land Improvements	(\$344,630)	(\$31,754)	\$0	(\$376,384)
Buildings and Building Improvements	(11,997,054)	(973,006)	0	(12,970,060)
Furniture, Fixtures, and Equipment	(604,707)	(45,532)	163,282	(486,957)
Vehicles	(2,305,891)	(191,379)	429,403	(2,067,867)
Total Accumulated Depreciation	<u>(15,252,282)</u>	<u>(1,241,671)</u>	<u>592,685</u>	<u>(15,901,268)</u>
Depreciable Capital Assets, Net	<u>43,089,044</u>	<u>(686,905)</u>	<u>(50,458)</u>	<u>42,351,681</u>
Governmental Activities, Capital Assets, Net	<u>\$45,574,640</u>	<u>\$7,941,090</u>	<u>(\$50,458)</u>	<u>\$53,465,272</u>

Depreciation expense was charged to governmental functions as follows:

Instruction:	
Regular	\$593,843
Special	65,517
Vocational	9,542
Support Services:	
Pupils	11,860
Instructional Staff	33,581
Administration	57,190
Fiscal	1,566
Operation and Maintenance of Plant	94,855
Pupil Transportation	206,568
Central	783
Non-Instructional Services	99,262
Extracurricular Activities	67,104
Total Depreciation Expense	<u>\$1,241,671</u>

Note 12 - Interfund

At June 30, 2019, the General Fund had an interfund receivable, in the amount of \$94,279, from other governmental funds for short-term loans made to those funds. All amounts are expected to be repaid within one year.

Big Walnut Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2019

Note 13 - Risk Management

The School District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During fiscal year 2019, the School District contracted for the following insurance coverage.

Coverage provided by the Ohio School Plan:	
Buildings and Contents	\$127,370,636
Auto Liability	5,000,000
General Liability	
Each Occurrence	5,000,000
Aggregate	7,000,000
Coverage provided by Liberty Mutual Fire Insurance:	
Builders Risk	102,616,689

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

For fiscal year 2019, the School District participated in the Ohio School Plan (Plan), an insurance purchasing pool. Each participant enters into an individual agreement with the Plan for insurance coverage and pays annual premiums to the Plan based on the types and limits of coverage and deductibles selected by the participant.

The School District participates in the Ohio Association of School Business Officials Workers' Compensation Group Rating Plan (Plan), an insurance purchasing pool. The intent of the Plan is to achieve the benefit of a reduced premium for the School District by virtue of its grouping and representation with other participants in the Plan. The third party administrator, Sheakley Uniservice, Inc., reviews each participants' claims experience and determines the rating tier for that participant. A common premium rate is applied to all participants in a given rating tier. Each participant pays its workers' compensation premium to the State based on the rate for their rating tier rather than its individual rate. Sheakley Uniservice, Inc. provides administrative, cost control, and actuarial services to the Plan.

Big Walnut Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2019

Note 14 - Contractual Commitments

The School District has several outstanding contracts for professional services. The following amounts remain on these contracts as of June 30, 2019:

Vendor	Contract Amount	Amount Paid as of 6/30/19	Outstanding Balance
Gilbane Building Company	\$24,115,275	\$22,141,512	\$1,973,763
LeVeck Commercial Construction	1,212,461	176,541	1,035,920
Multi Ventures Limited	266,220	22,185	244,035
Ryco Electric, LLC	126,224	18,715	107,509
State Security, LLC	119,840	5,992	113,848
Voorhis Slone Welsh Crossland	7,068,779	4,163,402	2,905,377

At fiscal year end, the amount of significant encumbrances expected to be honored upon performance by the vendor in fiscal year 2020 are as follows:

General Fund	\$288,541
Permanent Improvement Fund	348,163
Building Fund	27,016,761
Other Governmental Funds	185,960
Total	\$27,839,425

Note 15 - Defined Benefit Pension Plans

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

Net Pension Liability

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

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

Big Walnut Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2019

Note 15 - 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/OPEB are financed; however, the School District does receive the benefit of employees’ services in exchange for compensation, including pension and OPEB.

GASB Statements No. 68 and No. 75 assume 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 the employers. All pension contributions to date have come solely from the employer (which also includes pension costs paid in the form of withholdings from employees). The retirement systems may allocate a portion of the employer contributions to provide for OPEB benefits. In addition, health care plan enrollees pay a portion of the health care cost in the form of a monthly premium. State statute requires the retirement systems to amortize unfunded pension liabilities within thirty years. If the amortization period exceeds thirty years, each retirement system’s board must propose corrective action to the State legislature. Any resulting legislative change to benefits or funding could significantly affect the net pension/OPEB liability (asset). Resulting adjustments to the net pension/OPEB liability (asset) would be effective when the changes are legally enforceable. The Ohio Revised Code permits, but does not require, the retirement systems to provide health care to eligible benefit recipients.

The proportionate share of each plan’s unfunded benefits is presented as a net OPEB asset or long-term net pension/OPEB liability on the accrual basis of accounting. Any liability for the contractually required pension/OPEB contribution outstanding at the end of the fiscal year is included as an intergovernmental payable on both the accrual and modified accrual basis of accounting. The remainder of this note includes the required pension disclosures. See Note 16 for the required OPEB disclosures.

Plan Description - School Employees Retirement System (SERS)

Plan Description - School District nonteaching 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. The 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; Age 57 with 30 years of service credit
Actuarially Reduced Benefits	Age 60 with 5 years of service credit; Age 55 with 25 years of service credit	Age 62 with 10 years of service credit; 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.

Big Walnut Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2019

Note 15 - Defined Benefit Pension Plans (continued)

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

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

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, 2019, the allocation to pension, death benefits, and Medicare B was 13.5 percent. The remaining .5 percent was allocated to the Health Care Fund.

The School District's contractually required contribution to SERS was \$861,928 for fiscal year 2019. Of this amount, \$147,315 is reported as an intergovernmental payable.

Plan Description - State Teachers Retirement System (STRS)

Plan Description - School District licensed teachers and other certified 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 publicly available stand-alone financial report that includes financial statements, required supplementary information, and detailed information about STRS' fiduciary net position. The report can be obtained by writing to STRS, 275 East Broad Street, Columbus, Ohio 43215-3771, by calling (888) 227-7877, or by visiting the STRS website at www.strsoh.org.

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

Big Walnut Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2019

Note 15 - Defined Benefit Pension Plans (continued)

The DBP offers an annual retirement allowance based on final average salary multiplied by a percentage that varies based on years of service. Effective August 1, 2015, the calculation is 2.2 percent of final average salary for the five highest years of earnings multiplied by all years of service. In April 2017, the Retirement Board made the decision to reduce COLA granted on or after July 1, 2017, to 0 percent to preserve the fiscal integrity of the retirement system. Benefit recipients base benefit and past cost of living increases are not affected by this change. Members are eligible to retire at age sixty with five years of qualifying service credit, at age fifty-five with twenty-seven years of service credit, or thirty years of service credit regardless of age. Eligibility changes will be phased in until August 1, 2026, when retirement eligibility for unreduced benefits will be five years of service credit and age sixty-five or thirty-five years of service credit and at least age sixty.

The DCP allows members to place all their member contributions and 9.53 percent of the 14 percent employer contribution into an investment account. Investment allocation decisions are determined by the member. The remaining 4.47 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 fifty and termination of employment. The member may elect to receive a lifetime monthly annuity or a lump sum withdrawal.

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

New members who choose the DCP or CP 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 CP account to a lifetime benefit results in STRS bearing the risk of investment gain or loss on the account. STRS has therefore included all three plan options as one defined benefit plan for GASB Statement No. 68 reporting purposes.

A DBP or CP 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 to apply for disability benefits. Members in the DCP who become disabled are entitled only to their account balance. If a member of the DCP dies before retirement benefits begin, the member's designated beneficiary is entitled to receive the member's account balance.

Funding Policy - Employer and member contribution rates are established by the State Teachers Retirement Board and limited by Chapter 3307 of the Ohio Revised Code. For the fiscal year ended June 30, 2019, the employer rate was 14 percent and the plan members were also required to contribute 14 percent of covered salary. The fiscal year 2019 contribution rates were equal to the statutory maximum rates and the full employer contribution was allocated to pension.

The School District's contractually required contribution to STRS was \$2,521,537 for fiscal year 2019. Of this amount, \$437,966 is reported as an intergovernmental payable.

Big Walnut Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2019

Note 15 - Defined Benefit Pension Plans (continued)

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

The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The School District's proportion of the net pension liability was based on the School District's share of contributions to the pension plan relative to the contributions of all participating entities.

Following is information related to the proportionate share and pension expense.

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Proportion of the Net Pension Liability Prior Measurement Date	0.16536950%	0.14334122%	
Proportion of the Net Pension Liability Current Measurement Date	<u>0.18408430%</u>	<u>0.15383542%</u>	
Change in Proportionate Share	<u>0.01871480%</u>	<u>0.01049420%</u>	
Proportionate Share of the Net Pension Liability	\$10,542,849	\$33,824,953	\$44,367,802
Pension Expense	\$1,486,597	\$4,880,564	\$6,367,161

At June 30, 2019, 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>
Deferred Outflows of Resources			
Differences Between Expected and Actual Experience	\$578,209	\$780,783	\$1,358,992
Changes of Assumptions	238,081	5,994,420	6,232,501
Changes in Proportionate Share and Difference Between School District Contributions and Proportionate Share of Contributions	708,745	4,255,209	4,963,954
School District Contributions Subsequent to the Measurement Date	<u>861,928</u>	<u>2,521,537</u>	<u>3,383,465</u>
Total Deferred Outflows of Resources	<u>\$2,386,963</u>	<u>\$13,551,949</u>	<u>\$15,938,912</u>
Deferred Inflows of Resources			
Differences Between Expected and Actual Experience	\$0	\$220,898	\$220,898
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	292,110	2,051,109	2,343,219
Changes in Proportionate Share and Difference Between School District Contributions and Proportionate Share of Contributions	<u>25,284</u>	<u>0</u>	<u>25,284</u>
Total Deferred Inflows of Resources	<u>\$317,394</u>	<u>\$2,272,007</u>	<u>\$2,589,401</u>

Big Walnut Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2019

Note 15 - Defined Benefit Pension Plans (continued)

\$3,383,465 reported as deferred outflows of resources related to pension resulting from School District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the fiscal year ending June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized as pension expense as follows.

Fiscal Year Ended June 30,	SERS	STRS	Total
2020	\$1,253,614	\$4,548,688	\$5,802,302
2021	389,602	3,189,135	3,578,737
2022	(345,988)	1,070,831	724,843
2023	(89,587)	(50,249)	(139,836)
Total	\$1,207,641	\$8,758,405	\$9,966,046

Actuarial Assumptions - SERS

SERS' total pension liability was determined by their actuaries in accordance with GASB Statement No. 67 as part of the 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 terminations). Actuarially determined amounts are subject to continual review and potential modifications as actual results are compared with past expectations and new estimates are made about the future.

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

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

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

Inflation	3 percent
Future Salary Increases, including inflation	3.5 percent to 18.2 percent
COLA or Ad Hoc COLA	2.5 percent
Investment Rate of Return	7.5 percent net of investment expenses, including inflation
Actuarial Cost Method	entry age normal

Big Walnut Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2019

Note 15 - Defined Benefit Pension Plans (continued)

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

The most recent experience study was completed for the five year period ended June 30, 2015.

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 an arithmetic weighted average of the expected real return premiums for each asset class, adding the projected inflation rate, and adding the expected return from rebalanced uncorrelated asset classes.

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash	1.00%	0.50%
U.S. Stocks	22.50	4.75
Non-U.S. 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	10.00	3.00
Total	<u>100.00%</u>	

Discount Rate - The total pension liability was calculated using the discount rate of 7.5 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 earnings were calculated using the long-term assumed investment rate of return (7.5 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 7.5 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 (6.5 percent) or one percentage point higher (8.5 percent) than the current rate.

Big Walnut Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2019

Note 15 - Defined Benefit Pension Plans (continued)

	1% Decrease (6.5%)	Current Discount Rate (7.5%)	1% Increase (8.5%)
School District's Proportionate Share of the Net Pension Liability	\$14,850,398	\$10,542,849	\$6,931,257

Actuarial Assumptions - STRS

Key methods and assumptions used in the latest actuarial valuation reflecting experience study results used in the July 1, 2018, actuarial valuation are presented below.

Inflation	2.5 percent
Projected Salary Increases	12.5 percent at age 20 to 2.5 percent at age 65
Investment Rate of Return	7.45 percent net of investment expenses, including inflation
Discount Rate of Return	7.45 percent
Payroll Increases	3 percent
Cost of Living Adjustments (COLA)	0 percent effective July 1, 2017

Postretirement mortality rates for healthy retirees were based on the RP-2014 Annuitant Mortality Table with 50 percent of rates through age sixty-nine, 70 percent of rates between ages seventy and seventy-nine, 90 percent of rates between ages eighty and eighty-four, and 100 percent of rates thereafter, projected forward generationally using Mortality Improvement Scale MP-2016. Postretirement disabled mortality rates were based on the RP-2014 Disabled Mortality Table with 90 percent of rates for males and 100 percent of rates for females, projected forward generationally using Mortality Improvement Scale MP-2016. Preretirement mortality rates were based on the RP-2014 Employee Mortality Table, projected forward generationally using Mortality Improvement Scale MP-2016.

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

Big Walnut Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2019

Note 15 - Defined Benefit Pension Plans (continued)

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

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

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

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

Sensitivity of the School District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate - The following table presents the School District's proportionate share of the net pension liability calculated using the current period discount rate assumption of 7.45 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 (6.45 percent) or one percentage point higher (8.45 percent) than the current rate.

Big Walnut Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2019

Note 15 - Defined Benefit Pension Plans (continued)

	1% Decrease (6.45%)	Current Discount Rate (7.45%)	1% Increase (8.45%)
School District's Proportionate Share of the Net Pension Liability	\$49,396,894	\$33,824,953	\$20,645,421

Social Security

Effective July 1, 1991, all employees not otherwise covered by the State Teachers Retirement System or the School Employees Retirement System have an option to choose Social Security or the State Teachers Retirement System/School Employees Retirement System. As of June 30, 2019, three of the Board of Education members have elected Social Security. The Board's liability is 6.2 percent of wages paid.

Note 16 - Postemployment Benefits

See Note 15 for a description of the net OPEB liability (asset).

School Employees Retirement System (SERS)

Plan Description - The School District contributes to the SERS Health Care Fund administered by SERS for nonteaching retirees and their beneficiaries. For GASB Statement No. 75 purposes, this plan is considered a cost-sharing other postemployment benefit (OPEB) plan. The SERS Health Care Plan provides health care benefits to eligible individuals receiving retirement, disability, and survivor benefits, and to their eligible dependents. Members who retire after June 1, 1986, need ten years of service credit, exclusive of most types of purchased credit, to qualify to participate in SERS' health care coverage. In addition to age and service retirees, disability benefit recipients and beneficiaries who are receiving monthly benefits due to the death of a member or retiree are eligible for SERS' health care coverage. Most retirees and dependents choosing SERS' health care coverage are over the age of sixty-five and, therefore, enrolled in a fully insured Medicare Advantage plan; however, SERS maintains a traditional self-insured preferred provider organization for its non-Medicare retiree population. For both groups, SERS offers a self-insured prescription drug program. Health care is a benefit that is permitted, not mandated, by State statute. The financial report of the Plan is included in the SERS Comprehensive Annual Financial Report which can be obtained by visiting the SERS website at www.ohsers.org under employers/audit resources.

Access to health care for retirees and beneficiaries is permitted in accordance with Section 3309 of the Ohio Revised Code. The Health Care Fund was established and is administered in accordance with Internal Revenue Code Section 105(e). The SERS Retirement Board reserves the right to change or discontinue any health plan or program. Active employee members do not contribute to the Health Care Plan. The SERS Retirement Board 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.

Big Walnut Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2019

Note 16 - Postemployment Benefits (continued)

Funding Policy - State statute permits SERS to fund the health care benefits through employer contributions. Each year, after the allocation for statutorily required pensions and benefits, the Retirement Board may allocate the remainder of the employer contribution of 14 percent of covered payroll to the Health Care Fund in accordance with the funding policy. For fiscal year 2019, .5 percent of covered payroll was made to health care. An additional health care surcharge on employers is collected for employees earning less than an actuarially determined minimum compensation amount; prorated if less than a full year of service credit was earned. For fiscal year 2019, this amount was \$21,600. State statute provides that no employer shall pay a health care surcharge greater than 2 percent of that employer's SERS covered payroll; nor may SERS collect in aggregate more than 1.5 percent of the total statewide SERS covered payroll for the health care surcharge. For fiscal year 2019, the School District's surcharge obligation was \$92,218.

The surcharge, added to the unallocated portion of the 14 percent employer contribution rate is the amount assigned to the Health Care Fund. The School District's contractually required contribution to SERS was \$124,141 for fiscal year 2019. Of this amount, \$97,674 is reported as an intergovernmental payable.

State Teachers Retirement System (STRS)

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

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

OPEB Liabilities (Asset), OPEB Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to OPEB

The net OPEB liability (asset) was measured as of June 30, 2018, and the total OPEB liability used to calculate the net OPEB liability (asset) was determined by an actuarial valuation as of that date. The School District's proportion of the net OPEB liability (asset) was based on the School District's share of contributions to the respective retirement systems relative to the contributions of all participating entities.

Big Walnut Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2019

Note 16 - Postemployment Benefits (continued)

Following is information related to the proportionate share and OPEB expense.

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Proportion of the Net OPEB Liability			
Prior Measurement Date	0.16685730%	0.14334122%	
Proportion of the Net OPEB Liability			
Current Measurement Date	<u>0.18587500%</u>	<u>0.15383542%</u>	
Change in Proportionate Share	<u>0.01901770%</u>	<u>0.01049420%</u>	
Proportionate Share of the			
Net OPEB Liability	\$5,156,189	\$0	\$5,156,189
Net OPEB Asset	\$0	\$2,471,979	\$2,471,979
OPEB Expense	\$322,057	(\$5,236,607)	(\$4,914,550)

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

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Deferred Outflows of Resources			
Differences Between Expected and Actual Experience	\$84,167	\$288,730	\$372,897
Changes in Proportionate Share and Difference Between School District Contributions and Proportionate Share of Contributions	426,081	687,592	1,113,673
School District Contributions Subsequent to the Measurement Date	<u>124,141</u>	<u>0</u>	<u>124,141</u>
Total Deferred Outflows of Resources	<u>\$634,389</u>	<u>\$976,322</u>	<u>\$1,610,711</u>
Deferred Inflows of Resources			
Differences Between Expected and Actual Experience	\$0	\$144,025	\$144,025
Changes of Assumptions	463,245	3,368,265	3,831,510
Net Difference Between Projected and Actual Earnings on OPEB Plan Investments	7,736	282,404	290,140
Changes in Proportionate Share and Difference Between School District Contributions and Proportionate Share of Contributions	<u>19,773</u>	<u>0</u>	<u>19,773</u>
Total Deferred Inflows of Resources	<u>\$490,754</u>	<u>\$3,794,694</u>	<u>\$4,285,448</u>

Big Walnut Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2019

Note 16 - Postemployment Benefits (continued)

\$124,141 reported as deferred outflows of resources related to OPEB resulting from School District contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability or increase in the net OPEB asset in the fiscal year ending June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized as OPEB expense as follows.

Fiscal Year Ended June 30,	SERS	STRS	Total
2020	(\$121,009)	(\$502,648)	(\$623,657)
2021	(77,153)	(502,648)	(579,801)
2022	61,722	(502,649)	(440,927)
2023	65,015	(438,514)	(373,499)
2024	64,480	(416,017)	(351,537)
2025	26,439	(455,896)	(429,457)
Total	\$19,494	(\$2,818,372)	(\$2,798,878)

Actuarial Assumptions - SERS

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

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

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

Big Walnut Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2019

Note 16 - Postemployment Benefits (continued)

Key methods and assumptions used in calculating the total OPEB liability in the latest actuarial valuation date of June 30, 2018, are presented below.

Inflation	3 percent
Future Salary Increases, including inflation	3.5 percent to 18.2 percent
Investment Rate of Return	7.5 percent net of investment expenses, including inflation
Municipal Bond Index Rate	
Measurement Date	3.62 percent
Prior Measurement Date	3.56 percent
Single Equivalent Interest Rate, net of plan investment expense including inflation	
Measurement Date	3.7 percent
Prior Measurement Date	3.63 percent
Medical Trend Assumption	
Medicare	5.375 to 4.75 percent
Pre-Medicare	7.25 to 4.75 percent

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

The most recent experience study was completed for the five year period ended June 30, 2015.

The long-term expected rate of return on plan assets is reviewed as part of the actuarial five year experience study. The most recent study covers fiscal years 2010 through 2015 and was adopted by the Board on April 21, 2016. Several factors are considered in evaluating the long-term rate of return assumption including long-term historical data, estimates inherent in current market data, and a log-normal distribution analysis in which best estimate ranges of expected future real rates of return were developed by the investment consultant for each major asset class. These ranges were combined to produce the long-term expected rate of return, 7.5 percent, by weighting the expected future real rates of return by the target asset allocation percentage and then adding expected inflation. The capital market assumptions developed by the investment consultant are intended for use over a ten year horizon and may not be useful in setting the long-term rate of return for funding pension plans which covers a longer timeframe. The assumption is intended to be a long-term assumption and is not expected to change absent a significant change in the asset allocation, a change in the inflation assumption, or a fundamental change in the market that alters expected returns in future years.

