



Dave Yost • Auditor of State



**BIG WALNUT LOCAL SCHOOL DISTRICT  
DELAWARE COUNTY  
JUNE 30, 2018**

**TABLE OF CONTENTS**

<b>TITLE</b>	<b>PAGE</b>
Prepared by Management:	
Schedule of Expenditures of Federal Awards .....	1
Notes to the Schedule of Expenditures of Federal Awards.....	2
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i> .....	3
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.....	5
Schedule of Findings.....	9

**THIS PAGE INTENTIONALLY LEFT BLANK**

**BIG WALNUT LOCAL SCHOOL DISTRICT  
DELAWARE COUNTY**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2018**

<b>FEDERAL GRANTOR Pass Through Grantor Program / Cluster Title</b>	<b>Federal CFDA Number</b>	<b>Pass Through Entity Identifying Number</b>	<b>Total Federal Expenditures</b>
<b>U.S. DEPARTMENT OF AGRICULTURE</b>			
<i>Passed Through Ohio Department of Education:</i>			
Child Nutrition Cluster:			
School Breakfast Program	10.553	N/A	\$ 53,117
National School Lunch Program	10.555	N/A	406,956
Special Milk Program for Children	10.556	N/A	1,876
Total Child Nutrition Cluster:			461,949
Total U.S. Department of Agriculture			<b>461,949</b>
<b>U.S. DEPARTMENT OF EDUCATION</b>			
<i>Passed Through Ohio Department of Education</i>			
Title I Grants to Local Educational Agencies	84.010	N/A	210,640
Special Educaiton Cluster:			
Special Educaiton Grants to States	84.027	N/A	625,724
Total Special Educaiton Cluster:			625,724
English Language Acquisition State Grants	84.365	N/A	3,594
Improving Teacher Quality State Grants	84.367	N/A	66,267
Student Support and Academic Enrichment Program	84.424	N/A	2,382
Total U.S. Department of Education			<b>908,607</b>
<b>Total Expenditures of Federal Awards</b>			<b>\$ 1,370,556</b>

*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, 2018**

**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, 2018. 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 or changes in net position 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.



# Dave Yost • Auditor of State

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

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, 2018, 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, 2018, wherein we noted the School District adopted new accounting guidance in Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*.

### ***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 "Dave Yost". The signature is written in a cursive style with a large, looping "D" and "Y".

**Dave Yost**  
Auditor of State  
Columbus, Ohio

December 12, 2018





# Dave Yost • Auditor of State

## 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, 2018. 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 programs.

### ***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 affects its major federal program for the year ended June 30, 2018.

***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 the 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 the Big Walnut Local School District (the School District) as of and for the year ended June 30, 2018, 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, 2018. Our opinion also explained that the School District adopted *Governmental Accounting Standard No. 75* during the year. 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.



**Dave Yost**  
Auditor of State  
Columbus, Ohio

December 12, 2018

**THIS PAGE INTENTIONALLY LEFT BLANK**

**BIG WALNUT LOCAL SCHOOL DISTRICT  
DELAWARE COUNTY**

**SCHEDULE OF FINDINGS  
2 CFR § 200.515  
JUNE 30, 2018**

**1. SUMMARY OF AUDITOR'S RESULTS**

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

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

None.

**3. FINDINGS FOR FEDERAL AWARDS**

None.

**This page intentionally left blank.**



**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, 2018

**This page intentionally left blank.**





**BIG WALNUT**  
LOCAL SCHOOLS

**INSPIRE  
& GUIDE**

# Introduction



**This page intentionally left blank.**

# **BIG WALNUT LOCAL SCHOOL DISTRICT SUNBURY, OHIO**

## **COMPREHENSIVE ANNUAL FINANCIAL REPORT**

For The Fiscal Year Ended June 30, 2018

Prepared By:

Treasurer's Office

**Jeremy Buskirk, Treasurer**

This Page Intentionally Left Blank

**BIG WALNUT LOCAL SCHOOL DISTRICT**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

**TABLE OF CONTENTS**

**INTRODUCTORY SECTION**

Title Page.....	i
Table of Contents .....	iii
Letter of Transmittal.....	vii
Certificate of Achievement.....	xii
Organizational Chart .....	xiii
Big Walnut Local School District Principal Officials .....	xiv