The SERS Health Care Plan follows the same asset allocation and long-term expected real rate of return for each major asset class as the pension plan, see Note 15.

Big Walnut Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2019

Note 16 - Postemployment Benefits (continued)

Discount Rate - The discount rate used to measure the total OPEB liability at June 30, 2018, was 3.7 percent. The discount rate used to measure the total OPEB liability prior to June 30, 2018, was 3.63 percent. The projection of cash flows used to determine the discount rate assumed that contributions will be made from members and the retirement system at the State statute contribution rate of 2 percent of projected covered employee payroll each year which includes a 1.5 percent payroll surcharge and .5 percent of contributions from the basic benefits plan. Based on these assumptions, the OPEB plan's fiduciary net position was projected to become insufficient to make future benefit payments during the fiscal year ending June 30, 2025. Therefore, the long-term expected rate of return on OPEB plan assets was used to present value the projected benefit payments through the fiscal year ending June 30, 2024, and the Fidelity General Obligation Twenty-Year Municipal Bond Index Rate of 3.62 percent, as of June 30, 2018 (i.e. municipal bond rate), was used to present value the projected benefit payments for the remaining years in the projection. The total present value of projected benefit payments from all years was then used to determine the single rate of return that was used as the discount rate. The projection of future benefit payments for all current plan members was until the benefit payments ran out.

Sensitivity of the School District's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate and Changes in the Health Care Cost Trend Rate - The net OPEB liability is sensitive to changes in the discount rate and the health care cost trend rate. The following table presents the net OPEB liability of SERS and what SERS' net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (2.7 percent) or one percentage point higher (4.7 percent) than the current discount rate (3.7 percent). Also shown is what SERS' net OPEB liability would be based on health care cost trend rates that are one percentage point lower (6.25 percent decreasing to 3.75 percent) and one percentage point higher (8.25 percent decreasing to 5.75 percent) than the current rate.

	1% Decrease (2.7%)	Current Discount Rate (3.7%)	1% Increase (4.7%)
School District's Proportionate Share of the Net OPEB Liability	\$6,256,630	\$5,156,189	\$4,284,846
	1% Decrease (6.25% Decreasing to 3.75%)	Current Trend Rate (7.25% Decreasing to 4.75%)	1% Increase (8.25% Decreasing to 5.75%)
School District's Proportionate Share of the Net OPEB Liability	\$4,160,099	\$5,156,189	\$6,475,192

Big Walnut Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2019

Note 16 - Postemployment Benefits (continued)

Actuarial Assumptions - STRS

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

Projected Salary Increases	12.5 percent at age 20 to 2.5 percent at age 65
Investment Rate of Return	7.45 percent net of investment expenses, including inflation
Payroll Increases	3 percent
Discount Rate of Return	7.45 percent
Blended Discount Rate of Return	4.13 percent
Health Care Cost Trends	
Medical	
Pre-Medicare	6 percent initial, 4 percent ultimate
Medicare	5 percent initial, 4 percent ultimate
Prescription Drug	
Pre-Medicare	8 percent initial, 4 percent ultimate
Medicare	-5.23 percent initial, 4 percent ultimate

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

For healthy retirees, the mortality rates were based on the RP-2014 Annuitant Mortality Table with 50 percent of rates through age sixty-nine, 70 percent of rates between ages seventy and seventy-nine, 90 percent of rates between ages eighty and eighty-four, and 100 percent of rates thereafter, projected forward generationally using Mortality Improvement Scale MP-2016. For disabled retirees, mortality rates were based on the RP-2014 Disabled Mortality Table with 90 percent of rates for males and 100 percent of rates for females, projected forward generationally using Mortality Improvement Scale MP-2016.

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

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

Also since the prior measurement date, the subsidy multiplier for non-Medicare benefit recipients was increased from 1.9 percent to 1.944 percent per year of service effective January 1, 2019. The non-Medicare frozen subsidy base premium was increased effective January 1, 2019, and all remaining Medicare Part B premium reimbursements were scheduled be discontinued beginning January 1, 2020. However, in June 2019, the STRS Board voted to extend the current Medicare Part B partial reimbursement for one year.

Big Walnut Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2019

Note 16 - Postemployment Benefits (continued)

The STRS Health Care Plan follows the same asset allocation and long-term expected real rate of return for each major asset class as the pension plan, see Note 15.

Discount Rate - The discount rate used to measure the total OPEB liability was 7.45 percent as of June 30, 2018. The blended discount rate used to measure the total OPEB liability was 4.13 percent as of June 30, 2017. The projection of cash flows used to determine the discount rate assumes STRS continues to allocate no employer contributions to the Health Care Fund. Based on these assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on health care plan investments of 7.45 percent was used to measure the total OPEB liability as of June 30, 2018. The blended discount rate of 4.13 percent which represents the long-term expected rate of return of 7.45 percent for the funded benefit payments and the Bond Buyer Twenty-Year Municipal Bond Rate of 3.58 percent for the unfunded benefit payments was used to measure the total OPEB liability as of June 30, 2017.

Sensitivity of the School District's Proportionate Share of the Net OPEB Asset to Changes in the Discount Rate and the Health Care Cost Trend Rate - The following table represents the net OPEB asset as of June 30, 2018, calculated using the current period discount rate assumption of 7.45 percent as well as what the net OPEB asset would be if it were calculated using a discount rate that is one percentage point lower (6.45 percent) or one percentage point higher (8.45 percent) than the current assumption. Also shown is the net OPEB asset as if it were calculated using health care cost trend rates that are one percentage point lower or one percentage point higher than the current health care cost trend rates.

	1% Decrease (6.45%)	Current Discount Rate (7.45%)	1% Increase (8.45%)
School District's Proportionate Share of the Net OPEB Asset	\$2,118,717	\$2,471,979	\$2,768,878
	1% Decrease	Current Trend Rate	1% Increase
School District's Proportionate Share of the Net OPEB Asset	\$2,752,117	\$2,471,979	\$2,187,475

Note 17 - Other Employee Benefits

A. Compensated Absences

The criteria for determining vacation and sick leave benefits are derived from negotiated agreements and State laws. Classified employees earn ten to twenty-five days of vacation per year, depending upon length of service. Accumulated unused vacation time is paid to classified employees upon termination of employment. Teachers do not earn vacation time.

Big Walnut Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2019

Note 17 - Other Employee Benefits

Teachers, administrators, and classified employees earn sick leave at a rate of one and one-fourth days per month. Sick leave may be accumulated up to a maximum of two hundred forty days for administrators, support staff, and food service employees, and two hundred sixty days for teachers, and maintenance, custodial, and transportation employees. Upon retirement, payment is made for one-fourth of accrued but unused sick leave credit to a maximum of sixty days for administrators, support staff, and food service employees, sixty-five days for teachers, and seventy days for maintenance, custodial, and transportation employees.

B. Health Care Benefits

The School District offers employee medical benefits through United Healthcare. Depending upon the plan chosen, the employees share the cost of the monthly premium with the Board. The premium varies with employee depending on the terms of the union contract. The School District offers life insurance to all employees through Dearborn National Life Insurance Company. Dental insurance is offered to all employees through Delta Dental.

Note 18 - Long-Term Obligations

Changes in the School District's long-term obligations during fiscal year 2019 were as follows:

	Balance at 6/30/18	Additions	Reductions	Balance at 6/30/19	Amounts Due Within One Year
Governmental Activities					
General Obligation Bonds					
School Facilities Construction and Improvement Bonds FY 2009					
Serial Bonds 2.5-3.65%	\$330,000	\$0	\$330,000	\$0	\$0
Bond Premium	10,433	0	10,433	0	0
Bond Discount	(3,201)	0	(3,201)	0	0
School Facilities Construction and Improvement Bonds (Group D) FY 2010					
Term Bonds 1.650%	6,465,000	0	720,000	5,745,000	920,000
Refunding School Improvement Bonds FY 2012					
Serial Bonds 2-3%	6,540,000	0	200,000	6,340,000	0
Capital Appreciation Bonds 32%	143,405	0	46,150	97,255	55,792
Accretion on Capital Appreciation Bonds	777,953	254,461	288,850	743,564	0
Bond Premium	979,700	0	36,082	943,618	0

(continued)

Big Walnut Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2019

Note 18 - Long-Term Obligations (continued)

	Balance at 6/30/18	Additions	Reductions	Balance at 6/30/19	Amounts Due Within One Year
Governmental Activities (continued)					
General Obligation Bonds (continued)					
Refunding School Improvement Bonds FY 2015					
Term Bonds 3%	\$370,000	\$0	\$10,000	\$360,000	\$10,000
Serial Bonds 3-3.625%	9,565,000	0	0	9,565,000	0
Bond Premium	190,987	0	192	190,795	0
Refunding School Improvement Bonds FY 2016					
Serial Bonds 3-5%	5,955,000	0	0	5,955,000	0
Bond Premium	1,106,391	0	0	1,106,391	0
Refunding School Improvement Bonds FY 2017					
Serial Bonds 3-5%	4,100,000	0	0	4,100,000	350,000
Bond Premium	420,349	0	0	420,349	0
School Facilities Construction and Improvement Bonds FY 2018					
Serial Bonds 2-4%	9,460,000	0	0	9,460,000	280,000
Bond Premium	536,413	0	0	536,413	0
School Facilities Construction and Improvement Bonds FY 2019					
Serial Bonds 2-5.5%	0	17,345,000	0	17,345,000	1,000,000
Term Bonds 3.75-5%	0	24,655,000	0	24,655,000	0
Bond Premium	0	3,575,880	0	3,575,880	0
School Facilities Construction and Improvement Bonds FY 2019					
Serial Bonds 2-5.5%	0	31,550,000	0	31,550,000	0
Term Bonds 3.75-5%	0	24,950,000	0	24,950,000	0
Bond Premium	0	5,167,942	0	5,167,942	0
Total General Obligation Bonds	46,947,430	107,498,283	1,638,506	152,807,207	2,615,792
Net Pension Liability					
SERS	9,880,463	662,386	0	10,542,849	0
STRS	34,051,014	0	226,061	33,824,953	0
Total Net Pension Liability	43,931,477	662,386	226,061	44,367,802	0
Net OPEB Liability					
SERS	4,478,012	678,177	0	5,156,189	0
STRS	5,592,646	0	5,592,646	0	0
Total Net OPEB Liability	10,070,658	678,177	5,592,646	5,156,189	0

(continued)

Big Walnut Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2019

Note 18 - Long-Term Obligations (continued)

	Balance at 6/30/18	Additions	Reductions	Balance at 6/30/19	Amounts Due Within One Year
Governmental Activities (continued)					
Compensated Absences	\$2,103,735	\$120,359	\$27,355	\$2,196,739	\$29,197
Capital Leases	467,257	324,115	231,741	559,631	180,975
Total Governmental Activities Long-Term Obligations	<u>\$103,520,557</u>	<u>\$109,283,320</u>	<u>\$7,716,309</u>	<u>\$205,087,568</u>	<u>\$2,825,964</u>

FY 2009 School Facilities Construction and Improvement Bonds - On April 1, 2009, the School District issued \$9,999,926 in voted general obligation bonds for constructing, renovating, and improving school facilities, and acquiring land. The bond issue included serial, term, and capital appreciation bonds, in the original amount of \$4,930,000, \$4,960,000, and \$109,926, respectively. The bonds were issued for a twenty-eight fiscal year period, with final maturity in fiscal year 2037. During fiscal year 2016, all of the term bonds were refunded, in the amount of \$4,960,000. During fiscal year 2017, a portion of the serial bonds were refunded, in the amount of \$4,130,000. During fiscal year 2019, the remaining serial bonds were fully retired.

The capital appreciation bonds were fully retired in fiscal year 2018.

FY 2010 School Facilities Construction and Improvement Bonds (Group D) - On December 1, 2009, the School District issued \$10,000,000 in voted general obligation bonds for constructing, renovating, and improving school facilities, and acquiring land. The bond issue consists of term bonds, in the original amount of \$10,000,000. The bonds were issued for a fifteen fiscal year period, with final maturity in fiscal year 2025. The bonds are being retired through the Bond Retirement debt service fund.

The bonds maturing on December 1, 2024, are subject to mandatory sinking fund redemption, at a redemption price equal to 100 percent of the principal amount redeemed plus accrued interest to the date of redemption, on December 1 in the years and the respective principal amounts as follows:

Year	Amount
2019	\$920,000
2020	935,000
2021	945,000
2022	965,000
2023	985,000

The remaining principal, in the amount of \$995,000, will be paid at stated maturity on December 1, 2024.

Big Walnut Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2019

Note 18 - Long-Term Obligations (continued)

FY 2012 Refunding School Improvement Bonds - On March 27, 2012, the School District issued bonds, in the amount of \$8,718,405, to partially refund bonds previously issued in fiscal year 2005 for constructing a bus maintenance facility, an addition to the high school, and renovating and improving school facilities. The refunding bond issue includes serial and capital appreciation bonds, in the original amount of \$8,575,000 and \$143,405, respectively. The bonds were issued for a twenty fiscal year period, with final maturity in fiscal year 2032. The bonds are being retired through the Bond Retirement debt service fund.

As of June 30, 2019, the refunded bonds were fully retired.

The serial bonds maturing on or after December 1, 2021, are subject to prior redemption on or after June 1, 2021, by and at the sole option of the School District, either in whole or in part and in integral multiples of \$5,000, at a redemption price of 100 percent of the principal amount redeemed plus accrued interest to the redemption date.

The capital appreciation bonds are not subject to prior redemption. The capital appreciation bonds will mature in fiscal years 2019 through 2021. The maturity amount of the bonds is \$1,425,000. For fiscal year 2019, \$254,461 was accreted and \$288,850 was retired on the capital appreciation bonds for a total value of \$840,819 at fiscal year end.

FY 2015 Refunding School Improvement Bonds - On November 18, 2014, the School District issued current refunding general obligation bonds, in the amount of \$9,965,000, to refund the remaining balance of the FY 2010 School Facilities Construction and Improvement Bonds (Group C). The refunding bond issue includes term and serial bonds, in the original amount of \$400,000 and \$9,565,000, respectively. The bonds were issued for a twenty-three fiscal year period, with final maturity in fiscal year 2038. The bonds are being retired through the Bond Retirement debt service fund.

The bonds maturing on December 1, 2025, are subject to mandatory sinking fund redemption, at a redemption price equal to 100 percent of the principal amount redeemed plus accrued interest to the date of redemption, on December 1 in the years and the respective principal amounts as follows:

<u>Year</u>	<u>Amount</u>
2019	\$10,000
2020	10,000
2021	10,000
2022	10,000
2023	10,000
2024	10,000

The remaining principal, in the amount of \$300,000, will be paid at stated maturity on December 1, 2025.

The serial bonds maturing on or after December 1, 2025, are subject to prior redemption on or after December 1, 2024, by and at the sole option of the School District, either in whole or in part and in integral multiples of \$5,000, at a redemption price of 100 percent of the principal amount redeemed plus accrued interest to the redemption date.

Big Walnut Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2019

Note 18 - Long-Term Obligations (continued)

FY 2016 Refunding School Improvement Bonds - On August 27, 2015, the School District issued general obligation bonds, in the amount of \$5,990,000, to currently refund the remaining balance of the FY 2005 School Facilities Construction and Improvement Bonds and to partially advance refund the balance of the FY 2009 School Facilities Construction and Improvement Bonds. The refunding bond issue consists of serial bonds, in the original amount of \$5,990,000. The bonds were issued for a twenty-one fiscal year period, with final maturity in fiscal year 2037. The bonds are being retired through the Bond Retirement debt service fund.

The serial bonds maturing on or after December 1, 2029, are subject to prior redemption on or after June 1, 2025, by and at the sole option of the School District, either in whole or in part and in integral multiples of \$5,000, at a redemption price of 100 percent of the principal amount redeemed plus accrued interest to the redemption date.

As of June 30, 2019, the refunded bonds were fully retired.

FY 2017 Refunding School Improvement Bonds - On December 28, 2016, the School District issued general obligation bonds, in the amount of \$4,100,000, to partially refund the balance of the FY 2009 School Facilities Construction and Improvement Bonds. The refunding bond issue consists of serial bonds, in the amount of \$4,100,000. The bonds were issued for a twelve fiscal year period, with final maturity in fiscal year 2029. The bonds are being retired through the Bond Retirement debt service fund.

The serial bonds maturing on or after December 1, 2026, are subject to prior redemption on or after December 1, 2026, by and at the sole option of the School District, either in whole or in part and in integral multiples of \$5,000, at a redemption price of 100 percent of the principal amount redeemed plus accrued interest to the redemption date.

As of June 30, 2019, the refunded bonds were fully retired.

FY 2018 School Facilities Construction and Improvement Bonds - On March 22, 2018, the School District issued \$9,460,000 in voted general obligation bonds for constructing, renovating, and improving school facilities, and acquiring land. The bond issue consists of serial bonds, in the original amount of \$9,460,000. The bonds were issued for a seventeen fiscal year period, with final maturity in fiscal year 2035. The bonds are being retired through the Bond Retirement debt service fund.

The serial bonds maturing on or after December 1, 2026, are subject to prior redemption on or after June 1, 2027, by and at the sole option of the School District, either in whole or in part and in integral multiples of \$5,000, at a redemption price of 100 percent of the principal amount redeemed plus accrued interest to the redemption date.

As June 30, 2019, \$478,349 of the bond proceeds had not been spent and \$428,400 was spent on items which were not capitalized.

Big Walnut Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2019

Note 18 - Long-Term Obligations (continued)

FY 2019 School Facilities Construction and Improvement Bonds - On July 25, 2018, the School District issued \$42,000,000 in voted general obligation bonds for constructing, renovating, and improving school facilities, and acquiring land. The bond issue includes serial and term bonds, in the amount of \$17,345,000 and \$24,655,000, respectively. The bonds were issued at a premium of \$3,575,880. The bonds were issued for a thirty-seven fiscal year period, with final maturity in fiscal year 2056. The bonds are being retired through the Bond Retirement debt service fund.

The bonds maturing on December 1, 2035, are subject to mandatory sinking fund redemption, at a redemption price equal to 100 percent of the principal amount redeemed plus accrued interest to the date of redemption, on December 1 in the years and the respective principal amounts as follows:

<u>Year</u>	<u>Amount</u>
2032	\$40,000
2033	35,000
2034	40,000

The remaining principal, in the amount of \$955,000, will be paid at stated maturity on December 1, 2035.

The bonds maturing on December 1, 2042, are subject to mandatory sinking fund redemption, at a redemption price equal to 100 percent of the principal amount redeemed plus accrued interest to the date of redemption, on December 1 in the years and the respective principal amounts as follows:

<u>Year</u>	<u>Amount</u>
2041	\$1,280,000

The remaining principal, in the amount of \$1,340,000, will be paid at stated maturity on December 1, 2042.

The bonds maturing on December 1, 2050, are subject to mandatory sinking fund redemption, at a redemption price equal to 100 percent of the principal amount redeemed plus accrued interest to the date of redemption, on December 1 in the years and the respective principal amounts as follows:

<u>Year</u>	<u>Amount</u>
2045	\$1,555,000
2046	1,615,000
2047	1,675,000
2048	1,735,000
2049	1,805,000

The remaining principal, in the amount of \$1,875,000, will be paid at stated maturity on December 1, 2050.

Big Walnut Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2019

Note 18 - Long-Term Obligations (continued)

The bonds maturing on December 1, 2055, are subject to mandatory sinking fund redemption, at a redemption price equal to 100 percent of the principal amount redeemed plus accrued interest to the date of redemption, on December 1 in the years and the respective principal amounts as follows:

<u>Year</u>	<u>Amount</u>
2051	\$1,935,000
2052	2,035,000
2053	2,140,000
2054	2,245,000

The remaining principal, in the amount of \$2,350,000, will be paid at stated maturity on December 1, 2055.

The serial bonds maturing on or after December 1, 2027, are subject to prior redemption on or after June 1, 2028, by and at the sole option of the School District, either in whole or in part and in integral multiples of \$5,000, at a redemption price of 100 percent of the principal amount redeemed plus accrued interest to the redemption date.

As June 30, 2019, none of the bond proceeds had been spent.

FY 2019 School Facilities Construction and Improvement Bonds - On May 1, 2019, the School District issued \$56,500,000 in voted general obligation bonds for constructing, renovating, and improving school facilities, and acquiring land. The bond issue includes serial and term bonds, in the amount of \$31,550,000 and \$24,950,000, respectively. The bonds were issued at a premium of \$5,167,942. The bonds were issued for a thirty-seven fiscal year period, with final maturity in fiscal year 2056. The bonds are being retired through the Bond Retirement debt service fund.

The bonds maturing on December 1, 2044, are subject to mandatory sinking fund redemption, at a redemption price equal to 100 percent of the principal amount redeemed plus accrued interest to the date of redemption, on December 1 in the years and the respective principal amounts as follows:

<u>Year</u>	<u>Amount</u>
2042	\$1,370,000
2043	1,425,000

The remaining principal, in the amount of \$1,480,000, will be paid at stated maturity on December 1, 2044.

Big Walnut Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2019

Note 18 - Long-Term Obligations (continued)

The bonds maturing on December 1, 2048, are subject to mandatory sinking fund redemption, at a redemption price equal to 100 percent of the principal amount redeemed plus accrued interest to the date of redemption, on December 1 in the years and the respective principal amounts as follows:

Year	Amount
2045	\$1,540,000
2046	1,590,000
2047	1,640,000

The remaining principal, in the amount of \$1,695,000, will be paid at stated maturity on December 1, 2048.

The bonds maturing on December 1, 2053, are subject to mandatory sinking fund redemption, at a redemption price equal to 100 percent of the principal amount redeemed plus accrued interest to the date of redemption, on December 1 in the years and the respective principal amounts as follows:

Year	Amount
2049	\$1,750,000
2050	1,835,000
2051	1,930,000
2052	2,025,000

The remaining principal, in the amount of \$2,125,000, will be paid at stated maturity on December 1, 2053.

The bonds maturing on December 1, 2055, are subject to mandatory sinking fund redemption, at a redemption price equal to 100 percent of the principal amount redeemed plus accrued interest to the date of redemption, on December 1 in the years and the respective principal amounts as follows:

Year	Amount
2054	\$2,230,000

The remaining principal, in the amount of \$2,315,000, will be paid at stated maturity on December 1, 2055.

The serial bonds maturing on or after June 1, 2028, are subject to prior redemption on or after June 1, 2028, by and at the sole option of the School District, either in whole or in part and in integral multiples of \$5,000, at a redemption price of 100 percent of the principal amount redeemed plus accrued interest to the redemption date.

As June 30, 2019, none of the bond proceeds had been spent.

There is no repayment schedule for the net pension/OPEB liability; however, employer pension/OPEB contributions are made from the General Fund, the Food Service, Auxiliary Services, and Title VI-B special revenue funds, and the Permanent Improvement and the Building capital projects funds.

Big Walnut Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2019

Note 18 - Long-Term Obligations (continued)

Compensated absences will be paid from the General Fund and the Food Service special revenue fund.

Capital leases will be paid from the General Fund, Miscellaneous State Grants special revenue fund, and the Permanent Improvement capital projects fund.

The School District's overall debt margin was (\$52,939,375) with an unvoted debt margin of \$845,522 at June 30, 2019. The School District has been authorized by the Ohio Superintendent of Public Instruction to exceed its overall limitation because it has been designated as a "special needs" school district.

Principal and interest requirements to retire general obligation bonds outstanding at June 30, 2019, were as follows:

Fiscal Year Ending June 30,	General Obligation Bonds				
	Serial	Term	Capital Appreciation	Interest	Total
2020	\$1,630,000	\$930,000	\$55,792	\$6,215,562	\$8,831,354
2021	3,465,000	945,000	41,463	5,930,042	10,381,505
2022	3,185,000	955,000	0	5,287,269	9,427,269
2023	2,630,000	975,000	0	5,180,337	8,785,337
2024	2,690,000	995,000	0	5,088,162	8,773,162
2025-2029	16,825,000	1,305,000	0	23,848,871	41,978,871
2030-2035	25,435,000	75,000	0	19,519,324	45,029,324
2035-2039	19,380,000	995,000	0	14,291,521	34,666,521
2040-2044	7,595,000	5,415,000	0	11,041,835	24,051,835
2045-2049	1,480,000	14,525,000	0	8,034,678	24,039,678
2050-5054	0	19,455,000	0	4,418,067	23,873,067
2055-2056	0	9,140,000	0	392,939	9,532,939
	\$84,315,000	\$55,710,000	\$97,255	\$109,248,607	\$249,370,862

Note 19 - Capital Leases - Lessee Disclosure

The School District has entered into capitalized leases for equipment and vehicles. New capital leases are reflected in the accounts "Regular Instruction", "Pupil Transportation" and "Inception of Capital Lease" in the funds which will be making the lease payments. Capital lease payments are reflected as debt service expenditures on the statement of revenues, expenditures, and changes in fund balances for the governmental funds. Principal payments in fiscal year 2019 were \$200,498. During fiscal year 2019, one capital lease was terminated which resulted in a reduction in the capital lease liability of \$31,243 for governmental funds.

Big Walnut Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2019

Note 19 - Capital Leases - Lessee Disclosure (continued)

	Governmental Activities
Equipment and Vehicles	\$940,520
Less Accumulated Depreciation	(137,044)
Carrying Value at June 30, 2019	\$803,476

The following is a schedule of the future minimum lease payments required under the capital leases and the present value of the minimum lease payments as of June 30, 2019.

Year	Governmental Activities	
	Principal	Interest
2020	\$180,975	\$18,265
2021	186,482	12,758
2022	117,857	7,066
2023	67,731	2,826
2024	6,586	112
Total	\$559,631	\$41,027

Note 20 - Fund Balance

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

Fund Balance	General	Bond Retirement	Building	Other Governmental	Total Governmental Funds
Nonspendable for:					
Materials and Supplies					
Inventory	\$0	\$0	\$0	\$6,404	\$6,404
Prepaid Items	34,641	0	56	1,520	36,217
Unclaimed Monies	30,164	0	0	0	30,164
Total Nonspendable	64,805	0	56	7,924	72,785

(continued)

Big Walnut Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2019

Note 20 - Fund Balance (continued)

Fund Balance	General	Bond Retirement	Building	Other Governmental	Total Governmental Funds
Restricted for:					
Athletics and Music	\$0	\$0	\$0	\$56,217	\$56,217
Building Construction	0	0	99,576,492	681,430	100,257,922
Debt Retirement	0	11,085,859	0	0	11,085,859
Food Service Operations	0	0	0	124,198	124,198
Nonpublic Schools	0	0	0	162,716	162,716
Regular Instruction	2,995	0	0	34,045	37,040
Special Instruction	0	0	0	893	893
Total Restricted	2,995	11,085,859	99,576,492	1,059,499	111,724,845
Committed for:					
Permanent Improvements	0	0	0	125,031	125,031
Assigned for:					
Educational Activities	72,769	0	0	0	72,769
Extracurricular Activities	9,337	0	0	0	9,337
Permanent Improvements	0	0	0	260,495	260,495
Projected Budget Shortage	2,047,670	0	0	0	2,047,670
Regular Instruction	448	0	0	0	448
Unpaid Obligations	186,851	0	0	0	186,851
Total Assigned	2,317,075	0	0	260,495	2,577,570
Unassigned (Deficit)	12,951,546	0	0	(21,590)	12,929,956
Total Fund Balance	\$15,336,421	\$11,085,859	\$99,576,548	\$1,431,359	\$127,430,187

Note 21 - Set Asides

The School District is required by State statute to annually set aside, in the General Fund, an amount based on a statutory formula for the acquisition and construction of capital improvements. The amount not spent by the end of the fiscal year or offset by similarly restricted resources received during the fiscal year must be held in cash at fiscal year end. This amount must be carried forward and used for the same purpose in future years.

Big Walnut Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2019

Note 21 - Set Asides (continued)

The following cash basis information identifies the change in the fund balance set aside for capital improvements during fiscal year 2019.

	Capital Improvements
Balance June 30, 2018	\$0
Current Year Set Aside Requirement	629,900
Current Year Offsets	(629,900)
Balance June 30, 2019	\$0

Note 22 - Jointly Governed Organizations

A. Metropolitan Educational Technology Association

The School District is a participant in the Metropolitan Educational Technology Association (META), which is a computer consortium. META is an association of public school districts within the boundaries of Athens, Crawford, Delaware, Erie, Fairfield, Franklin, Jackson, Knox, Licking, Madison, Mahoning, Marion, Morrow, Muskingum, Pickaway, Richland, Trumbull, Union, and Wyandot Counties. 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 school districts. The governing board of META consists of twelve members of participating school districts. During fiscal year 2019, the School District paid \$82,559 to META for various services.

META also serves as a purchasing cooperative made up of school districts, libraries, and related agencies to obtain prices for quality merchandise and services commonly used by the participants. All participants must pay all fees, charges, or other assessments related to this activity.

Financial information can be obtained from the Metropolitan Educational Technology Association, 100 Executive Drive, Marion, Ohio 43302.

B. Delaware Area Career Center

The Delaware Area 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 eleven participating school district's Boards of Education. The Board possesses its own budgeting and taxing authority. The degree of control exercised by the School District is limited to its representation on the Board. Financial information can be obtained from the Delaware Area Career Center, 4565 Columbus Pike Road, Delaware, Ohio 43015.

Note 22 - Jointly Governed Organizations (continued)

C. Village of Sunbury Community Park Joint Recreation Board

The School District and the Village of Sunbury participate in a Joint Recreation Board created under the provisions of Ohio Revised Code Sections 755.12 to 755.18. The Joint Recreation Board consists of one representative from each of the participants and one member at large. The member at large shall be a resident of the Village and the School District and be appointed by both parties. The Village has agreed to commit approximately twenty-one acres of land and the School District has committed \$1.4 million to the development of the park. Financial information can be obtained from the Village of Sunbury, P.O. Box 508, Sunbury, Ohio, 43074.

Note 23 - Insurance Pools

A. Ohio School Plan

The School District participates in the Ohio School Plan (Plan), an insurance purchasing pool established under Section 2744.081 of the Ohio Revised Code. The Plan is an unincorporated nonprofit association of its members which enables the participants to provide for a formalized joint insurance purchasing program for maintaining adequate insurance protection and provides risk management programs and other administrative services. The Plan's business and affairs are conducted by a board of directors consisting of superintendents and treasurers. The Hylant Group, Inc. is the Plan's administrator and is responsible for processing claims. Financial information can be obtained from Hylant Administrative Services, 811 Madison Ave., Toledo, Ohio 43604.

B. Ohio Association of School Business Officials Workers' Compensation Group Rating Plan

The School District participates in a group rating plan for workers' compensation as established under Section 4123.29 of the Ohio Revised Code. The Ohio Association of School Business Officials (OASBO) Workers' Compensation Group Rating Plan (Plan) was established through the Ohio Association of School Business Officials as an insurance purchasing pool. The Plan's business and affairs are conducted by the five member OASBO Board of Directors. Each year, the participants pay an enrollment fee to the Plan to cover the costs of administering the program.

Note 24 - Related Organization

The Sunbury Community Library is a distinct political subdivision of the State of Ohio created under Chapter 3375 of the Ohio Revised Code. The Library is governed by the Board of Trustees appointed by the Big Walnut Board of Education. The Board of Trustees possesses its own contracting and budgeting authority, hires and fires personnel, and does not depend on the School District for operational subsidies. Although the School District serves as the taxing authority, its role is limited to a ministerial function. The determination to request approval of a tax, the rate, and the purpose are discretionary decisions made solely by the Board of Trustees. Financial information can be obtained from the Sunbury Community Library, 44 Burrer Drive, Sunbury, Ohio 43704.

Big Walnut Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2019

Note 25 - 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 is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the School District at June 30, 2019.

B. School Foundation

School District foundation funding is based on the annualized full-time equivalent (FTE) enrollment of each student. The funding formula the Ohio Department of Education (ODE) is legislatively required to follow will continue to adjust as enrollment information is updated by the School District, which can extend past the fiscal year end. As of the date of this report, all of the FTE adjustments from ODE were not finalized for the fiscal year ended June 30, 2019. Currently, the School District has a receivable of \$5,959. The impact of further FTE adjustments related to fiscal year 2019 is not determinable at this time; however, management does not believe adjustments will have a material effect on the School District's financial statements.

C. Litigation

There are currently no matters in litigation with the School District as defendant.

Big Walnut Local School District
 Required Supplementary Information
 Schedule of the School District's Proportionate Share of the Net Pension Liability
 School Employees Retirement System of Ohio
 Last Six Fiscal Years (1)

	2019	2018	2017	2016
School District's Proportion of the Net Pension Liability	0.18408430%	0.16536950%	0.16647170%	0.16083990%
School District's Proportionate Share of the Net Pension Liability	\$10,542,849	\$9,880,463	\$12,184,193	\$9,177,680
School District's Employee Payroll	\$5,972,407	\$5,622,100	\$5,240,186	\$4,889,340
School District's Proportionate Share of the Net Pension Liability as a Percentage of Employee Payroll	176.53%	175.74%	232.51%	187.71%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	71.36%	69.50%	62.98%	69.16%

(1) Information prior to 2014 is not available. Although this schedule is intended to show information for ten years, information prior to 2014 is not available. An additional column will be added each year.

Amounts presented as of the School District's measurement date which is the prior fiscal year end.

See Accompanying Notes to the Required Supplementary Information

<u>2015</u>	<u>2014</u>
0.14705300%	0.14705300%
\$7,442,269	\$8,744,770
\$4,372,336	\$3,813,748
170.21%	229.30%
71.70%	65.52%

Big Walnut Local School District
 Required Supplementary Information
 Schedule of the School District's Proportionate Share of the Net Pension Liability
 State Teachers Retirement System of Ohio
 Last Six Fiscal Years (1)

	2019	2018	2017	2016
School District's Proportion of the Net Pension Liability	0.15383542%	0.14334122%	0.13513111%	0.12764004%
School District's Proportionate Share of the Net Pension Liability	\$33,824,953	\$34,051,014	\$45,232,456	\$35,275,973
School District's Employee Payroll	\$17,759,950	\$15,802,929	\$14,255,336	\$14,399,121
School District's Proportionate Share of the Net Pension Liability as a Percentage of Employee Payroll	190.46%	215.47%	317.30%	244.99%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	77.30%	75.30%	66.80%	72.10%

(1) Information prior to 2014 is not available. Although this schedule is intended to show information for ten years, information prior to 2014 is not available. An additional column will be added each year.

Amounts presented as of the School District's measurement date which is the prior fiscal year end.

See Accompanying Notes to the Required Supplementary Information

<u>2015</u>	<u>2014</u>
0.12055539%	0.12055539%
\$29,323,243	\$34,929,655
\$12,256,554	\$11,818,185
239.25%	295.56%
74.70%	69.30%

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

	2019	2018	2017
School District's Proportion of the Net OPEB Liability	0.18585750%	0.16685730%	0.16756910%
School District's Proportionate Share of the Net OPEB Liability	\$5,156,189	\$4,478,012	\$4,776,339
School District's Employee Payroll	\$5,972,407	\$5,622,100	\$5,240,186
School District's Proportionate Share of the Net OPEB Liability as a Percentage of Employee Payroll	86.33%	79.65%	91.15%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	13.57%	12.46%	11.49%

(1) Information prior to 2017 is not available. Although this schedule is intended to show information for ten years, information prior to 2017 is not available. An additional column will be added each year.

Amounts presented as of the School District's measurement date which is the prior fiscal year end.

See Accompanying Notes to the Required Supplementary Information

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

	2019	2018	2017
School District's Proportion of the Net OPEB Liability (Asset)	0.15383542%	0.14334122%	0.16756910%
School District's Proportionate Share of the Net OPEB Liability (Asset)	(\$2,471,979)	\$5,592,646	\$7,226,847
School District's Employee Payroll	\$17,759,950	\$15,802,929	\$14,255,336
School District's Proportionate Share of the Net OPEB Liability (Asset) as a Percentage of Employee Payroll	-13.92%	35.39%	50.70%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	176.00%	47.10%	37.30%

(1) Information prior to 2017 is not available. Although this schedule is intended to show information for ten years, information prior to 2017 is not available. An additional column will be added each year.

Amounts presented as of the School District's measurement date which is the prior fiscal year end.

See Accompanying Notes to the Required Supplementary Information

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

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Net Pension Liability				
Contractually Required Contribution	\$861,928	\$806,275	\$787,094	\$733,626
Contributions in Relation to the Contractually Required Contribution	<u>(861,928)</u>	<u>(806,275)</u>	<u>(787,094)</u>	<u>(733,626)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
School District Employee Payroll (1)	\$6,384,652	\$5,972,407	\$5,622,100	\$5,240,186
Pension Contributions as a Percentage of Employee Payroll	13.50%	13.50%	14.00%	14.00%
Net OPEB Liability				
Contractually Required Contribution (2)	\$124,141	\$131,147	\$86,526	\$79,935
Contributions in Relation to the Contractually Required Contribution	<u>(124,141)</u>	<u>(131,147)</u>	<u>(86,526)</u>	<u>(79,935)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
OPEB Contributions as a Percentage of Employee Payroll	<u>1.94%</u>	<u>2.20%</u>	<u>1.54%</u>	<u>1.53%</u>
Total Contributions as a Percentage of Employee Payroll (2)	<u>15.44%</u>	<u>15.70%</u>	<u>15.54%</u>	<u>15.53%</u>

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

(2) Includes Surcharge

See Accompanying Notes to the Required Supplementary Information

<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
\$644,415	\$606,006	\$527,823	\$528,529	\$433,704	\$516,314
<u>(644,415)</u>	<u>(606,006)</u>	<u>(527,823)</u>	<u>(528,529)</u>	<u>(433,704)</u>	<u>(516,314)</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$4,889,340	\$4,372,336	\$3,813,748	\$3,929,583	\$3,450,313	\$3,813,247
13.18%	13.86%	13.84%	13.45%	12.57%	13.54%
\$113,514	\$78,070	\$73,082	\$86,188	\$110,839	\$75,894
<u>(113,514)</u>	<u>(78,070)</u>	<u>(73,082)</u>	<u>(86,188)</u>	<u>(110,839)</u>	<u>(75,894)</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<u>2.32%</u>	<u>1.79%</u>	<u>1.92%</u>	<u>2.19%</u>	<u>3.21%</u>	<u>1.99%</u>
<u>15.50%</u>	<u>15.65%</u>	<u>15.76%</u>	<u>15.64%</u>	<u>15.78%</u>	<u>15.53%</u>

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

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Net Pension Liability				
Contractually Required Contribution	\$2,521,537	\$2,486,393	\$2,212,410	\$1,995,747
Contributions in Relation to the Contractually Required Contribution	<u>(2,521,537)</u>	<u>(2,486,393)</u>	<u>(2,212,410)</u>	<u>(1,995,747)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
School District Employee Payroll	\$18,010,979	\$17,759,950	\$15,802,929	\$14,255,336
Pension Contributions as a Percentage of Employee Payroll	14.00%	14.00%	14.00%	14.00%
Net OPEB Liability				
Contractually Required Contribution	\$0	\$0	\$0	\$0
Contributions in Relation to the Contractually Required Contribution	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
OPEB Contributions as a Percentage of Employee Payroll	0.00%	0.00%	0.00%	0.00%
Total Contributions as a Percentage of Employee Payroll	<u>14.00%</u>	<u>14.00%</u>	<u>14.00%</u>	<u>14.00%</u>

See Accompanying Notes to the Required Supplementary Information

<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
\$2,015,877	\$1,593,352	\$1,536,364	\$1,519,970	\$1,470,562	\$1,557,554
<u>(2,015,877)</u>	<u>(1,593,352)</u>	<u>(1,536,364)</u>	<u>(1,519,970)</u>	<u>(1,470,562)</u>	<u>(1,557,554)</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$14,399,121	\$12,256,554	\$11,818,185	\$11,692,077	\$11,312,015	\$11,981,185
14.00%	13.00%	13.00%	13.00%	13.00%	13.00%
\$0	\$122,566	\$118,182	\$116,921	\$113,120	\$119,812
<u>0</u>	<u>(122,566)</u>	<u>(118,182)</u>	<u>(116,921)</u>	<u>(113,120)</u>	<u>(119,812)</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
0.00%	1.00%	1.00%	1.00%	1.00%	1.00%
<u>14.00%</u>	<u>14.00%</u>	<u>14.00%</u>	<u>14.00%</u>	<u>14.00%</u>	<u>14.00%</u>

Big Walnut Local School District
Notes to the Required Supplementary Information
For the Fiscal Year Ended June 30, 2019

Net Pension Liability

Changes in Assumptions - SERS

Beginning in fiscal year 2018, an assumption of 2.5 percent was used for COLA or Ad Hoc COLA. Prior to 2018, an assumption of 3 percent was used.

Beginning with fiscal year 2017, amounts reported incorporate changes in assumptions used by SERS in calculating the total pension liability in the latest actuarial valuation. These assumptions compared with those used in fiscal year 2016 and prior are presented below.

	<u>Fiscal Year 2017</u>	<u>Fiscal Year 2016 and Prior</u>
Wage Inflation	3 percent	3.25 percent
Future Salary Increases, Including inflation	3.5 percent to 18.2 percent	4 percent to 22 percent
Investment Rate of Return	7.5 percent net of investment expenses, including inflation	7.75 percent net of investment expenses, including inflation

Beginning with fiscal year 2017, mortality assumptions use mortality rates that were based on the RP-2014 Blue Collar Mortality Table with fully generational projections and a five year set back for both males and females. Amounts reported for fiscal year 2016 and prior use mortality assumptions that were based on the 1994 Group Annuity Mortality Table set back one year for both males and females. Special mortality tables were used the period after disability retirement.