**FINANCIAL SECTION**

Independent Auditor’s Report .....	1
General Purpose External Financial Statements	
Management’s Discussion and Analysis.....	5
Basic Financial Statements	
Government-Wide Financial Statements	
Statement of Net Position .....	17
Statement of Activities.....	18
Fund Financial Statements	
Balance Sheet - Governmental Funds.....	21
Reconciliation of Total Governmental Fund Balances to Net Position of Governmental Activities.....	22
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds.....	23
Reconciliation of Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to Statement of Activities.....	24
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget (Non-GAAP Budgetary Basis) and Actual: General Fund.....	26

**TABLE OF CONTENTS**

(continued)

**FINANCIAL SECTION** (continued)

Statement of Fiduciary Assets and Liabilities - Agency Funds .....	27
Notes to the Basic Financial Statements .....	28
Required Supplementary Information	
Schedule of the School District's Proportionate Share of the Net Pension Liability - School Employees Retirement System of Ohio .....	76
State Teachers Retirement System of Ohio .....	78
Schedule of the School District's Proportionate Share of the Net OPEB Liability - School Employees Retirement System of Ohio .....	80
State Teachers Retirement System of Ohio .....	81
Schedule of the School District's Contributions - School Employees Retirement System of Ohio .....	82
State Teachers Retirement System of Ohio .....	84
Notes to the Required Supplementary Information .....	86
Combining Statements and Individual Fund Schedules .....	89
Combining Statements - Nonmajor Governmental Funds	
Fund Descriptions .....	91
Combining Balance Sheet - Nonmajor Governmental Funds .....	93
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Nonmajor Governmental Funds .....	99
Combining Statements - Agency Funds	
Fund Descriptions .....	105
Combining Statement of Changes in Assets and Liabilities - Agency Funds .....	106
Individual Fund Schedules of Revenues, Expenditures, and Changes in Fund Balance - Budget (Non-GAAP Budgetary Basis) and Actual .....	107
Major Funds .....	108
Nonmajor Funds .....	114

**TABLE OF CONTENTS**

(continued)

**STATISTICAL SECTION**

Net Position - Last Ten Fiscal Years .....	S-2
Changes in Net Position - Last Ten Fiscal Years .....	S-4
Fund Balances - Governmental Funds - Last Ten Fiscal Years .....	S-6
Changes in Fund Balances - Governmental Funds - Last Ten Fiscal Years .....	S-8
Assessed and Estimated Actual Value of Taxable Property - Last Ten Years.....	S-12
Property Tax Rates - Direct and All Overlapping Governments - Last Ten Years.....	S-14
Real Property Tax Levies and Collections - Last Ten Years.....	S-18
Tangible Personal Property Tax Levies and Collections - Last Ten Years.....	S-19
Principal Taxpayers - Real Property - Current Year and Nine Years Ago .....	S-20
Principal Taxpayers - Public Utility Personal Property - Current Year and Nine Years Ago .....	S-21
Ratios of Outstanding Debt by Type - Last Ten Fiscal Years .....	S-22
Ratio of General Bonded Debt to Estimated Actual Value and Bonded Debt Per Capita - Last Ten Fiscal Years .....	S-23
Computation of Direct and Overlapping Debt .....	S-25
Computation of Legal Debt Margin - Last Ten Fiscal Years .....	S-26
Demographic Statistics - Last Ten Years.....	S-28
Principal Employers - Current Year and Nine Years Ago .....	S-29

**TABLE OF CONTENTS**

(continued)

**STATISTICAL SECTION** (continued)

School District Employees by Function/Program - Last Ten Fiscal Years .....	S-30
Per Pupil Cost - Last Ten Fiscal Years .....	S-33
School Building Statistics - Last Ten Fiscal Years .....	S-34
Full-Time Equivalent Teachers by Education - Last Ten Fiscal Years .....	S-38
Teacher's Salaries - Last Ten Fiscal Years .....	S-40
Enrollment Statistics - Last Ten Fiscal Years .....	S-41
Percentage of Students Who Receive Free and Reduced Lunches - Last Ten Fiscal Years .....	S-42
Attendance and Graduation Rates - Last Ten Fiscal Years .....	S-44