Changes in Assumptions - STRS

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

	<u>Fiscal Year 2018</u>	<u>Fiscal Year 2017 and Prior</u>
Inflation	2.5 percent	2.75 percent
Projected Salary Increases	12.5 percent at age 20 to 2.5 percent at age 65	12.25 percent at age 20 to 2.75 percent at age 70
Investment Rate of Return	7.45 percent net of investment expenses, including inflation	7.75 percent net of investment expenses, including inflation
Payroll Increases	3 percent	3.5 percent
Cost of Living Adjustments (COLA)	0 percent effective July 1, 2017	2 percent simple applied as follows: for members retiring before August 1, 2013, 2 percent per year; for members retiring August 1, 2013, or later, 2 percent COLA commences on fifth anniversary of retirement date

Big Walnut Local School District
Notes to the Required Supplementary Information
For the Fiscal Year Ended June 30, 2019

Beginning with fiscal year 2018, postretirement mortality rates for healthy retirees were based on the RP-2014 Annuitant Mortality Table with 50 percent of rates through age sixty-nine, 70 percent of rates between ages seventy and seventy-nine, 90 percent of rates between ages eighty and eighty-four, and 100 percent of rates thereafter, projected forward generationally using Mortality Improvement Scale MP-2016. Postretirement disabled mortality rates were based on the RP-2014 Disabled Mortality Table with 90 percent of rates for males and 100 percent of rates for females, projected forward generationally using Mortality Improvement Scale MP-2016. Preretirement mortality rates were based on the RP-2014 Employee Mortality Table, projected forward generationally using Mortality Improvement Scale MP-2016.

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

Net OPEB Liability

Changes in Assumptions - SERS

Amounts reported for fiscal year 2018 incorporate changes in key methods and assumptions used in calculating the total OPEB liability as presented below.

Municipal Bond Index Rate	
Fiscal Year 2019	3.62 percent
Fiscal Year 2018	3.56 percent
Fiscal Year 2017	2.92 percent
Single Equivalent Interest Rate, net of plan investment expense including inflation	
Fiscal Year 2019	3.70 percent
Fiscal Year 2018	3.63 percent
Fiscal Year 2017	2.98 percent

Changes in Assumptions - STRS

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

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

Big Walnut Local School District
Notes to the Required Supplementary Information
For the Fiscal Year Ended June 30, 2019

Changes in Benefit Terms - STRS

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

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

**COMBINING STATEMENTS AND
INDIVIDUAL FUND SCHEDULES**

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Nonmajor Special Revenue Funds

Special revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes, other than for debt service or capital projects. Following is a description of the School District's nonmajor special revenue funds:

Food Service

To account for grants and charges for services restricted for the School District's food service operations.

Other Local Grants

To account for local grants and donations restricted for purposes outlined by the grant or the donor.

High School Multi-Handicapped

To account for donations restricted for a multi-handicapped unit room.

Athletic and Music

To account for gate receipts and other revenues from athletic events restricted to expenditure for the School District's athletic and music programs (except for supplemental coaching contracts).

Auxiliary Services

To account for State resources restricted to providing services and materials to students attending non-public schools within the School District.

Network Connectivity

To account for grants restricted for the installation and ongoing support of data communication links connecting public school buildings to the statewide network and to the internet.

Miscellaneous State Grants

To account for State grants restricted for purposes outlined by the grant.

Title VI-B

To account for Federal grants restricted to assisting the School District in the identification of handicapped children, development of procedural safeguards, implementation of least restrictive alternative service patterns, and provision of full educational opportunities to handicapped children at the preschool, elementary, and secondary levels.

Limited English Proficiency

To account for Federal grants restricted to educating children who are not proficient in the English language.

Title I

To account for Federal grants restricted to assisting the School District in meeting the special needs of educationally deprived children.

(continued)

**Nonmajor Special Revenue Funds
(continued)**

Early Childhood Special Education

To account for Federal grants restricted to supporting the improvement and expansion of services for handicapped children ages three to five.

Title II-A

To account for Federal grants restricted to hiring additional classroom teachers in grades 1 through 3 so that the number of students per teacher will be reduced.

Title IV-A

To accounts for Federal grants restricted to improve student academic achievement with access to a well-rounded education, improve school conditions for learning, and improve use of technology.

Nonmajor Capital Projects Funds

Capital projects funds are used to account for resources that are restricted, committed, or assigned for the acquisition or construction of major capital facilities and other capital assets.

Permanent Improvement

To account for property taxes and other resources restricted or assigned for the acquisition, construction, or improvement of capital facilities.

Capital Projects

To account for resources committed by the Board of Education for the acquisition, construction, or improvement of capital facilities.

Big Walnut Local School District
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2019

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
<u>Assets</u>			
Equity in Pooled Cash and Cash Equivalents	\$495,492	\$1,005,514	\$1,501,006
Accounts Receivable	2,625	0	2,625
Intergovernmental Receivable	386,602	0	386,602
Prepaid Items	1,436	84	1,520
Inventory Held for Resale	8,286	0	8,286
Materials and Supplies Inventory	6,404	0	6,404
Property Taxes Receivable	0	1,116,474	1,116,474
Payment in Lieu of Taxes Receivable	0	100,000	100,000
Total Assets	<u>\$900,845</u>	<u>\$2,222,072</u>	<u>\$3,122,917</u>
<u>Liabilities</u>			
Accounts Payable	\$20,182	\$228,554	\$248,736
Contracts Payable	0	2,941	2,941
Accrued Wages and Benefits Payable	173,786	0	173,786
Interfund Payable	94,279	0	94,279
Intergovernmental Payable	30,607	2,099	32,706
Total Liabilities	<u>318,854</u>	<u>233,594</u>	<u>552,448</u>
<u>Deferred Inflows of Resources</u>			
Property Taxes	0	815,125	815,125
Payment in Lieu of Taxes	0	100,000	100,000
Unavailable Revenue	217,672	6,313	223,985
Total Deferred Inflows of Resources	<u>217,672</u>	<u>921,438</u>	<u>1,139,110</u>
<u>Fund Balances</u>			
Nonspendable	7,840	84	7,924
Restricted	378,069	681,430	1,059,499
Committed	0	125,031	125,031
Assigned	0	260,495	260,495
Unassigned (Deficit)	(21,590)	0	(21,590)
Total Fund Balances	<u>364,319</u>	<u>1,067,040</u>	<u>1,431,359</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$900,845</u>	<u>\$2,222,072</u>	<u>\$3,122,917</u>

Big Walnut Local School District
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2019

	Food Service	Other Local Grants	High School Multi- Handicapped	Athletic and Music
<u>Assets</u>				
Equity in Pooled Cash and Cash Equivalents	\$220,405	\$10,009	\$893	\$63,072
Accounts Receivable	135	0	0	2,490
Intergovernmental Receivable	0	0	0	0
Prepaid Items	688	0	0	26
Inventory Held for Resale	8,286	0	0	0
Materials and Supplies Inventory	6,404	0	0	0
Total Assets	<u>\$235,918</u>	<u>\$10,009</u>	<u>\$893</u>	<u>\$65,588</u>
<u>Liabilities</u>				
Accounts Payable	\$0	\$0	\$0	\$6,955
Accrued Wages and Benefits Payable	88,086	0	0	0
Interfund Payable	0	0	0	0
Intergovernmental Payable	16,407	0	0	0
Total Liabilities	<u>104,493</u>	<u>0</u>	<u>0</u>	<u>6,955</u>
<u>Deferred Inflows of Resources</u>				
Unavailable Revenue	135	0	0	2,390
<u>Fund Balances</u>				
Nonspendable	7,092	0	0	26
Restricted	124,198	10,009	893	56,217
Unassigned (Deficit)	0	0	0	0
Total Fund Balances (Deficit)	<u>131,290</u>	<u>10,009</u>	<u>893</u>	<u>56,243</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$235,918</u>	<u>\$10,009</u>	<u>\$893</u>	<u>\$65,588</u>

Auxiliary Services	Miscellaneous State Grants	Title VI-B	Title I	Early Childhood Special Education	Title II-A
\$177,604	\$23,509	\$0	\$0	\$0	\$0
0	0	0	0	0	0
0	0	306,066	14,812	6,490	43,079
52	0	670	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
<u>\$177,656</u>	<u>\$23,509</u>	<u>\$306,736</u>	<u>\$14,812</u>	<u>\$6,490</u>	<u>\$43,079</u>
\$12,627	\$0	\$0	\$0	\$0	\$600
1,048	0	84,652	0	0	0
0	0	56,777	334	21	30,200
1,213	0	11,537	0	0	1,450
<u>14,888</u>	<u>0</u>	<u>152,966</u>	<u>334</u>	<u>21</u>	<u>32,250</u>
<u>0</u>	<u>0</u>	<u>174,690</u>	<u>14,478</u>	<u>6,469</u>	<u>10,302</u>
52	0	670	0	0	0
162,716	23,509	0	0	0	527
0	0	(21,590)	0	0	0
<u>162,768</u>	<u>23,509</u>	<u>(20,920)</u>	<u>0</u>	<u>0</u>	<u>527</u>
<u>\$177,656</u>	<u>\$23,509</u>	<u>\$306,736</u>	<u>\$14,812</u>	<u>\$6,490</u>	<u>\$43,079</u>

(continued)

Big Walnut Local School District
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2019
(continued)

	Title IV-A	Total
<u>Assets</u>		
Equity in Pooled Cash and Cash Equivalents	\$0	\$495,492
Accounts Receivable	0	2,625
Intergovernmental Receivable	16,155	386,602
Prepaid Items	0	1,436
Inventory Held for Resale	0	8,286
Materials and Supplies Inventory	0	6,404
	<u>\$16,155</u>	<u>\$900,845</u>
<u>Liabilities</u>		
Accounts Payable	\$0	\$20,182
Accrued Wages and Benefits Payable	0	173,786
Interfund Payable	6,947	94,279
Intergovernmental Payable	0	30,607
	<u>6,947</u>	<u>318,854</u>
<u>Deferred Inflows of Resources</u>		
Unavailable Revenue	9,208	217,672
	<u>9,208</u>	<u>217,672</u>
<u>Fund Balances</u>		
Nonspendable	0	7,840
Restricted	0	378,069
Unassigned (Deficit)	0	(21,590)
	<u>0</u>	<u>364,319</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$16,155</u>	<u>\$900,845</u>

Big Walnut Local School District
Combining Balance Sheet
Nonmajor Capital Projects Funds
June 30, 2019

	Permanent Improvement	Capital Projects	Total
<u>Assets</u>			
Equity in Pooled Cash and Cash Equivalents	\$880,483	\$125,031	\$1,005,514
Prepaid Items	84	0	84
Property Taxes Receivable	1,116,474	0	1,116,474
Payment in Lieu of Taxes Receivable	100,000	0	100,000
Total Assets	\$2,097,041	\$125,031	\$2,222,072
<u>Liabilities</u>			
Accounts Payable	\$228,554	\$0	\$228,554
Contracts Payable	2,941	0	2,941
Intergovernmental Payable	2,099	0	2,099
Total Liabilities	233,594	0	233,594
<u>Deferred Inflows of Resources</u>			
Property Taxes	815,125	0	815,125
Payment in Lieu of Taxes	100,000	0	100,000
Unavailable Revenue	6,313	0	6,313
Total Deferred Inflows of Resources	921,438	0	921,438
<u>Fund Balances</u>			
Nonspendable	84	0	84
Restricted	681,430	0	681,430
Committed	0	125,031	125,031
Assigned	260,495	0	260,495
Total Fund Balances	942,009	125,031	1,067,040
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$2,097,041	\$125,031	\$2,222,072

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Big Walnut Local School District
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances
Nonmajor Governmental Funds
For the Fiscal Year Ended June 30, 2019

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
<u>Revenues</u>			
Property Taxes	\$0	\$1,098,970	\$1,098,970
Payment in Lieu of Taxes	0	100,000	100,000
Intergovernmental	1,714,198	12,010	1,726,208
Interest	6,772	0	6,772
Extracurricular Activities	295,078	0	295,078
Charges for Services	916,442	0	916,442
Contributions	4,295	123,163	127,458
Miscellaneous	39,954	40,580	80,534
Total Revenues	2,976,739	1,374,723	4,351,462
<u>Expenditures</u>			
Current:			
Instruction			
Regular	24,773	654,887	679,660
Special	919,276	0	919,276
Support Services			
Pupils	42,559	0	42,559
Instructional Staff	61,568	0	61,568
Administration	1,349	118,341	119,690
Fiscal	0	12,937	12,937
Operation and Maintenance of Plant	0	23,314	23,314
Pupil Transportation	180,860	105,940	286,800
Central	12,600	0	12,600
Non-Instructional Services	1,582,715	0	1,582,715
Extracurricular Activities	321,949	0	321,949
Capital Outlay	0	230,817	230,817
Debt Service:			
Principal Retirement	39,075	136,082	175,157
Interest and Fiscal Charges	0	10,685	10,685
Total Expenditures	3,186,724	1,293,003	4,479,727
Excess of Revenues Over (Under) Expenditures	(209,985)	81,720	(128,265)
<u>Other Financing Sources</u>			
Inception of Capital Lease	180,860	85,111	265,971
Changes in Fund Balances	(29,125)	166,831	137,706
Fund Balances Beginning of Year	393,444	900,209	1,293,653
Fund Balances End of Year	\$364,319	\$1,067,040	\$1,431,359

Big Walnut Local School District
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2019

	Food Service	Other Local Grants	High School Multi- Handicapped	Athletic and Music
<u>Revenues</u>				
Intergovernmental	\$355,070	\$0	\$0	\$0
Interest	3,828	0	0	0
Extracurricular Activities	0	0	0	295,078
Charges for Services	916,442	0	0	0
Contributions	213	3,082	0	1,000
Miscellaneous	6,971	0	0	32,983
Total Revenues	<u>1,282,524</u>	<u>3,082</u>	<u>0</u>	<u>329,061</u>
<u>Expenditures</u>				
Current:				
Instruction				
Regular	0	19,557	0	0
Special	0	0	0	0
Support Services				
Pupils	0	0	0	0
Instructional Staff	0	0	0	0
Administration	0	1,349	0	0
Pupil Transportation	0	0	0	0
Central	0	0	0	0
Non-Instructional Services	1,388,488	0	0	0
Extracurricular Activities	0	679	0	321,270
Debt Service:				
Principal Retirement	0	0	0	0
Total Expenditures	<u>1,388,488</u>	<u>21,585</u>	<u>0</u>	<u>321,270</u>
Excess of Revenues Over (Under) Expenditures	(105,964)	(18,503)	0	7,791
<u>Other Financing Sources</u>				
Inception of Capital Lease	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Changes in Fund Balances	(105,964)	(18,503)	0	7,791
Fund Balances (Deficit) Beginning of Year	<u>237,254</u>	<u>28,512</u>	<u>893</u>	<u>48,452</u>
Fund Balances (Deficit) End of Year	<u>\$131,290</u>	<u>\$10,009</u>	<u>\$893</u>	<u>\$56,243</u>

Auxiliary Services	Network Connectivity	Miscellaneous State Grants	Title VI-B	Limited English Proficiency	Title I
\$259,713	\$12,600	\$60,810	\$741,990	\$3,059	\$182,764
2,944	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
<u>262,657</u>	<u>12,600</u>	<u>60,810</u>	<u>741,990</u>	<u>3,059</u>	<u>182,764</u>
0	0	0	0	0	0
0	0	0	742,245	3,059	149,128
0	0	1,974	0	0	33,636
0	0	0	1,240	0	895
0	0	0	0	0	0
0	0	180,860	0	0	0
0	12,600	0	0	0	0
194,227	0	0	0	0	0
0	0	0	0	0	0
	0	39,075	0	0	0
<u>194,227</u>	<u>12,600</u>	<u>221,909</u>	<u>743,485</u>	<u>3,059</u>	<u>183,659</u>
68,430	0	(161,099)	(1,495)	0	(895)
0	0	180,860	0	0	0
68,430	0	19,761	(1,495)	0	(895)
94,338	0	3,748	(19,425)	0	895
<u>\$162,768</u>	<u>\$0</u>	<u>\$23,509</u>	<u>(\$20,920)</u>	<u>\$0</u>	<u>\$0</u>

(continued)

Big Walnut Local School District
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2019
(continued)

	Early Childhood Special Education	Title II-A	Title IV-A	Total
<u>Revenues</u>				
Intergovernmental	\$24,844	\$59,348	\$14,000	\$1,714,198
Interest	0	0	0	6,772
Extracurricular Activities	0	0	0	295,078
Charges for Services	0	0	0	916,442
Contributions	0	0	0	4,295
Miscellaneous	0	0	0	39,954
		0	0	
Total Revenues	<u>24,844</u>	<u>59,348</u>	<u>14,000</u>	<u>2,976,739</u>
<u>Expenditures</u>				
Current:				
Instruction				
Regular	0	0	5,216	24,773
Special	24,844	0	0	919,276
Support Services				
Pupils	0	0	6,949	42,559
Instructional Staff	0	59,433	0	61,568
Administration	0	0	0	1,349
Pupil Transportation	0	0	0	180,860
Central	0	0	0	12,600
Non-Instructional Services	0	0	0	1,582,715
Extracurricular Activities	0	0	0	321,949
Debt Service:				
Principal Retirement	0	0	0	39,075
Total Expenditures	<u>24,844</u>	<u>59,433</u>	<u>12,165</u>	<u>3,186,724</u>
Excess of Revenues Over (Under) Expenditures	0	(85)	1,835	(209,985)
<u>Other Financing Sources</u>				
Inception of Capital Lease	<u>0</u>	<u>0</u>	<u>0</u>	<u>180,860</u>
Changes in Fund Balances	0	(85)	1,835	(29,125)
Fund Balances (Deficit) Beginning of Year	<u>0</u>	<u>612</u>	<u>(1,835)</u>	<u>393,444</u>
Fund Balances (Deficit) End of Year	<u>\$0</u>	<u>\$527</u>	<u>\$0</u>	<u>\$364,319</u>

Big Walnut Local School District
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances
Nonmajor Capital Projects Funds
For the Fiscal Year Ended June 30, 2019

	Permanent Improvement	Capital Projects	Total
<u>Revenues</u>			
Property Taxes	\$1,098,970	\$0	\$1,098,970
Payment in Lieu of Taxes	100,000	0	100,000
Intergovernmental	12,010	0	12,010
Contributions	123,163	0	123,163
Miscellaneous	0	40,580	40,580
Total Revenues	1,334,143	40,580	1,374,723
<u>Expenditures</u>			
Instruction			
Regular	654,887	0	654,887
Support Services			
Administration	118,341	0	118,341
Fiscal	12,937	0	12,937
Operation and Maintenance of Plant	23,314	0	23,314
Pupil Transportation	105,940	0	105,940
Capital Outlay	226,810	4,007	230,817
Debt Service:			
Principal Retirement	136,082	0	136,082
Interest and Fiscal Charges	10,685	0	10,685
Total Expenditures	1,288,996	4,007	1,293,003
Excess of Revenues Over Expenditures	45,147	36,573	81,720
<u>Other Financing Sources</u>			
Inception of Capital Lease	85,111	0	85,111
Changes in Fund Balances	130,258	36,573	166,831
Fund Balances Beginning of Year	811,751	88,458	900,209
Fund Balances End of Year	<u>\$942,009</u>	<u>\$125,031</u>	<u>\$1,067,040</u>

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Big Walnut Local School District
Combining Statements - Agency Funds

Agency funds are used to account for assets held by the School District in a trustee capacity or as an agent for individuals, private organizations, other governments, and/or other funds.

Agency Funds

Sunbury Meadows Community Development Authority

To account for the funds of the Sunbury Meadows Community Development Authority for which the Treasurer serves as ex-officio fiscal agent.

High School Advanced Placement

To account for student fees to take an advanced placement test.

Teachers

To account for resources collected from vending machines for teachers to purchase flowers, balloons, etc. for various personal events.

Athletic Tournaments

To account for resources collected from sports tournaments that are submitted to OHSAA.

Student Activities

To account for student activity programs which have student participation in the activity and student involvement in the management of the program.

Big Walnut Local School District
Combining Statement of Changes in Assets and Liabilities
Agency Funds
For the Fiscal Year Ended June 30, 2019

	Balance at 6/30/18	Additions	Reductions	Balance at 6/30/19
<u>Sunbury Meadows Community Development Authority</u>				
<u>Assets</u>				
Equity in Pooled Cash and Cash Equivalents	\$0	\$133,609	\$133,609	\$0
<u>Liabilities</u>				
Undistributed Assets	\$0	\$133,609	\$133,609	\$0
<u>High School Advanced Placement</u>				
<u>Assets</u>				
Equity in Pooled Cash and Cash Equivalents	\$8,603	\$23,189	\$22,560	\$9,232
<u>Liabilities</u>				
Undistributed Assets	\$8,603	\$23,189	\$22,560	\$9,232
<u>Teachers</u>				
<u>Assets</u>				
Equity in Pooled Cash and Cash Equivalents	\$8,827	\$3,012	\$2,506	\$9,333
<u>Liabilities</u>				
Undistributed Assets	\$8,827	\$3,012	\$2,506	\$9,333
<u>Athletic Tournaments</u>				
<u>Assets</u>				
Equity in Pooled Cash and Cash Equivalents	\$1,162	\$4,630	\$3,739	\$2,053
<u>Liabilities</u>				
Undistributed Assets	\$1,162	\$4,630	\$3,739	\$2,053
<u>Student Activities</u>				
<u>Assets</u>				
Equity in Pooled Cash and Cash Equivalents	\$151,188	\$104,580	\$128,569	\$127,199
<u>Liabilities</u>				
Due to Students	\$151,188	\$104,580	\$128,569	\$127,199
<u>Total - All Funds</u>				
<u>Assets</u>				
Equity in Pooled Cash and Cash Equivalents	\$169,780	\$269,020	\$290,983	\$147,817
<u>Liabilities</u>				
Undistributed Assets	\$18,592	\$164,440	\$162,414	\$20,618
Due to Students	151,188	104,580	128,569	127,199
Total Liabilities	\$169,780	\$269,020	\$290,983	\$147,817

**INDIVIDUAL FUND SCHEDULES
OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL**

Big Walnut Local School District
General Fund

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

	Original Budget	Budget	Actual	Variance Over (Under)
<u>Revenues</u>				
Property Taxes	\$22,577,302	\$22,665,939	\$22,741,430	\$75,491
Income Taxes	7,433,673	7,610,173	7,609,785	(388)
Intergovernmental	9,507,825	9,627,688	9,541,073	(86,615)
Interest	250,000	499,000	488,909	(10,091)
Tuition and Fees	1,147,250	1,310,153	1,201,314	(108,839)
Charges for Services	7,000	16,578	13,844	(2,734)
Contributions	81,547	131,434	129,972	(1,462)
Miscellaneous	125,650	476,852	463,329	(13,523)
Total Revenues	<u>41,130,247</u>	<u>42,337,817</u>	<u>42,189,656</u>	<u>(148,161)</u>
<u>Expenditures</u>				
Current:				
Instruction				
Regular				
Salaries	12,491,924	12,091,152	12,050,494	40,658
Fringe Benefits	4,860,768	4,979,248	4,971,342	7,906
Purchased Services	1,811,270	1,883,489	1,668,139	215,350
Materials and Supplies	577,556	578,430	491,082	87,348
Other	1,075	1,075	650	425
Capital Outlay	21,077	21,078	14,813	6,265
Total Regular	<u>19,763,670</u>	<u>19,554,472</u>	<u>19,196,520</u>	<u>357,952</u>
Special				
Salaries	3,265,057	3,237,906	3,208,486	29,420
Fringe Benefits	1,794,849	1,879,070	1,867,594	11,476
Purchased Services	767,787	693,602	687,741	5,861
Materials and Supplies	27,352	24,861	22,011	2,850
Capital Outlay	4,132	500	0	500
Total Special	<u>5,859,177</u>	<u>5,835,939</u>	<u>5,785,832</u>	<u>50,107</u>
Vocational				
Salaries	81,772	83,272	81,862	1,410
Fringe Benefits	21,787	22,410	22,042	368
Purchased Services	3,000	3,000	1,919	1,081
Total Vocational	<u>106,559</u>	<u>108,682</u>	<u>105,823</u>	<u>2,859</u>
Total Instruction	<u>25,729,406</u>	<u>25,499,093</u>	<u>25,088,175</u>	<u>410,918</u>

(continued)

Big Walnut Local School District
General Fund

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

	Original Budget	Budget	Actual	Variance Over (Under)
Support Services				
Pupils				
Salaries	\$752,338	\$754,338	\$749,642	\$4,696
Fringe Benefits	291,945	302,064	299,096	2,968
Purchased Services	1,060,755	1,094,413	1,086,576	7,837
Materials and Supplies	24,369	18,894	15,942	2,952
Capital Outlay	500	0	0	0
Total Pupils	<u>2,129,907</u>	<u>2,169,709</u>	<u>2,151,256</u>	<u>18,453</u>
Instructional Staff				
Salaries	887,559	847,559	817,281	30,278
Fringe Benefits	395,254	377,743	371,824	5,919
Purchased Services	2,300	2,300	1,366	934
Materials and Supplies	5,683	5,645	1,684	3,961
Other	22,615	22,615	21,591	1,024
Total Instructional Staff	<u>1,313,411</u>	<u>1,255,862</u>	<u>1,213,746</u>	<u>42,116</u>
Board of Education				
Salaries	15,000	17,750	17,750	0
Fringe Benefits	18,367	12,098	11,875	223
Purchased Services	144,013	150,329	148,148	2,181
Materials and Supplies	1,500	200	0	200
Other	31,652	30,652	30,617	35
Total Board of Education	<u>210,532</u>	<u>211,029</u>	<u>208,390</u>	<u>2,639</u>
Administration				
Salaries	2,305,443	2,315,244	2,292,818	22,426
Fringe Benefits	1,597,698	1,277,020	1,257,926	19,094
Purchased Services	267,932	264,336	256,447	7,889
Materials and Supplies	36,207	34,533	30,578	3,955
Other	15,500	15,500	12,424	3,076
Capital Outlay	6,000	1,800	1,766	34
Total Administration	<u>4,228,780</u>	<u>3,908,433</u>	<u>3,851,959</u>	<u>56,474</u>
Fiscal				
Salaries	517,002	523,372	513,409	9,963
Fringe Benefits	210,208	228,888	227,615	1,273
Purchased Services	10,429	19,895	7,119	12,776
Materials and Supplies	48,071	75,774	21,575	54,199
Other	473,874	475,324	464,297	11,027
Capital Outlay	0	1,632	0	1,632
Total Fiscal	<u>1,259,584</u>	<u>1,324,885</u>	<u>1,234,015</u>	<u>90,870</u>

(continued)

Big Walnut Local School District
General Fund

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

	Original Budget	Budget	Actual	Variance Over (Under)
Business				
Salaries	\$9,196	\$9,696	\$9,318	\$378
Fringe Benefits	1,451	1,453	1,423	30
Purchased Services	3,144	3,452	3,430	22
Total Business	13,791	14,601	14,171	430
Operation and Maintenance of Plant				
Salaries	1,154,753	1,239,663	1,212,264	27,399
Fringe Benefits	590,958	797,407	788,401	9,006
Purchased Services	1,451,459	1,395,765	1,334,040	61,725
Materials and Supplies	239,145	220,983	213,012	7,971
Capital Outlay	0	4,500	0	4,500
Total Operation and Maintenance of Plant	3,436,315	3,658,318	3,547,717	110,601
Pupil Transportation				
Salaries	1,530,202	1,530,264	1,507,541	22,723
Fringe Benefits	1,050,648	1,214,803	1,206,773	8,030
Purchased Services	250,378	254,832	251,086	3,746
Materials and Supplies	320,033	348,139	342,817	5,322
Capital Outlay	0	525	525	0
Total Pupil Transportation	3,151,261	3,348,563	3,308,742	39,821
Central				
Salaries	107,826	106,826	104,442	2,384
Fringe Benefits	52,705	53,306	52,308	998
Purchased Services	325,088	327,310	281,441	45,869
Materials and Supplies	4,364	4,727	4,524	203
Total Central	489,983	492,169	442,715	49,454
Total Support Services	16,233,564	16,383,569	15,972,711	410,858
Non-Instructional Services				
Salaries	2,311	2,311	1,926	385
Fringe Benefits	365	366	303	63
Purchased Services	1,500	500	480	20
Materials and Supplies	500	850	801	49
Total Non-Instructional Services	4,676	4,027	3,510	517
Extracurricular Activities				
Academic and Subject Oriented Activities				
Salaries	88,990	110,191	110,014	177
Fringe Benefits	14,045	17,404	17,114	290
Purchased Services	3,000	512	512	0
Materials and Supplies	7,512	3,300	3,075	225
Total Academic and Subject Oriented Activities	113,547	131,407	130,715	692

(continued)

Big Walnut Local School District
General Fund

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

	Original Budget	Budget	Actual	Variance Over (Under)
Sport Oriented Activities				
Salaries	\$430,313	\$444,014	\$429,445	\$14,569
Fringe Benefits	67,998	72,136	69,830	2,306
Purchased Services	25,829	47,629	47,531	98
Total Sport Oriented Activities	524,140	563,779	546,806	16,973
School and Public Service				
Co-Curricular Activities				
Other	2,000	900	821	79
Total Extracurricular Activities	639,687	696,086	678,342	17,744
Total Expenditures	42,607,333	42,582,775	41,742,738	840,037
Excess of Revenues Over (Under) Expenditures	(1,477,086)	(244,958)	446,918	691,876
<u>Other Financing Sources</u>				
Refund of Prior Year Expenditures	26,624	375,624	375,212	(412)
Changes in Fund Balance	(1,450,462)	130,666	822,130	691,464
Fund Balance Beginning of Year	9,813,037	9,813,037	9,813,037	0
Prior Year Encumbrances Appropriated	345,335	345,335	345,335	0
Fund Balance End of Year	\$8,707,910	\$10,289,038	\$10,980,502	\$691,464

Big Walnut Local School District
Bond Retirement Debt Service Fund

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

	<u>Budget</u>	<u>Actual</u>	Variance Over (Under)
<u>Revenues</u>			
Property Taxes	\$4,078,668	\$3,773,832	(\$304,836)
Intergovernmental	467,957	343,178	(124,779)
Total Revenues	<u>4,546,625</u>	<u>4,117,010</u>	<u>(429,615)</u>
<u>Expenditures</u>			
Current:			
Support Services			
Fiscal			
Other	55,710	49,544	6,166
Debt Service:			
Principal Retirement	1,306,150	1,306,150	0
Interest and Fiscal Charges	3,888,139	3,747,640	140,499
Interest on Capital Appreciation Bonds	288,850	288,850	0
Total Debt Service	<u>5,483,139</u>	<u>5,342,640</u>	<u>140,499</u>
Total Expenditures	<u>5,538,849</u>	<u>5,392,184</u>	<u>146,665</u>
Excess of Revenues Under Expenditures	<u>(992,224)</u>	<u>(1,275,174)</u>	<u>282,950</u>
<u>Other Financing Sources</u>			
Premium on Bonds Issued	8,811,000	8,743,822	(67,178)
Refund of Prior Year Expenditures	39,281	38,293	(988)
Total Other Financing Sources	<u>8,850,281</u>	<u>8,782,115</u>	<u>(68,166)</u>
Changes in Fund Balance	7,858,057	7,506,941	(351,116)
Fund Balance Beginning of Year	<u>2,419,256</u>	<u>2,419,256</u>	<u>0</u>
Fund Balance End of Year	<u><u>\$10,277,313</u></u>	<u><u>\$9,926,197</u></u>	<u><u>(\$351,116)</u></u>

Big Walnut Local School District
Building Capital Projects Fund

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

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over (Under)</u>
<u>Revenues</u>			
Interest	\$845,000	\$731,611	(\$113,389)
<u>Expenditures</u>			
Current:			
Support Services			
Administration			
Salaries	41,131	38,635	2,496
Fringe Benefits	18,400	14,437	3,963
Total Support Services	59,531	53,072	6,459
Capital Outlay			
Site Improvement Services			
Capital Outlay	2,036,844	2,036,844	0
Architecture and Engineering Services			
Purchased Services	7,301,170	7,228,245	72,925
Building Improvement Services			
Purchased Services	17,535	16,256	1,279
Other	14,518	14,518	0
Capital Outlay	1,654,971	1,475,847	179,124
Total Building Improvement Services	1,687,024	1,506,621	180,403
Building Acquisition and Construction Services			
Purchased Services	3,669,046	3,658,347	10,699
Other	843,748	841,139	2,609
Capital Outlay	20,739,803	20,391,308	348,495
Total Building Acquisition and Construction Services	25,252,597	24,890,794	361,803
Total Capital Outlay	36,277,635	35,662,504	615,131
Total Expenditures	36,337,166	35,715,576	621,590
Excess of Revenues Under Expenditures	(35,492,166)	(34,983,965)	508,201
<u>Other Financing Sources</u>			
General Obligation Bonds Issued	98,500,000	98,500,000	0
Changes in Fund Balance	63,007,834	63,516,035	508,201
Fund Balance Beginning of Year	2,036,188	2,036,188	0
Prior Year Encumbrances Appropriated	7,224,244	7,224,244	0
Fund Balance End of Year	<u>\$72,268,266</u>	<u>\$72,776,467</u>	<u>\$508,201</u>

Big Walnut Local School District
Food Service Special Revenue Fund

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

	<u>Budget</u>	<u>Actual</u>	Variance Over (Under)
<u>Revenues</u>			
Intergovernmental	\$358,715	\$358,242	(\$473)
Interest	3,800	3,716	(84)
Charges for Services	924,400	916,517	(7,883)
Contributions	500	213	(287)
Miscellaneous	7,640	6,971	(669)
Total Revenues	<u>1,295,055</u>	<u>1,285,659</u>	<u>(9,396)</u>
<u>Expenditures</u>			
Current:			
Non-Instructional Services			
Salaries	531,582	521,070	10,512
Fringe Benefits	346,904	343,917	2,987
Purchased Services	33,298	31,857	1,441
Materials and Supplies	491,743	477,814	13,929
Other	9,220	9,200	20
Capital Outlay	1,500	1,500	0
Total Expenditures	<u>1,414,247</u>	<u>1,385,358</u>	<u>28,889</u>
Changes in Fund Balance	(119,192)	(99,699)	19,493
Fund Balance Beginning of Year	318,567	318,567	0
Prior Year Encumbrances Appropriated	<u>1,191</u>	<u>1,191</u>	<u>0</u>
Fund Balance End of Year	<u><u>\$200,566</u></u>	<u><u>\$220,059</u></u>	<u><u>\$19,493</u></u>

Big Walnut Local School District
Other Local Grants Special Revenue Fund

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

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over (Under)</u>
<u>Revenues</u>			
Contributions	\$3,082	\$3,082	\$0
<u>Expenditures</u>			
Current:			
Instruction			
Regular			
Purchased Services	7,973	7,939	34
Materials and Supplies	6,544	6,335	209
Capital Outlay	5,283	5,283	0
Total Instruction	<u>19,800</u>	<u>19,557</u>	<u>243</u>
Support Services			
Instructional Staff			
Purchased Services	51	0	51
Administration			
Purchased Services	1,349	1,349	0
Total Support Services	<u>1,400</u>	<u>1,349</u>	<u>51</u>
Extracurricular Activities			
Academic and Subject Oriented Activities			
Materials and Supplies	749	679	70
Total Expenditures	<u>21,949</u>	<u>21,585</u>	<u>364</u>
Changes in Fund Balance	(18,867)	(18,503)	364
Fund Balance Beginning of Year	28,231	28,231	0
Prior Year Encumbrances Appropriated	<u>281</u>	<u>281</u>	<u>0</u>
Fund Balance End of Year	<u><u>\$9,645</u></u>	<u><u>\$10,009</u></u>	<u><u>\$364</u></u>

Big Walnut Local School District
High School Multi-Handicapped Special Revenue Fund

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

	Budget	Actual	Variance Over (Under)
<u>Revenues</u>	\$0	\$0	\$0
<u>Expenditures</u>	0	0	0
Changes in Fund Balance	0	0	0
Fund Balance Beginning of Year	893	893	0
Fund Balance End of Year	\$893	\$893	\$0

Big Walnut Local School District
Athletic and Music Special Revenue Fund

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

	Budget	Actual	Variance Over (Under)
<u>Revenues</u>			
Extracurricular Activities	\$302,953	\$295,641	(\$7,312)
Contributions	1,000	1,000	0
Miscellaneous	35,400	32,983	(2,417)
Total Revenues	339,353	329,624	(9,729)
<u>Expenditures</u>			
Current:			
Extracurricular Activities			
Academic and Subject Oriented Activities			
Purchased Services	779	746	33
Materials and Supplies	2,106	1,969	137
Total Academic and Subject Oriented Activities	2,885	2,715	170
Sport Oriented Activities			
Salaries	23,240	23,178	62
Fringe Benefits	3,647	3,598	49
Purchased Services	174,773	172,709	2,064
Materials and Supplies	59,492	55,430	4,062
Capital Outlay	78,490	76,693	1,797
Total Sport Oriented Activities	339,642	331,608	8,034
Total Expenditures	342,527	334,323	8,204
Changes in Fund Balance	(3,174)	(4,699)	(1,525)
Fund Balance Beginning of Year	55,812	55,812	0
Prior Year Encumbrances Appropriated	11,959	11,959	0
Fund Balance End of Year	\$64,597	\$63,072	(\$1,525)

Big Walnut Local School District
Auxiliary Services Special Revenue Fund

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

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over (Under)</u>
<u>Revenues</u>			
Intergovernmental	\$259,713	\$259,713	\$0
Interest	2,889	2,791	(98)
Total Revenues	<u>262,602</u>	<u>262,504</u>	<u>(98)</u>
<u>Expenditures</u>			
Current:			
Non-Instructional Services			
Salaries	38,043	36,497	1,546
Fringe Benefits	5,690	5,522	168
Purchased Services	36,302	36,302	0
Materials and Supplies	241,433	241,433	0
Capital Outlay	62,848	62,848	0
Total Expenditures	<u>384,316</u>	<u>382,602</u>	<u>1,714</u>
Changes in Fund Balance	(121,714)	(120,098)	1,616
Fund Balance Beginning of Year	90,097	90,097	0
Prior Year Encumbrances Appropriated	<u>31,617</u>	<u>31,617</u>	<u>0</u>
Fund Balance End of Year	<u>\$0</u>	<u>\$1,616</u>	<u>\$1,616</u>

Big Walnut Local School District
Network Connectivity Special Revenue Fund

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

	Budget	Actual	Variance Over (Under)
<u>Revenues</u>			
Intergovernmental	\$12,600	\$12,600	\$0
<u>Expenditures</u>			
Current:			
Support Services			
Central			
Purchased Services	12,600	12,600	0
Changes in Fund Balance	0	0	0
Fund Balance Beginning of Year	0	0	0
Fund Balance End of Year	\$0	\$0	\$0

Big Walnut Local School District
Miscellaneous State Grants Special Revenue Fund

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

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over (Under)</u>
<u>Revenues</u>			
Intergovernmental	\$62,016	\$62,016	\$0
<u>Expenditures</u>			
Current:			
Support Services			
Pupils			
Salaries	2,804	2,804	0
Pupil Transportation			
Purchased Services	39,075	39,075	0
Total Expenditures	41,879	41,879	0
Changes in Fund Balance	20,137	20,137	0
Fund Balance Beginning of Year	567	567	0
Prior Year Encumbrances Appropriated	2,805	2,805	0
Fund Balance End of Year	<u>\$23,509</u>	<u>\$23,509</u>	<u>\$0</u>

Big Walnut Local School District
 Title VI-B Special Revenue Fund

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

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over (Under)</u>
<u>Revenues</u>			
Intergovernmental	\$773,248	\$706,257	(\$66,991)
<u>Expenditures</u>			
Current:			
Instruction			
Special			
Salaries	443,183	443,183	0
Fringe Benefits	179,222	179,222	0
Purchased Services	111,995	111,995	0
Materials and Supplies	2,527	2,527	0
Total Instruction	<u>736,927</u>	<u>736,927</u>	<u>0</u>
Support Services			
Pupils			
Purchased Services	6,509	6,509	0
Instructional Staff			
Purchased Services	1,240	1,240	0
Total Support Services	<u>7,749</u>	<u>7,749</u>	<u>0</u>
Total Expenditures	<u>744,676</u>	<u>744,676</u>	<u>0</u>
Changes in Fund Balance	28,572	(38,419)	(66,991)
Fund Balance (Deficit) Beginning of Year	<u>(28,572)</u>	<u>(28,572)</u>	<u>0</u>
Fund Balance (Deficit) End of Year	<u>\$0</u>	<u>(\$66,991)</u>	<u>(\$66,991)</u>

Big Walnut Local School District
 Limited English Proficiency Special Revenue Fund

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

	Budget	Actual	Variance Over (Under)
<u>Revenues</u>			
Intergovernmental	\$3,059	\$3,059	\$0
<u>Expenditures</u>			
Current:			
Instruction			
Special			
Other	3,059	3,059	0
Changes in Fund Balance	0	0	0
Fund Balance Beginning of Year	0	0	0
Fund Balance End of Year	\$0	\$0	\$0

Big Walnut Local School District
 Title I Special Revenue Fund

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

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over (Under)</u>
<u>Revenues</u>			
Intergovernmental	\$211,516	\$201,351	(\$10,165)
<u>Expenditures</u>			
Current:			
Instruction			
Special			
Purchased Services	148,391	148,391	0
Materials and Supplies	1,171	1,171	0
Total Instruction	149,562	149,562	0
Support Services			
Pupils			
Purchased Services	46,890	46,890	0
Materials and Supplies	583	583	0
Total Pupils	47,473	47,473	0
Instructional Staff			
Purchased Services	1,345	1,345	0
Total Support Services	48,818	48,818	0
Total Expenditures	198,380	198,380	0
Changes in Fund Balance	13,136	2,971	(10,165)
Fund Balance (Deficit) Beginning of Year	(18,921)	(18,921)	0
Prior Year Encumbrances Appropriated	5,785	5,785	0
Fund Balance (Deficit) End of Year	<u>\$0</u>	<u>(\$10,165)</u>	<u>(\$10,165)</u>

Big Walnut Local School District
Early Childhood Special Education Special Revenue Fund

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

	Budget	Actual	Variance Over (Under)
<u>Revenues</u>			
Intergovernmental	\$24,844	\$24,823	(\$21)
<u>Expenditures</u>			
Current:			
Instruction			
Special			
Salaries	24,844	24,844	0
Changes in Fund Balance	0	(21)	(21)
Fund Balance Beginning of Year	0	0	0
Fund Balance (Deficit) End of Year	\$0	(\$21)	(\$21)