## DISTRICT ADMINISTRATIVE OFFICE

---

110 Tippet Court  
Sunbury, Ohio 43074  
740.965.3010  
www.bwls.net

December 12, 2018

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, 2018. 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, 2018. 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 3,668 students for the fiscal year end June 30, 2018, compared to 3,605 students for the fiscal year ended June 30, 2017. 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 a transportation building and a maintenance facility. In May 2016, an additional building was purchased by the School District to house the administrative offices, which had been located in the intermediate school.

Based on an enrollment study completed in August 2015 by FutureThink, Inc., the School District's enrollment is trending closest with the moderate projections, which are 3,954, 4,140 and 4,295 for fiscal years 2019, 2020, and 2021, respectively. These enrollment numbers do not include students living within School District boundaries enrolled in charter schools. For fiscal year 2018, the School District was staffed by one hundred seventy-seven classified, two hundred forty-one 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.

Delaware County is a suburban community in central Ohio with a 4 percent unemployment rate as of June 2018 (Ohio Department of Job and Family Services Civilian Labor Force Estimates). The estimated population of Delaware County was 200,464 in 2017 (U.S. Census Bureau Fact Finder).

## 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. As State funding continues to decline, 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 2018 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 2018 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 available resources, the most critical needs to achieve results are funded. Expenditure levels are monitored on a per pupil basis to achieve equity among buildings.

## **Major Initiatives**

The School District continues to achieve academically. The State of Ohio has continually changed its local report card format and measures for school districts over the last three years, as three different systems of testing have been implemented. Although the State does not currently issue a composite grade for the report card, when averaging all of the component grades, Big Walnut Local School District has the highest GPA in Delaware County and one of the highest in central Ohio. However, with this uncertain mode of reporting from the State, the School District chose to create a tool for reporting key points of data to our community that will be consistent over the coming years. The School District created an advisory group, consisting of parents and staff members, to create the Big Walnut Local School District Quality Profile. School District leadership is proud to share the second annual Quality Profile that reports measures of academic achievement, student culture, staff leadership and development, parent and community involvement, and fiscal stewardship.

The School District continues its work 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. At the end of fiscal year 2018, the School District started construction of the security entrance upgrades to existing buildings and plan to have them ready for the start of the next school year. Based on estimated growth of property value in the community and a plan of finance that phases in the bond issue debt during multiple years, the School District does not anticipate the full amount of 7.85 mills to be collected early in the repayment schedule.

### Awards

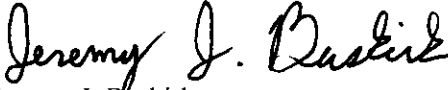
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Big Walnut Local School District for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2017. The Certificate 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 Andy Wecker, Brad Schneider, Douglas Crowl, Allison Fagan, and Mindy Meyer 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. Pollock  
Superintendent