Big Walnut Local School District
 Title II-A Special Revenue Fund

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

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over (Under)</u>
<u>Revenues</u>			
Intergovernmental	\$65,580	\$28,793	(\$36,787)
<u>Expenditures</u>			
Current:			
Support Services			
Instructional Staff			
Fringe Benefits	3,251	3,251	0
Purchased Services	56,320	56,320	0
Materials and Supplies	6,009	6,009	0
Total Expenditures	<u>65,580</u>	<u>65,580</u>	<u>0</u>
Changes in Fund Balance	0	(36,787)	(36,787)
Fund Balance (Deficit) Beginning of Year	(2,450)	(2,450)	0
Prior Year Encumbrances Appropriated	<u>2,450</u>	<u>2,450</u>	<u>0</u>
Fund Balance (Deficit) End of Year	<u><u>\$0</u></u>	<u><u>(\$36,787)</u></u>	<u><u>(\$36,787)</u></u>

Big Walnut Local School District
 Title IV-A Special Revenue Fund

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

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over (Under)</u>
<u>Revenues</u>			
Intergovernmental	\$18,579	\$10,632	(\$7,947)
<u>Expenditures</u>			
Current:			
Instruction			
Regular			
Purchased Services	6,216	6,216	0
Support Services			
Pupils			
Salaries	2,185	2,185	0
Fringe Benefits	338	338	0
Purchased Services	3,683	3,683	0
Materials and Supplies	4,425	4,425	0
Total Support Services	10,631	10,631	0
Total Expenditures	16,847	16,847	0
Changes in Fund Balance	1,732	(6,215)	(7,947)
Fund Balance (Deficit) Beginning of Year	(6,092)	(6,092)	0
Prior Year Encumbrances Appropriated	4,360	4,360	0
Fund Balance (Deficit) End of Year	<u>\$0</u>	<u>(\$7,947)</u>	<u>(\$7,947)</u>

Big Walnut Local School District
Permanent Improvement Capital Projects Fund

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

	Budget	Actual	Variance Over (Under)
<u>Revenues</u>			
Property Taxes	\$1,092,173	\$1,080,163	(\$12,010)
Payment in Lieu of Taxes	100,000	100,000	0
Intergovernmental	0	12,010	12,010
Contributions	202,250	202,250	0
Total Revenues	1,394,423	1,394,423	0
<u>Expenditures</u>			
Current:			
Instruction			
Regular			
Purchased Services	1,540	0	1,540
Capital Outlay	669,085	655,610	13,475
Total Instruction	670,625	655,610	15,015
Support Services			
Administration			
Salaries	60,935	57,954	2,981
Fringe Benefits	22,219	21,555	664
Capital Outlay	44,150	44,078	72
Total Administration	127,304	123,587	3,717
Fiscal			
Other	14,200	12,937	1,263
Operation and Maintenance of Plant			
Purchased Services	3,000	2,560	440
Capital Outlay	22,000	21,378	622
Total Operation and Maintenance of Plant	25,000	23,938	1,062
Pupil Transportation			
Purchased Services	150,000	146,768	3,232
Capital Outlay	20,975	20,828	147
Total Pupil Transportation	170,975	167,596	3,379
Total Support Services	337,479	328,058	9,421

(continued)

Big Walnut Local School District
 Permanent Improvement Capital Projects Fund

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

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over (Under)</u>
Capital Outlay			
Site Improvement Services			
Capital Outlay	\$57,310	\$51,350	\$5,960
Building Improvement Services			
Purchased Services	14,900	14,400	500
Capital Outlay	278,255	271,282	6,973
Total Building Improvement Services	<u>293,155</u>	<u>285,682</u>	<u>7,473</u>
Total Capital Outlay	<u>350,465</u>	<u>337,032</u>	<u>13,433</u>
Total Expenditures	<u>1,358,569</u>	<u>1,320,700</u>	<u>37,869</u>
Changes in Fund Balance	35,854	73,723	37,869
Fund Balance Beginning of Year	366,066	366,066	0
Prior Year Encumbrances Appropriated	<u>80,002</u>	<u>80,002</u>	<u>0</u>
Fund Balance End of Year	<u><u>\$481,922</u></u>	<u><u>\$519,791</u></u>	<u><u>\$37,869</u></u>

Big Walnut Local School District
 Capital Projects Capital Projects Fund

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

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over (Under)</u>
<u>Revenues</u>	\$0	\$0	\$0
<u>Expenditures</u>			
Capital Outlay			
Building Improvement Services			
Capital Outlay	<u>4,007</u>	<u>4,007</u>	<u>0</u>
Excess of Revenues			
Under Expenditures	(4,007)	(4,007)	0
<u>Other Financing Sources</u>			
Refund of Prior Year Expenditures	<u>40,580</u>	<u>40,580</u>	<u>0</u>
Changes in Fund Balance	36,573	36,573	0
Fund Balance Beginning of Year	84,451	84,451	0
Prior Year Encumbrances Appropriated	<u>4,007</u>	<u>4,007</u>	<u>0</u>
Fund Balance End of Year	<u><u>\$125,031</u></u>	<u><u>\$125,031</u></u>	<u><u>\$0</u></u>

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BIG WALNUT
LOCAL SCHOOLS

**INSPIRE
& GUIDE**

Statistical



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**Big Walnut Local School District
Statistical Section**

This part of the 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 School District’s overall financial health.

Contents **Page**

Financial Trends..... S-2

These schedules contain trend information to help the reader understand how the School District’s financial performance and well-being have changed over time.

Revenue Capacity S-12

These schedules contain information to help the reader assess the School District’s most significant local revenue sources.

Debt Capacity..... S-22

These schedules present information to help the reader assess the affordability of the School District’s current levels of outstanding debt and the School District’s ability to issue additional debt in the future.

Demographic and Economic Information..... S-28

These schedules offer demographic and economic indicators to help the reader understand the environment within which the School District’s financial activities take place.

Operating Information S-30

These schedules contain service data to help the reader understand how the information in the School District’s financial report relates to the services the School District provides and the activities it performs.

Source: Unless otherwise noted the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

Big Walnut Local School District
Net Position
Last Ten Fiscal Years
(Accrual Basis of Accounting)

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Net Investment in Capital Assets	\$10,376,623	\$10,058,821	\$9,487,788	\$8,796,981
Restricted for				
Debt Service	1,352,272	2,519,154	2,278,581	1,793,141
Capital Projects	2,305,434	861,272	0	0
Set Asides	0	0	0	0
Other Purposes	546,794	620,541	581,977	582,386
Unrestricted (Deficit)	<u>(23,062,153)</u>	<u>(26,346,975)</u>	<u>(43,217,028)</u>	<u>(28,622,259)</u>
Total Net Position (Deficit)	<u><u>(\$8,481,030)</u></u>	<u><u>(\$12,287,187)</u></u>	<u><u>(\$30,868,682)</u></u>	<u><u>(\$17,449,751)</u></u>

Note: The School District reported the impact of GASB Statement No. 68 beginning in fiscal year 2013.
The School District reported the impact of GASB Statement No. 75 beginning in fiscal year 2017.

<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
\$7,701,671	\$6,828,018	\$5,671,864	\$5,398,816	\$8,765,794	\$9,138,600
1,498,459	1,923,468	1,675,753	1,341,840	1,023,224	1,669,886
69,978	604,074	1,352,915	2,346,226	554,136	267,664
0	0	0	0	343,611	112,378
384,737	339,384	277,043	245,132	567,033	516,377
<u>(28,986,056)</u>	<u>(30,564,859)</u>	<u>9,023,593</u>	<u>6,588,222</u>	<u>3,370,385</u>	<u>(2,854,998)</u>
<u>(\$19,331,211)</u>	<u>(\$20,869,915)</u>	<u>\$18,001,168</u>	<u>\$15,920,236</u>	<u>\$14,624,183</u>	<u>\$8,849,907</u>

Big Walnut Local School District
Changes in Net Position
Last Ten Fiscal Years
(Accrual Basis of Accounting)

	2019	2018	2017	2016
<u>Expenses</u>				
Instruction				
Regular	\$18,955,861	\$10,254,559	\$19,971,733	\$16,804,654
Special	6,616,961	4,266,106	5,918,612	4,820,732
Vocational	105,709	57,054	129,042	116,856
Support Services				
Pupils	2,050,548	1,302,823	2,208,747	1,788,455
Instructional Staff	1,202,464	635,746	1,462,702	1,333,494
Board of Education	0	141,801	121,953	182,953
Administration	4,702,163	1,203,922	3,911,763	3,384,838
Fiscal	1,397,464	1,102,816	1,262,719	1,146,703
Business	14,809	14,613	13,439	11,120
Operation and Maintenance of Plant	3,582,968	3,272,304	3,278,133	3,022,454
Pupil Transportation	3,676,052	2,982,312	2,891,832	2,447,728
Central	471,534	419,477	366,231	296,599
Non-Instructional Services	1,749,867	1,624,643	1,807,612	1,428,381
Extracurricular Activities	1,047,288	741,650	988,450	881,660
Interest and Fiscal Charges	4,363,707	1,798,985	1,425,636	1,350,037
Total Expenses	49,937,395	29,818,811	45,758,604	39,016,664
<u>Program Revenues</u>				
Charges for Services				
Regular	1,148,476	1,079,360	1,244,998	1,024,241
Special	50,611	104,923	17,408	47,340
Administration	0	0	0	0
Pupil Transportation	12,752	11,872	13,351	7,729
Non-Instructional Services	916,442	851,479	870,485	850,151
Extracurricular Activities	329,273	325,396	268,913	251,329
Total Charges for Services	2,457,554	2,373,030	2,415,155	2,180,790
Operating Grants, Contributions, and Interest	2,287,231	2,261,866	2,328,495	2,273,904
Capital Grants and Contributions	0	0	0	0
Total Program Revenues	4,744,785	4,634,896	4,743,650	4,454,694
Net Expense	(45,192,610)	(25,183,915)	(41,014,954)	(34,561,970)
<u>General Revenues and Other Changes in Net Position</u>				
Property Taxes Levied for General Purposes	23,151,704	22,552,163	20,769,187	18,811,905
Property Taxes Levied for Debt Service Purposes	4,193,152	3,051,453	2,744,057	2,593,320
Property Taxes Levied for Permanent Improvements	1,098,417	856,815	0	0
Payment in Lieu of Taxes	0	100,000	70,000	30,000
Income Taxes Levied for General Purposes	8,108,834	7,102,089	6,489,797	6,209,585
Grants and Entitlements not Restricted to Specific Programs	9,289,852	9,104,648	8,695,044	8,216,417
Interest	2,080,163	298,431	93,846	144,272
Contributions	270,455	243,094	194,648	197,890
Miscellaneous	806,190	456,717	456,104	240,041
Total General Revenues	48,998,767	43,765,410	39,512,683	36,443,430
Changes in Net Position	\$3,806,157	\$18,581,495	(\$1,502,271)	\$1,881,460

Note: Expenses are first impacted by the implementation of GASB Statement No. 68 beginning in fiscal year 2014.
Expenses are first impacted by the implementation of GASB Statement No. 75 beginning in fiscal year 2018.

2015	2014	2013	2012	2011	2010
\$15,684,048	\$15,044,007	\$16,474,503	\$16,655,553	\$13,570,840	\$13,227,046
4,334,012	4,638,958	1,373,592	1,511,753	2,357,267	2,410,093
115,738	129,021	186,527	195,500	103,403	308,959
1,598,266	1,309,075	1,542,159	1,661,006	1,180,712	1,428,226
936,657	526,029	1,907,895	1,847,638	1,540,737	1,830,485
132,995	167,021	192,064	159,274	122,235	132,398
2,817,247	2,904,350	2,685,636	2,408,311	2,471,483	2,624,405
1,076,889	1,060,595	997,821	951,114	974,751	829,078
14,102	54,210	56,094	44,283	61,444	257,499
2,873,373	2,668,032	2,684,285	2,626,656	2,348,454	2,181,680
2,316,202	2,267,030	2,148,901	2,049,700	1,850,810	2,035,825
260,203	295,261	6,243	10,382	672	13,076
1,389,565	1,294,829	1,321,953	1,319,034	1,222,178	1,202,563
720,093	706,789	710,685	709,182	637,595	715,823
1,729,427	1,761,058	1,963,511	1,909,853	1,934,381	1,933,711
35,998,817	34,826,265	34,251,869	34,059,239	30,376,962	31,130,867
880,806	301,407	266,928	253,230	400,689	106,812
57,123	73,293	119,627	205,576	71,424	77,742
0	4,895	5,799	4,649	5,548	4,624
4,262	0	0	0	0	0
794,779	679,703	698,588	730,968	756,372	782,811
242,269	217,493	220,711	217,323	336,497	211,463
1,979,239	1,276,791	1,311,653	1,411,746	1,570,530	1,183,452
2,038,024	2,061,545	1,619,516	1,634,702	2,129,873	2,222,925
0	0	0	0	19,005	0
4,017,263	3,338,336	2,931,169	3,046,448	3,719,408	3,406,377
(31,981,554)	(31,487,929)	(31,320,700)	(31,012,791)	(26,657,554)	(27,724,490)
16,850,516	17,007,696	17,147,308	16,571,288	15,073,552	12,632,397
2,511,378	3,318,770	3,248,085	2,844,723	2,690,225	3,017,525
0	0	0	0	0	0
0	0	0	0	0	0
5,773,333	5,425,696	5,070,968	4,803,177	6,202,194	4,418,135
7,861,995	7,639,186	7,298,985	7,523,619	8,051,168	7,851,550
34,516	31,823	20,785	41,568	85,705	102,607
214,468	139,902	151,797	145,522	175,496	150,323
274,052	539,466	463,704	378,947	153,490	414,056
33,520,258	34,102,539	33,401,632	32,308,844	32,431,830	28,586,593
\$1,538,704	\$2,614,610	\$2,080,932	\$1,296,053	\$5,774,276	\$862,103

Big Walnut Local School District
Fund Balances
Governmental Funds
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)

	2019	2018	2017	2016
General Fund				
Nonspendable	\$64,805	\$57,285	\$58,977	\$57,833
Restricted	2,995	3,579	3,784	3,964
Assigned	2,317,075	1,330,868	1,863,106	520,193
Unassigned (Deficit)	<u>12,951,546</u>	<u>12,613,581</u>	<u>11,565,058</u>	<u>12,258,589</u>
Total General Fund (Deficit)	<u>15,336,421</u>	<u>14,005,313</u>	<u>13,490,925</u>	<u>12,840,579</u>
All Other Governmental Funds				
Nonspendable	7,980	7,075	5,767	4,280
Restricted	111,721,850	4,286,606	2,766,301	2,461,948
Committed	125,031	8,884,492	39,929	91,911
Assigned	260,495	98,770	138,223	539,339
Unassigned (Deficit)	<u>(21,590)</u>	<u>(21,796)</u>	<u>(17,523)</u>	<u>(21,618)</u>
Total All Other Governmental Funds	<u>112,093,766</u>	<u>13,255,147</u>	<u>2,932,697</u>	<u>3,075,860</u>
Total Governmental Funds	<u>\$127,430,187</u>	<u>\$27,260,460</u>	<u>\$16,423,622</u>	<u>\$15,916,439</u>

Note: The School District implemented GASB Statement No. 54 in fiscal year 2011.

<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
\$55,842	\$52,705	\$51,002	\$49,462	\$0	\$0
4,257	3,088	29	29	390,689	159,456
1,357,116	148,508	60,222	97,243	364,639	38,522
<u>10,768,740</u>	<u>11,721,540</u>	<u>9,797,096</u>	<u>7,752,878</u>	<u>4,673,220</u>	<u>(826,117)</u>
<u>12,185,955</u>	<u>11,925,841</u>	<u>9,908,349</u>	<u>7,899,612</u>	<u>5,428,548</u>	<u>(628,139)</u>
3,899	2,868	3,172	3,253	12,933	14,199
2,286,544	3,244,782	3,692,507	4,428,945	6,919,458	20,599,045
242,909	294,420	240,426	174,968	0	0
340,672	316,206	286,936	161,609	0	0
<u>(10,800)</u>	<u>(17,198)</u>	<u>(97,710)</u>	<u>(226,818)</u>	<u>(13,583)</u>	<u>(64,933)</u>
<u>2,863,224</u>	<u>3,841,078</u>	<u>4,125,331</u>	<u>4,541,957</u>	<u>6,918,808</u>	<u>20,548,311</u>
<u>\$15,049,179</u>	<u>\$15,766,919</u>	<u>\$14,033,680</u>	<u>\$12,441,569</u>	<u>\$12,347,356</u>	<u>\$19,920,172</u>

Big Walnut Local School District
Changes in Fund Balances
Governmental Funds
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)

	2019	2018	2017	2016
<u>Revenues</u>				
Property Taxes	\$28,449,867	\$26,498,467	\$23,615,859	\$21,408,246
Payment in Lieu of Taxes	100,000	0	70,000	30,000
Income Taxes	8,113,752	6,961,625	6,470,375	6,246,771
Intergovernmental	11,610,459	11,334,562	10,961,151	10,381,669
Interest	1,984,354	300,072	96,345	144,806
Tuition and Fees	1,088,298	1,414,805	1,125,601	1,063,109
Extracurricular Activities	295,078	289,901	265,389	247,993
Charges for Services	930,286	858,055	875,222	855,613
Contributions	266,090	248,064	206,064	290,401
Miscellaneous	777,586	495,810	460,214	243,817
Total Revenues	53,615,770	48,401,361	44,146,220	40,912,425
<u>Expenditures</u>				
Current:				
Instruction				
Regular	20,310,711	19,092,847	17,703,487	15,744,945
Special	6,757,601	6,184,112	5,476,769	4,724,234
Vocational	106,242	109,995	109,899	105,400
Support Services				
Pupils	2,166,762	2,162,016	2,069,813	1,769,692
Instructional Staff	1,257,672	1,385,996	1,309,792	1,293,838
Board of Education	178,973	142,145	121,563	182,938
Administration	4,033,528	3,657,564	3,415,893	3,290,199
Fiscal	1,301,984	1,195,937	1,170,000	1,141,626
Business	14,121	13,009	12,547	13,218
Operation and Maintenance of Plant	3,381,086	3,294,791	3,117,812	2,948,237
Pupil Transportation	3,575,681	3,168,266	2,888,587	2,478,561
Central	451,151	434,183	349,743	291,739
Non-Instructional Services	1,586,273	1,576,768	1,630,533	1,319,058
Extracurricular Activities	999,970	974,560	863,854	897,886
Capital Outlay	9,335,799	1,168,655	936,780	981,005
Debt Service:				
Principal Retirement	1,506,648	1,458,040	1,392,498	1,623,354
Interest and Fiscal Charges	3,760,928	1,517,037	1,281,012	1,275,967
Interest on Capital Appreciation Bonds	288,850	281,064	269,010	102,153
Total Expenditures	61,013,980	47,816,985	44,119,592	40,184,050
Excess of Revenues Over (Under) Expenditures	(7,398,210)	584,376	26,628	728,375

2015	2014	2013	2012	2011	2010
\$19,322,497	\$20,455,515	\$20,433,156	\$19,364,069	\$17,789,384	\$15,748,370
0	0	0	0	0	0
5,693,134	5,411,148	5,082,396	4,797,450	6,176,875	4,378,961
9,866,947	9,754,821	8,950,041	9,095,110	9,858,298	9,748,448
33,547	28,103	20,719	41,887	91,090	97,564
903,346	367,098	382,112	447,035	337,203	272,375
236,267	207,965	216,664	218,586	328,952	211,330
800,899	684,433	718,086	738,593	784,361	793,442
214,850	189,048	164,293	180,478	667,163	25,960
276,942	543,054	385,544	387,038	170,791	395,079
<u>37,348,429</u>	<u>37,641,185</u>	<u>36,353,011</u>	<u>35,270,246</u>	<u>36,204,117</u>	<u>31,671,529</u>
15,468,083	13,833,719	15,099,166	14,481,761	12,340,142	12,611,011
4,438,547	4,588,253	1,344,058	1,443,636	2,315,126	2,432,415
105,627	101,571	176,984	185,958	93,861	299,416
1,603,107	1,404,784	1,496,423	1,672,659	1,163,840	1,408,284
933,163	520,524	1,864,230	1,801,761	1,538,977	1,818,766
132,995	167,021	192,064	159,274	122,235	132,398
2,972,172	2,877,151	2,621,822	2,354,153	2,439,799	2,564,264
1,092,943	1,059,667	995,006	946,287	975,508	828,018
12,486	53,922	55,845	44,401	79,686	256,270
2,817,163	2,578,783	2,623,215	2,528,691	2,344,097	2,148,120
2,457,964	2,275,629	2,174,356	1,992,844	1,818,841	1,945,087
266,241	270,020	6,243	10,382	672	13,076
1,300,116	1,192,402	1,269,647	1,222,866	1,180,883	1,173,563
692,643	647,760	667,589	670,937	602,885	681,466
611,057	799,001	975,680	2,605,952	13,207,951	11,667,097
1,725,553	1,970,000	1,290,981	954,968	1,392,616	2,212,892
1,539,896	1,570,239	1,615,426	1,801,292	1,862,610	1,786,579
242,221	0	394,019	441,043	457,204	592,793
<u>38,411,977</u>	<u>35,910,446</u>	<u>34,862,754</u>	<u>35,318,865</u>	<u>43,936,933</u>	<u>44,571,515</u>
<u>(1,063,548)</u>	<u>1,730,739</u>	<u>1,490,257</u>	<u>(48,619)</u>	<u>(7,732,816)</u>	<u>(12,899,986)</u>

(continued)

Big Walnut Local School District
Changes in Fund Balances
Governmental Funds
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)
(continued)

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
<u>Other Financing Sources (Uses)</u>				
Sale of Capital Assets	\$0	\$0	\$750	\$0
Bond Anticipation Notes Issued	0	9,500,000	0	0
Current Refunding	0	(9,500,000)	0	(1,340,000)
General Obligation Bonds Issued	98,500,000	9,460,000	4,100,000	5,990,000
Premium on Bonds Issued	8,743,822	536,413	420,349	1,112,385
Payment to Refunded Bond Escrow Agent	0	0	(4,396,400)	(5,623,500)
Inception of Capital Lease	324,115	256,049	355,856	0
Transfers In	0	0	0	1,003,099
Transfers Out	0	0	0	(1,003,099)
Total Other Financing Sources (Uses)	<u>107,567,937</u>	<u>10,252,462</u>	<u>480,555</u>	<u>138,885</u>
Changes in Fund Balances	<u>\$100,169,727</u>	<u>\$10,836,838</u>	<u>\$507,183</u>	<u>\$867,260</u>
Debt Service as a Percentage of Noncapital Expenditures	10.72%	7.00%	6.81%	7.67%

2015	2014	2013	2012	2011	2010
\$0	\$2,500	\$101,854	\$2,297	\$160,000	\$0
0	0	0	0	0	0
(10,000,000)	0	0	0	0	0
9,965,000	0	0	8,718,405	0	21,050,626
191,563	0	0	1,278,003	0	0
0	0	0	(9,855,873)	0	0
189,245	0	0	0	0	0
0	0	0	321,377	316,447	137,625
0	0	0	(321,377)	(316,447)	(137,625)
<u>345,808</u>	<u>2,500</u>	<u>101,854</u>	<u>142,832</u>	<u>160,000</u>	<u>21,050,626</u>
<u>(\$717,740)</u>	<u>\$1,733,239</u>	<u>\$1,592,111</u>	<u>\$94,213</u>	<u>(\$7,572,816)</u>	<u>\$8,150,640</u>
9.30%	9.94%	9.56%	9.43%	11.72%	13.84%

Big Walnut Local School District
Assessed and Estimated Actual Value of Taxable Property
Last Ten Years

Collection Year	Real Property			Public Utility Personal Property	
	Assessed Value			Assessed Value	Estimated Actual Value
	Residential/ Agricultural	Commercial/ Industrial Public Utility	Estimated Actual Value		
2019	\$786,156,710	\$59,365,740	\$2,415,778,428	\$131,757,830	\$149,724,807
2018	753,139,000	57,454,340	2,315,980,971	130,844,650	148,687,102
2017	667,726,580	58,068,610	2,073,700,542	132,179,380	150,203,841
2016	649,294,940	44,115,560	1,981,172,857	116,869,400	132,806,136
2015	635,498,370	44,151,420	1,941,856,542	28,604,860	32,505,523
2014	588,229,410	42,315,200	1,801,556,028	18,701,670	21,251,898
2013	580,222,480	45,535,790	1,787,880,771	17,882,510	20,321,034
2012	576,616,820	45,763,450	1,778,229,342	17,962,470	20,411,898
2011	593,432,290	46,273,510	1,827,730,857	17,978,350	20,429,943
2010	589,584,540	48,755,480	1,823,828,628	16,671,790	18,945,216

Source: Delaware County Auditor

- (1) Since each type of property has its own direct rate, a weighted average of the separate rates is presented. See S-14 for the direct rate by property type.

Note: Real property is reappraised every six years with a State mandated update of the current market value in the third year following each reappraisal.

The assessed value of real property (including public utility real property) is 35 percent of estimated actual value. The assessed value of public utility personal property ranges from 25 percent of actual value for railroad property to 88 percent for electric transmission and distribution property.

For real property, the amounts generated by multiplying the assessed values by the applicable rates would be reduced by the 10 percent, 2 1/2 percent, and homestead exemptions before being billed.

Total			
Assessed Value	Estimated Actual Value	Percentage of Total Assessed Value to Total Estimated Actual Value	Weighted Average Tax Rate (1)
\$977,280,280	\$2,565,503,235	38.09%	\$32.51
941,437,990	2,464,668,073	38.20	31.50
857,974,570	2,223,904,383	38.58	30.95
810,279,900	2,113,978,993	38.33	31.13
708,254,650	1,974,362,065	35.87	31.16
649,246,280	1,822,807,926	35.62	34.21
643,640,780	1,808,201,805	35.60	34.14
640,342,740	1,798,641,240	35.60	33.63
657,684,150	1,848,160,800	35.59	33.62
655,011,810	1,842,773,844	35.54	24.40

Big Walnut Local School District
Property Tax Rates - Direct and All Overlapping Governments
(Per \$1,000 of Assessed Values)
Last Ten Years

Collection Year	2019	2018	2017	2016
Big Walnut Local School District				
Voted Millage				
1976 Current Expense				
Effective Millage Rates				
Residential/Agricultural Real	\$8.9600	\$8.9600	\$8.9600	\$8.9600
Commercial/Industrial/Public Utility Real	9.5000	9.5200	10.0600	10.0700
Public Utility Personal	13.9000	13.9000	13.9000	13.9000
1985 Current Expense				
Effective Millage Rates				
Residential/Agricultural Real	6.4400	6.4400	6.4400	6.4400
Commercial/Industrial/Public Utility Real	6.8400	6.8500	7.2400	7.2500
Public Utility Personal	10.0000	10.0000	10.0000	10.0000
1990 Bond \$16,500,000	0.0000	0.0000	0.0000	0.0000
1991 Bond/Library \$1,500,000	0.0000	0.0000	0.0000	0.0500
2004 Bond \$13,000,000	1.1900	1.2100	1.4500	1.5500
2006 Emergency \$750,000	0.0000	0.0000	0.0000	0.0000
2008 Bond \$30,000,000	2.0800	2.1000	2.1500	2.1500
2010 Emergency \$4,900,000	0.0000	0.0000	0.0000	0.0000
2015 Substitute	5.4500	5.4800	5.9100	6.0500
2017 Bond \$108,000,000	1.7000	0.3100	n/a	n/a
2017 Permanent Improvement				
Effective Millage Rates				
Residential/Agricultural Real	1.1300	1.1400	n/a	n/a
Commercial/Industrial/Public Utility Real	1.1800	1.1800	n/a	n/a
Public Utility Personal	1.2500	1.2500	n/a	n/a
Total Voted Millage				
Total Effective Voted Millage by Type of Property				
Residential/Agricultural Real	26.9500	25.6400	24.9100	25.2000
Commercial/Industrial/Public Utility Real	27.9400	26.6500	26.8100	27.1200
Public Utility Personal	35.5700	34.2500	33.4100	33.7000
Unvoted Millage				
General	4.6000	4.6000	4.6000	4.6000
Total Millage (Total Direct Rate)				
Total Effective Millage by Type of Property				
Residential/Agricultural Real	31.5500	30.2400	29.5100	29.8000
Commercial/Industrial/Public Utility Real	32.5400	31.2500	31.4100	31.7200
Public Utility Personal	40.1700	38.8500	38.0100	38.3000
Total Weighted Average Tax Rate	32.5100	31.5000	30.9500	31.1300

2015	2014	2013	2012	2011	2010
\$8.9600	\$9.3946	\$9.3864	\$9.3709	\$8.9919	\$8.9727
10.0300	10.1356	9.3703	9.3779	9.0921	8.9565
13.9000	13.9000	13.9000	13.9000	13.9000	13.9000
6.4400	6.7587	6.7528	6.7416	6.4690	6.4552
7.2200	7.2918	6.7412	6.7467	6.5411	6.4435
10.0000	10.0000	10.0000	10.0000	10.0000	10.0000
0.9500	1.5600	1.5600	1.4700	1.6800	1.6800
0.0500	0.2300	0.2100	0.2500	0.1800	0.1800
0.1000	1.1300	1.1300	1.2600	0.9500	1.1000
0.0000	0.0000	0.0000	0.0000	1.1500	1.1500
2.6700	2.6700	2.6700	2.0600	1.9000	1.9000
6.9300	7.5600	7.6200	7.6600	7.4600	n/a
n/a	n/a	n/a	n/a	n/a	n/a
n/a	n/a	n/a	n/a	n/a	n/a
n/a	n/a	n/a	n/a	n/a	n/a
n/a	n/a	n/a	n/a	n/a	n/a
n/a	n/a	n/a	n/a	n/a	n/a
26.1000	29.3032	29.3292	28.8125	28.7809	19.5379
27.9500	30.5774	29.3015	28.8246	28.9532	19.5100
34.6000	37.0500	37.0900	36.6000	37.2200	29.9100
4.6000	4.6000	4.6000	4.6000	4.6000	4.6000
30.7000	33.9032	33.9292	33.4125	33.3809	24.1379
32.5500	35.1774	33.9015	33.4246	33.5532	24.1100
39.2000	41.6500	41.6900	41.2000	41.8200	34.5100
31.1600	34.2100	34.1400	33.6300	33.6200	24.4000

(continued)

Big Walnut Local School District
Property Tax Rates - Direct and All Overlapping Governments
(Per \$1,000 of Assessed Values)
Last Ten Years
(continued)

Collection Year	2019	2018	2017	2016
Delaware County	\$6.3700	\$5.8600	\$5.8800	\$5.9000
Delaware Area Career Center	3.2000	3.2000	3.2000	3.2000
Village of Galena	3.7000	3.7000	3.7000	3.7000
Village of Sunbury	2.5000	2.5000	2.5000	2.5000
Berkshire Township	2.1000	2.1000	2.1000	0.8000
Genoa Township	13.3000	13.3000	13.3000	13.3000
Harlem Township	10.0000	10.0000	10.0000	10.0000
Kingston Township	2.3000	2.3000	2.3000	2.3000
Porter Township	2.5000	2.5000	2.5000	2.5000
Trenton Township	2.5000	2.5000	2.5000	2.5000
Delaware County 911 District	0.6300	0.6300	0.6300	0.4500
Delaware County Health Department	0.7000	0.7000	0.7000	0.7000
Delaware-Morrow Mental Health District	1.0000	1.0000	1.0000	0.2500
Preservation Park District	0.9000	0.6000	0.6000	0.6000
BST and G Fire Department	4.8500	4.8500	3.0000	3.0000
Kingston-Porter Fire District	7.5000	7.5000	7.5000	7.5000
Big Walnut LSD Library District	1.0000	1.0000	1.0000	1.0000

Source: Ohio Department of Taxation

Note: The rates presented for a particular calendar year are the rates that, when applied to the assessed values presented in the Assessed Value Table, generated the property tax revenue billed in that year. The basic property rate can be increased only by a majority vote of the School District's residents.

Overlapping rates are those of local and county governments that apply to property owners within the School District. Property tax rates for all overlapping governments are based upon the original voted levy.

Real property tax rates are reduced so that inflationary increases in value do not generate additional taxes. Real property is appraised every six years and property values are updated in the third year following each reappraisal.

2015	2014	2013	2012	2011	2010
\$5.9100	\$5.9100	\$5.0500	\$5.0500	\$5.0500	\$5.0400
3.2000	3.2000	3.2000	3.2000	3.2000	3.2000
3.7000	3.7000	3.7000	3.7000	3.7000	3.7000
2.5000	2.5000	2.5000	2.5000	2.5000	2.5000
0.8000	0.8000	0.8000	0.8000	0.8000	0.8000
11.7000	11.3000	11.3000	11.3000	11.3000	9.4000
10.0000	10.0000	10.0000	10.0000	10.0000	10.0000
2.3000	2.3000	2.3000	2.3000	2.3000	2.3000
2.5000	2.5000	2.5000	2.5000	2.5000	2.5000
2.5000	2.5000	2.5000	2.5000	2.5000	2.5000
0.4500	0.4500	0.4500	0.4500	0.4500	0.4500
0.7000	0.7000	0.7000	0.7000	0.7000	0.7000
1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
0.6000	0.6000	0.6000	0.6000	0.6000	0.6000
3.0000	3.0000	3.0000	2.0000	2.0000	2.0000
7.5000	7.5000	7.5000	7.5000	7.5000	7.6800
1.0000	1.0000	1.0000	1.0000	1.0000	1.0000

Big Walnut Local School District
Real Property Tax Levies and Collections
Last Ten Years

Collection Year (1)	Current Tax Levy (2)	Current Tax Collections	Percentage of Current Tax Collections to Current Tax Levy	Delinquent Tax Collections	Total Tax Collections	Percentage of Total Tax Collections to Total Tax Levy
2018	\$29,730,612	\$29,277,741	98.48%	\$432,839	\$29,710,580	99.93%
2017	26,547,078	25,970,911	97.83	287,343	26,258,254	98.91
2016	25,338,989	25,049,218	98.86	445,691	25,494,909	100.62
2015	22,092,570	21,697,404	98.21	432,772	22,130,176	100.17
2014	22,275,154	21,697,404	97.41	432,772	22,130,176	99.35
2013	22,275,154	21,467,588	96.37	574,833	22,042,421	98.96
2012	21,954,874	20,715,116	94.35	584,421	21,299,537	97.02
2011	22,194,788	21,609,309	97.36	606,923	22,216,232	100.10
2010	17,218,026	16,619,027	96.52	562,563	17,181,590	99.79
2009	17,405,684	16,835,914	96.73	428,385	17,264,299	99.19

Source: Delaware County Auditor

- (1) The 2019 information cannot be presented because all collections have not been made by June 30, 2019.
- (2) State reimbursement of rollback and homestead exemptions are included.

Note: The County's current reporting system does not track delinquency tax collections by tax year. Outstanding delinquencies are tracked in total by the date the parcel is first certified delinquent. Penalties and interest are applied to the total outstanding delinquent balance. The presentation will be updated as new information becomes available.

Big Walnut Local School District
Tangible Personal Property Tax Levies and Collections
Last Ten Years

Collection Year (1)	Current Tax Levy (2)	Current Tax Collections	Percentage of Current Tax Collections to Current Tax Levy	Delinquent Tax Collections	Total Tax Collections	Percentage of Total Tax Collections to Total Tax Levy
2018	\$0	\$0	0.00%	\$0	\$0	0.00%
2017	0	0	0.00	0	0	0.00
2016	0	0	0.00	0	0	0.00
2015	0	0	0.00	0	0	0.00
2014	0	0	0.00	0	0	0.00
2013	0	0	0.00	91,340	91,340	0.00
2012	0	0	0.00	0	0	0.00
2011	0	0	0.00	10,264	10,264	0.00
2010	13,749	11,390	82.84	22,309	33,699	245.10
2009	24,415	4,888	20.02	126,902	131,790	539.79

Source: Delaware County Auditor

- (1) The 2019 information cannot be presented because all collections have not been made by June 30, 2019.
- (2) Collection of tangible personal property tax ended in 2010, except collection of any delinquent taxes. The \$10,000 personal property exemption is included.

Note: The County's current reporting system does not track delinquency tax collections by tax year. Outstanding delinquencies are tracked in total by the date the parcel is first certified delinquent. Penalties and interest are applied to the total outstanding delinquent balance. The presentation will be updated as new information becomes available.

Big Walnut Local School District
Principal Taxpayers - Real Property
Current Year and Nine Years Ago

Taxpayer	2019	
	Real Property Assessed Valuation	Percentage of Total School District Assessed Valuation (2019 Collection Year)
Columbus Outlets, LLC	\$9,517,960	1.13%
Northstar, LLC	7,114,440	0.84
Village at Sunbury Mills LTD	4,790,490	0.57
Ohashi Technica USA, Inc.	3,149,870	0.37
Homewood Corporation	2,113,890	0.25
Nature's Haven Partners	1,837,650	0.22
Sunbury Realty, LLC	1,723,090	0.20
Pulte Homes of Ohio LLC	1,690,800	0.20
American Showa, Inc.	1,673,600	0.20
EPEC, LLC	1,602,840	0.18
Total	35,214,630	4.16
All Other Taxpayers	810,307,820	95.84
Total Assessed Valuation	\$845,522,450	100.00%

Taxpayer	2010	
	Real Property Assessed Valuation	Percentage of Total School District Assessed Valuation (2010 Collection Year)
Northstar, LLC	\$6,192,540	0.97%
American Showa, Inc.	2,961,720	0.47
Ohashi Technica USA, Inc.	1,872,500	0.29
EPEC, LLC	1,680,810	0.26
Homewood Corporation	1,578,860	0.25
Sunbury Meadows HOA	1,494,150	0.23
Nature's Haven Partners	1,481,870	0.23
Sunbury Realty, LLC	1,312,160	0.21
Westerville Mobile Park	1,235,860	0.19
Siemer Land, LLC	1,214,920	0.19
Total	21,025,390	3.29
All Other Taxpayers	617,314,630	96.71
Total Assessed Valuation	\$638,340,020	100.00%

Source: Delaware County Auditor

Big Walnut Local School District
Principal Taxpayers - Public Utility Personal Property
Current Year and Nine Years Ago

	2019	
Taxpayer	Assessed Valuation	Percentage of Total School District Assessed Valuation (2019 Collection Year)
American Electric Power	\$99,336,180	75.39%
Ohio Power Company	22,495,150	17.07
Columbia Gas of Ohio	5,190,740	3.94
Consolidated Electric Cooperative	2,833,650	2.15
Battery Utility of Ohio, LLC	1,030,500	0.79
Columbia Gas Transmission Corp.	238,380	0.18
Bright Energy, Inc.	158,740	0.12
Dayton Power and Light Company	139,160	0.11
Total	131,422,500	99.75
All Other Taxpayers	335,330	0.25
Total Assessed Valuation	\$131,757,830	100.00%

	2010	
Taxpayer	Total Assessed Valuation	Percentage of Total School District Assessed Valuation (2010 Collection Year)
American Electric Power	\$10,024,060	60.13%
Columbia Gas of Ohio	3,849,570	23.09
Consolidated Electric Cooperative	1,684,010	10.10
Ohio Power Company	788,960	4.73
Suburban Natural Gas Company	128,810	0.77
Dayton Power and Light Company	99,510	0.60
Total	16,574,920	99.42
All Other Taxpayers	96,870	0.58
Total Assessed Valuation	\$16,671,790	100.00%

Source: Delaware County Auditor

Big Walnut Local School District
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

Fiscal Year	General Obligation Bonds	Capital Leases	Total Debt	Per Capita (1)	Percentage of Personal Income (1)
2019	\$152,807,207	\$559,631	\$153,366,838	\$8,445	21.98%
2018	46,947,430	467,257	47,414,687	2,611	7.07
2017	38,338,923	375,312	38,714,235	2,132	6.12
2016	39,417,202	130,964	39,548,166	2,178	6.21
2015	40,296,791	166,471	40,463,262	2,228	6.69
2014	41,887,582	0	41,887,582	2,307	6.70
2013	43,679,357	0	43,679,357	2,405	6.61
2012	45,241,169	0	45,241,169	2,491	7.09
2011	45,357,906	30,210	45,388,116	2,499	9.56
2010	47,123,545	55,030	47,178,575	3,190	12.20

Source: School District Records

(1) See Schedule on S-28 for population and personal income.

Big Walnut Local School District
Ratio of General Bonded Debt to Estimated Actual Value
and Bonded Debt Per Capita
Last Ten Fiscal Years

Fiscal Year	Population (1)	Estimated Actual Value	General Bonded Debt	General Bonded Debt to Estimated Actual Value	General Bonded Debt Per Capita
2019	18,160	\$2,565,503,235	\$152,807,207	5.96%	\$8,414
2018	18,160	2,464,668,073	46,947,430	1.90	2,585
2017	18,160	2,223,904,383	38,338,923	1.72	2,111
2016	18,160	2,113,978,993	39,417,202	1.86	2,171
2015	18,160	1,974,362,065	40,296,791	2.04	2,219
2014	18,160	1,822,807,926	41,887,582	2.30	2,307
2013	18,160	1,808,201,805	43,679,357	2.42	2,405
2012	18,160	1,798,641,240	45,241,169	2.45	2,491
2011	18,160	1,848,160,800	45,357,906	2.45	2,498
2010	14,790	1,842,773,844	47,123,545	2.56	3,186

Source: School District Records

(1) United States Census Bureau - 2010 U.S. Census Data

Note: Resources have not been externally restricted for the repayment of debt.

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Big Walnut Local School District
 Computation of Direct and Overlapping Debt
 June 30, 2019

Political Subdivision	Debt Outstanding	Percentage Applicable to School District (1)	Amount Applicable to School District
Big Walnut Local School District	\$153,366,838	100.00%	\$153,366,838
Delaware County	45,170,500	12.16	5,492,733
Genoa Township	<u>7,000,000</u>	16.34	<u>1,143,800</u>
Total	<u><u>\$205,537,338</u></u>		<u><u>\$160,003,371</u></u>

Source: Delaware County Auditor

(1) Percentages were determined by dividing the assessed valuation of the political subdivision located within the boundaries of the School District by the total assessed valuation of the political subdivision. The valuations used were for the 2019 collection year.