Government Finance Officers Association

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

Presented to

**Big Walnut Local School District  
Ohio**

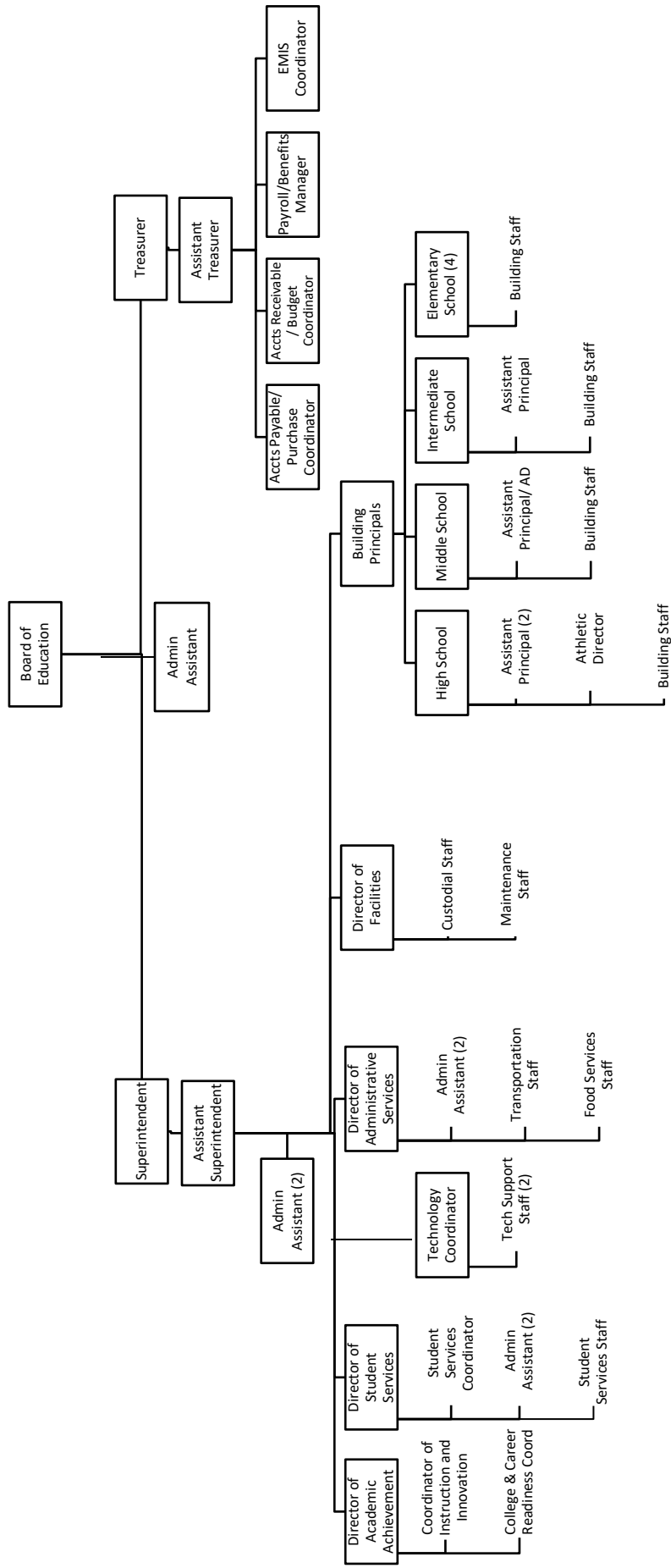
For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2017**

*Christopher P. Morill*

Executive Director/CEO

# Big Walnut Local Schools



BIG WALNUT LOCAL SCHOOL DISTRICT

PRINCIPAL OFFICIALS

JUNE 30, 2018

ELECTED OFFICIALS

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

APPOINTED OFFICIALS

Superintendent ..... Angela S. Pollock  
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..... Darin Prince  
Principal, Big Walnut Intermediate School ..... Ryan McLane  
Assistant Principal,  
Big Walnut Intermediate School..... Sarah Wytzka  
Principal, Big Walnut Elementary ..... Andrea Clark  
Principal, General Rosecrans Elementary..... Megan Rose Forman  
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