Big Walnut Local School District
 Computation of Legal Debt Margin
 Last Ten Fiscal Years

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Total Assessed Valuation	\$977,280,280	\$941,437,990	\$857,974,570	\$810,279,900
Less:				
Public Utility Tangible Personal Property	<u>(131,757,830)</u>	<u>(130,844,650)</u>	<u>(132,179,380)</u>	<u>(116,869,400)</u>
Total Assessed Valuation used to calculate Legal Debt Margin	845,522,450	810,593,340	725,795,190	693,410,500
Overall Debt Limitation - 9 Percent of Assessed Valuation	<u>76,097,021</u>	<u>72,953,401</u>	<u>65,321,567</u>	<u>62,406,945</u>
Gross Indebtedness	140,122,255	42,928,405	34,762,341	36,073,331
Less Fund Balance in Debt Service Fund	<u>11,085,859</u>	<u>3,165,460</u>	<u>2,359,846</u>	<u>2,017,297</u>
Net Debt Within 9 Percent Limitation	<u>129,036,396</u>	<u>39,762,945</u>	<u>32,402,495</u>	<u>34,056,034</u>
Legal Debt Margin Within 9 Percent Limitation	<u><u>(\$52,939,375)</u></u>	<u><u>\$33,190,456</u></u>	<u><u>\$32,919,072</u></u>	<u><u>\$28,350,911</u></u>
Legal Debt Margin as a Percentage of the Overall Debt Limitation	-69.57%	45.50%	50.40%	45.43%
Unvoted Debt Limitation - .10 Percent of Assessed Valuation	\$845,522	\$810,593	\$725,795	\$693,411
Gross Indebtedness	0	0	0	0
Less Debt Outside Limitation	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net Debt Within .10 Percent Limitation	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Legal Debt Margin Within .10 Percent Limitation	<u><u>\$845,522</u></u>	<u><u>\$810,593</u></u>	<u><u>\$725,795</u></u>	<u><u>\$693,411</u></u>
Unvoted Legal Debt Margin as a Percentage of the Unvoted Debt Limitation	100.00%	100.00%	100.00%	100.00%

Source: School District Records

Note: Ohio Bond Law sets a limit of 9 percent for overall debt and 1/10 of 1 percent for unvoted debt.

<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
\$708,254,650	\$649,246,280	\$643,640,780	\$640,342,740	\$657,684,150	\$655,011,810
<u>(28,604,860)</u>	<u>(18,701,670)</u>	<u>(17,882,510)</u>	<u>(17,962,470)</u>	<u>(17,978,350)</u>	<u>(16,671,790)</u>
679,649,790	630,544,610	625,758,270	622,380,270	639,705,800	638,340,020
<u>61,168,481</u>	<u>56,749,015</u>	<u>56,318,244</u>	<u>56,014,224</u>	<u>57,573,522</u>	<u>57,450,602</u>
37,971,178	39,708,957	41,678,957	42,969,938	43,900,490	45,268,286
<u>1,951,601</u>	<u>2,401,644</u>	<u>2,143,000</u>	<u>1,817,593</u>	<u>1,665,520</u>	<u>2,293,151</u>
<u>36,019,577</u>	<u>37,307,313</u>	<u>39,535,957</u>	<u>41,152,345</u>	<u>42,234,970</u>	<u>42,975,135</u>
<u>\$25,148,904</u>	<u>\$19,441,702</u>	<u>\$16,782,287</u>	<u>\$14,861,879</u>	<u>\$15,338,552</u>	<u>\$14,475,467</u>
41.11%	34.26%	29.80%	26.53%	26.64%	25.20%
\$679,650	\$630,545	\$625,758	\$622,380	\$639,706	\$638,340
0	0	0	0	0	0
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>\$679,650</u>	<u>\$630,545</u>	<u>\$625,758</u>	<u>\$622,380</u>	<u>\$639,706</u>	<u>\$638,340</u>
100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

Big Walnut Local School District
Demographic Statistics
Last Ten Years

Year	Population (1)	Total Personal Income (2)	Personal Income Per Capita (1)	Delaware County Unemployment Rate (3)
2019	18,160	\$697,743,520	\$38,422	3.30%
2018	18,160	670,503,520	36,922	4.00
2017	18,160	632,222,240	34,814	3.90
2016	18,160	636,707,760	35,061	3.70
2015	18,160	604,419,280	33,283	3.60
2014	18,160	625,375,920	34,437	4.10
2013	18,160	661,024,000	36,400	5.30
2012	18,160	637,706,560	35,116	5.20
2011	18,160	474,956,640	26,154	6.60
2010	14,790	386,817,660	26,154	7.60

Source: (1) United States Census Bureau from 2010 U.S. Census Data

(2) Computation of per capita personal income multiplied by population

(3) Ohio Department of Job and Family Services/Ohio Labor Market

Big Walnut Local School District
Principal Employers
Current Year and Nine Years Ago

Employer (1)	2019			2010		
	Number of Employees	Rank	Percent of Total Employment	Number of Employees	Rank	Percent of Total Employment
JP Morgan Chase	10,600	1	10.19%	8,729	1	9.45%
Olentangy Local School District	2,341	2	2.25	1,721	3	1.86
Kroger Company	2,339	3	2.25	1,762	2	1.91
Delaware County	1,170	4	1.12	1,105	4	1.20
Grady Memorial Hospital	1,008	5	0.97	605	7	0.65
PCM/Sarcom, Inc.	1,001	6	0.96			
DHL Supply Chain	744	7	0.72			
Meijer, Inc.	659	8	0.63	591	9	0.63
Delaware City School District	632	9	0.61	550	10	0.60
American Showa, Inc.	600	10	0.58	615	6	0.67
Central Ohio Primary Care Physicians, Inc.				948	5	1.03
Ohio Wesleyan University				600	8	0.64
Total	<u>21,094</u>		<u>20.28%</u>	<u>17,226</u>		<u>18.64%</u>
Total Employment Within Delaware County	<u>103,996</u>			<u>92,400</u>		

Source: Delaware County Office of Economic Development

(1) Specific information for the School District is not available; therefore, the information is for Delaware County.

Big Walnut Local School District
School District Employees by Function/Program
Last Ten Fiscal Years

Program	2019	2018	2017	2016
Instruction				
Regular				
Elementary/Intermediate School Classroom Teachers	121.0	114.0	113.0	102.0
Middle School Classroom Teachers	25.0	20.0	27.0	21.0
High School Classroom Teachers	46.0	53.0	45.0	43.0
Special				
Elementary/Intermediate School Classroom Teachers	16.0	21.0	18.0	15.0
Middle School Classroom Teachers	8.0	7.0	3.0	6.0
High School Classroom Teachers	9.0	10.0	4.0	9.0
Vocational				
High School Classroom Teachers	2.0	3.0	3.0	1.0
Support Services				
Pupils				
Guidance Counselors	5.0	5.0	5.0	5.0
Librarians	1.0	1.0	1.0	1.0
Dean of Students	0.0	0.0	0.0	0.0
Principal Assistants	6.0	7.0	7.0	6.0
Athletic Coordinator	1.0	1.0	1.0	1.0
Social Workers	1.0	1.0	1.0	1.0
Instructional Staff				
Technology	2.0	3.0	2.0	2.0
Teaching Assistants	53.0	51.0	46.0	38.0
Library Assistants	0.0	1.0	1.0	1.0
Administration				
Elementary School	6.0	6.0	6.0	6.0
Middle School	2.0	2.0	2.0	2.0
High School	4.0	4.0	4.0	3.0
Administration Office	10.0	10.0	9.0	8.0
Administrator Assistance	3.0	3.0	3.0	3.0
Secretaries	22.0	22.0	22.0	19.0
Fiscal				
Fiscal Office	2.0	2.0	2.0	2.0
EMIS Coordinator	1.0	1.0	1.0	1.0
Operation and Maintenance of Plant				
Custodians	21.0	21.0	22.0	20.0
Maintenance	4.0	4.0	4.0	4.0
Pupil Transportation				
Bus Drivers	36.0	34.0	33.0	31.0
Bus Aides	2.0	2.0	2.0	2.0
Bus Mechanics	3.0	3.0	2.0	2.0
Secretary	1.0	1.0	1.0	1.0
Non-Instructional Services				
Elementary School Cooks	15.0	15.0	15.0	15.0
Middle School Cooks	4.0	4.0	4.0	4.0
High School Cooks	9.0	9.0	9.0	9.0

Source: School District Records

Method: Using 1.0 for each full-time employee and 0.50 for each part-time and seasonal employee.

n/a - not available

2015	2014	2013	2012	2011	2010
88.0	78.0	78.0	97.0	86.0	98.0
22.0	23.0	23.0	n/a	n/a	n/a
41.0	39.0	38.0	42.0	47.0	45.0
19.0	17.0	12.0	17.0	16.0	22.0
4.0	5.0	3.0	n/a	n/a	n/a
9.0	9.0	7.0	12.0	8.0	9.0
3.0	2.0	2.0	2.0	2.0	5.0
5.0	5.0	4.0	4.0	4.0	6.0
1.0	1.0	1.0	1.0	1.0	1.0
0.0	0.0	0.0	1.0	1.0	1.0
5.0	0.0	0.0	0.0	0.0	0.0
1.0	1.0	1.0	1.0	1.0	1.0
1.0	1.0	1.0	1.0	0.0	1.0
1.0	1.0	1.0	1.0	1.0	1.0
34.0	26.0	25.0	26.0	23.0	23.0
1.0	1.0	1.0	1.0	0.0	4.0
5.0	4.0	4.0	3.0	3.0	3.0
2.0	2.0	2.0	2.0	1.5	2.0
3.0	2.0	2.0	2.0	2.5	3.0
8.0	7.0	6.0	6.0	6.0	8.0
3.0	3.0	3.0	3.0	3.0	3.0
17.0	15.0	14.0	12.0	13.0	14.0
2.0	2.0	2.0	3.0	3.0	3.0
1.0	1.0	1.0	1.0	1.0	1.0
20.0	18.0	18.0	15.0	17.0	15.0
4.0	3.0	3.0	2.0	2.0	2.0
29.0	27.0	23.0	26.0	23.0	28.0
1.0	2.0	1.0	1.0	1.0	2.0
2.0	2.0	2.0	2.0	2.0	2.0
1.0	1.0	1.0	1.0	1.0	1.0
17.0	15.0	15.0	12.0	10.0	10.0
4.0	5.0	5.0	5.0	6.0	6.0
7.0	7.0	7.0	7.0	6.0	8.0

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Big Walnut Local School District
 Per Pupil Cost
 Last Ten Fiscal Years
 (Accrual Basis of Accounting)

Fiscal Year	Expenses	Enrollment	Cost Per Pupil	Teaching Staff	Pupil/ Teacher Ratio
2019	\$49,937,395	3,809	\$13,110	227	16.78
2018	29,818,811	3,668	8,129	228	16.09
2017	45,758,604	3,605	12,693	213	16.92
2016	39,016,664	3,450	11,309	197	17.51
2015	35,998,817	3,273	10,999	186	17.60
2014	34,826,265	3,150	11,056	173	18.21
2013	34,251,869	3,078	11,128	163	18.88
2012	34,059,239	3,063	11,120	170	18.02
2011	30,376,962	2,994	10,146	159	18.83
2010	31,130,867	2,979	10,450	179	16.64

Source: School District Records

Big Walnut Local School District
School Building Statistics
Last Ten Fiscal Years

	*** 2019	*** 2018	*** 2017	*** 2016	2015
Big Walnut Elementary					
Total Square Footage	37,289	37,289	37,289	37,289	36,700
Enrollment	407	394	369	337	320
Student Capacity	405*/298**	405*/298**	405*/298**	405*/298**	575
Regular Instruction Classrooms	23	21	22	19	18
Regular Instruction Teachers	23	21	22	19	18
Special Instruction Classrooms	2	4	2	3	2
Special Instruction Teachers	2	4	2	3	2
Harrison Street Elementary					
Total Square Footage	37,954	37,954	37,954	37,954	36,200
Enrollment	299	303	305	307	247
Student Capacity	265*/303**	265*/303**	265*/303**	265*/303**	475
Regular Instruction Classrooms	16	17	15	15	13
Regular Instruction Teachers	16	17	15	15	13
Special Instruction Classrooms	2	3	2	1	3
Special Instruction Teachers	2	3	2	1	3
Hylen Souders Elementary					
Total Square Footage	42,754	42,754	42,754	42,754	42,493
Enrollment	366	367	360	336	290
Student Capacity	407*/342**	407*/342**	407*/342**	407*/342**	725
Regular Instruction Classrooms	22	21	20	19	17
Regular Instruction Teachers	22	21	20	19	17
Special Instruction Classrooms	2	3	2	2	4
Special Instruction Teachers	2	3	2	2	4
General Rosecrans Elementary					
Total Square Footage	62,594	62,594	62,594	62,594	59,620
Enrollment	524	468	452	443	420
Student Capacity	500*/530**	500*/530**	500*/530**	500*/530**	500
Regular Instruction Classrooms	28	27	26	24	18
Regular Instruction Teachers	28	27	26	24	18
Special Instruction Classrooms	4	4	5	4	5
Special Instruction Teachers	4	4	5	4	5
Big Walnut Intermediate School					
Total Square Footage	73,393	73,393	73,393	73,393	69,680
Enrollment	587	566	557	536	527
Student Capacity	650*/532**	650*/532**	650*/532**	650*/532**	660
Regular Instruction Classrooms	32	28	30	25	22
Regular Instruction Teachers	32	28	30	25	22
Special Instruction Classrooms	6	7	7	5	5
Special Instruction Teachers	6	7	7	5	5

2014	2013	2012	2011	2010
36,700	36,700	36,700	36,700	36,700
456	468	546	497	563
575	575	575	575	575
23	23	25	19	21
23	23	25	19	26
3	2	2	3	4
3	2	2	3	4
36,200	36,200	36,200	36,200	36,200
0	0	0	0	335
475	475	475	475	475
0	0	0	0	18
0	0	0	0	18
0	0	0	0	3
0	0	0	0	4
42,493	42,493	42,493	42,493	42,493
279	265	321	356	457
725	725	725	725	725
14	15	19	18	23
14	15	19	18	23
3	2	2	2	4
3	2	2	2	7
59,620	59,620	59,620	59,620	n/a
506	488	556	540	n/a
500	500	500	500	n/a
23	24	23	20	n/a
23	24	23	20	n/a
6	4	6	4	n/a
6	4	6	4	n/a
69,680	69,680	69,680	69,680	69,680
501	450	685	656	660
660	660	660	660	660
18	16	30	29	29
18	16	30	29	31
5	4	7	3	3
5	4	7	7	7

Big Walnut Local School District
 School Building Statistics
 Last Ten Fiscal Years
 (continued)

	2019	2018	2017	2016	2015
Big Walnut Middle School					
Total Square Footage	106,769	106,769	106,769	106,769	110,000
Enrollment	568	562	563	522	487
Student Capacity	700*/750**	700*/750**	700*/750**	700*/750**	650
Regular Instruction Classrooms	25	20	27	21	22
Regular Instruction Teachers	25	20	27	21	22
Special Instruction Classrooms	8	7	3	6	4
Special Instruction Teachers	8	7	3	6	4
Big Walnut High School					
Total Square Footage	183,175	183,175	183,175	183,175	180,000
Enrollment	1,058	1,008	999	969	982
Student Capacity	1,100*/1,109**	1,100*/1,109**	1,100*/1,109**	1,100*/1,109**	1,100
Regular/Vocational Instruction Classrooms	48	56	48	44	44
Regular/Vocational Instruction Teachers	48	56	48	44	44
Special Instruction Classrooms	9	10	4	9	9
Special Instruction Teachers	9	10	4	9	9

Source: School District Records

n/a - not applicable

*Based on current classroom usage and programs

**Based on 2016 OSFC allowances

***Building square footage and student capacity numbers were updated from the information provided in the 2016 Facility Assessment Report prepared by Architectural Vision Group, LTD in accordance with OSFC Guidelines.

****The middle school was opened during fiscal year 2013. In previous years, the current intermediate school was used as the middle school. It was transitioned to the intermediate school in fiscal year 2013.

2014	2013	2012	2011	2010
110,000	110,000	n/a	n/a	n/a
458	484	n/a	n/a	n/a
650	650	n/a	n/a	n/a
23	23	n/a	n/a	n/a
23	23	n/a	n/a	n/a
5	3	n/a	n/a	n/a
5	3	n/a	n/a	n/a
180,000	180,000	180,000	180,000	180,000
950	923	955	945	964
1,100	1,100	1,100	1,100	1,100
41	40	44	47	45
41	40	44	49	50
9	7	12	8	8
9	7	12	8	9

Big Walnut Local School District
 Full-Time Equivalent Teachers by Education
 Last Ten Fiscal Years

Degree	2019	2018	2017	2016	2015
Bachelor's Degree	30	29	28	24	21
Bachelor + 15	20	21	26	22	20
Bachelor + 30	30	33	28	28	26
Master's Degree	66	71	60	62	58
Master's + 15	34	34	35	29	34
Master's + 30	47	40	36	32	27
Total	<u>227</u>	<u>228</u>	<u>213</u>	<u>197</u>	<u>186</u>

Source: School District Records

<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
15	20	19	16	19
22	20	25	23	27
20	17	17	19	24
59	57	56	53	62
33	30	31	30	30
<u>24</u>	<u>19</u>	<u>22</u>	<u>18</u>	<u>17</u>
<u><u>173</u></u>	<u><u>163</u></u>	<u><u>170</u></u>	<u><u>159</u></u>	<u><u>179</u></u>

Big Walnut Local School District
Teacher's Salaries
Last Ten Fiscal Years

Fiscal Year	Minimum Salary (1)	Maximum Salary (2)	Average Salary Comparable Districts (3)	Statewide Average Salary (3)
2019	\$38,524	\$92,458	n/a	n/a
2018	37,769	90,646	\$66,262	\$62,353
2017	37,028	87,386	64,508	58,849
2016	36,302	85,673	59,691	57,154
2015	35,643	84,117	58,450	56,748
2014	35,064	82,750	59,140	55,916
2013	34,546	81,527	58,215	57,966
2012	34,035	80,323	58,322	56,307
2011	34,035	80,323	58,867	56,715
2010	34,035	80,323	57,190	55,958

Source: School District Records

- (1) Starting teacher with no experience.
- (2) Teacher with Master's Degree and more than 30 years of experience.
- (3) Provided by the Ohio Department of Education.

n/a - not available

Big Walnut Local School District
Enrollment Statistics
Last Ten Fiscal Years

Fiscal Year	Elementary Schools	Intermediate School	Middle School	High School	Total	Out of District*
2019	1,596	587	568	1,058	3,809	85
2018	1,532	566	562	1,008	3,668	n/a
2017	1,486	557	563	999	3,605	n/a
2016	1,423	536	522	969	3,450	n/a
2015	1,277	527	487	982	3,273	n/a
2014	1,241	501	458	950	3,150	n/a
2013	1,221	450	484	923	3,078	n/a
2012	1,423	685	n/a	955	3,063	n/a
2011	1,393	656	n/a	945	2,994	n/a
2010	1,355	660	n/a	964	2,979	n/a

Source: School District Records

n/a - not applicable

Note: The middle school was opened during fiscal year 2013. In previous years, the current intermediate school was used as the middle school. It was transitioned to the intermediate school in fiscal year 2013.

The School District began reporting Out of District in 2019 which consists of students enrolled but not necessarily serviced all year by the School District. These are students school districts are required track and report to the State but are not provided educational services at the time of the headcount enrollment snapshot by building. These students can be transient and could be served in our buildings at any time during a school year. These students include students who are placed in other locations for special services, open enrollment to other school districts, etc.

Big Walnut Local School District
 Percentage of Students Who Receive Free and Reduced Lunches
 Last Ten Fiscal Years

District Buildings	2019	2018	2017	2016	2015
Big Walnut Elementary	11.40%	9.80%	13.90%	16.40%	17.00%
Harrison Street Elementary	17.70	23.10	26.70	26.30	26.00
Hulen Souders Elementary	22.80	22.60	19.80	22.60	24.20
General Rosecrans Elementary	8.60	8.80	9.80	10.60	16.50
Big Walnut Intermediate School	14.40	13.30	16.90	18.20	17.60
Big Walnut Middle School	14.10	15.40	15.10	13.70	16.50
Big Walnut High School	11.70	10.60	12.20	14.20	15.70

Source: School District Records

n/a - not applicable

<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
25.40%	27.90%	25.67%	17.49%	14.00%
n/a	n/a	n/a	n/a	36.00
28.20	32.70	30.94	16.24	21.00
14.40	18.90	18.21	15.05	n/a
15.40	20.80	20.44	25.82	12.00
19.30	22.40	n/a	n/a	n/a
16.20	19.80	17.46	25.40	17.00

Big Walnut Local School District
 Attendance and Graduation Rates
 Last Ten Fiscal Years

Fiscal Year	Attendance Rate	State Average	Graduation Rate	State Average
2019	95.40%	96.60%	98.40%	85.30%
2018	95.30	94.30	96.80	84.10
2017	95.30	93.90	95.00	83.40
2016	95.30	94.10	94.30	83.00
2015	95.40	94.30	97.30	82.20
2014	94.90	94.30	94.10	82.20
2013	94.90	94.20	94.10	82.20
2012	95.40	94.50	96.30	81.30
2011	94.70	94.50	92.90	79.70
2010	94.90	94.30	96.00	78.00

Source: Ohio Department of Education, Local Report Cards



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OHIO AUDITOR OF STATE KEITH FABER



BIG WALNUT LOCAL 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
DECEMBER 31, 2019**