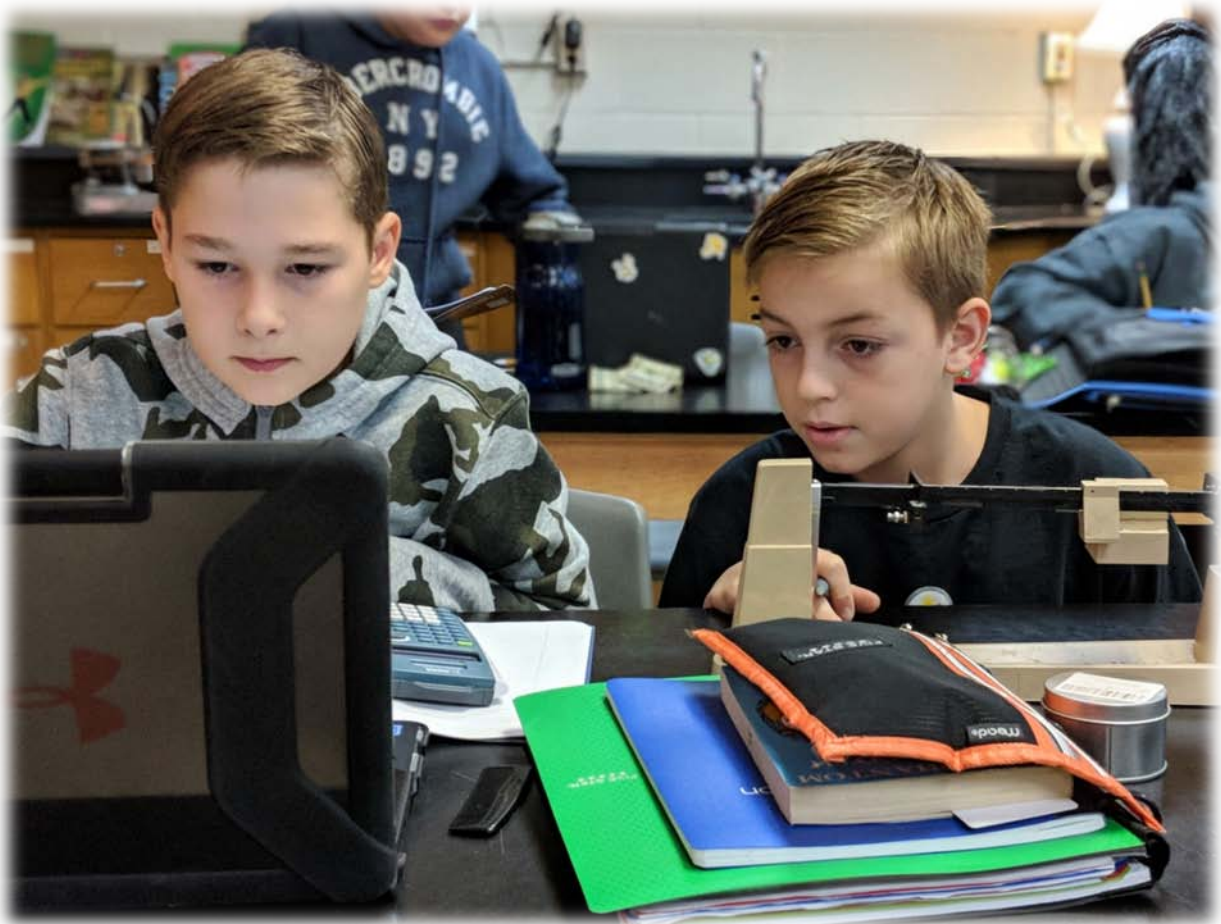




**BIG WALNUT**  
LOCAL SCHOOLS

**INSPIRE  
& GUIDE**

# Financial



This Page Intentionally Left Blank



# Dave Yost • Auditor of State

## 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, 2018, 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, 2018, 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.

### **Emphasis of Matter**

As discussed in Note 3 to the financial statements, during 2018, the School District adopted new accounting guidance in Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. We did not modify our opinion regarding this matter.

### **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, 2018, 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 "Dave Yost". The signature is written in a cursive style with a large, looping "D" and "Y".

**Dave Yost**  
Auditor of State  
Columbus, Ohio

December 12, 2018

This Page Intentionally Left Blank

Big Walnut Local School District  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2018  
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, 2018. 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 2018 are as follows:

In total, net position increased \$18,581,495. Net position at the end of the prior fiscal year was (\$30,868,682) and improved to (\$12,287,187) due to a reduction in the net pension and net OPEB liability.

General revenues were \$43,765,410 or 90 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 2018. 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, 2018  
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 2018 and fiscal year 2017:

Table 1  
Net Position

	2018	Governmental Activities 2017	Change
<u>Assets</u>			
Current and Other Assets	\$54,032,884	\$40,333,685	\$13,699,199
Capital Assets, Net	45,574,640	45,531,706	42,934
Total Assets	\$99,607,524	85,865,391	13,742,133

(continued)



Big Walnut Local School District  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2018  
Unaudited

Table 1  
Net Position  
(continued)

	Governmental Activities		
	2018	2017	Change
<u>Deferred Outflows of Resources</u>			
Pension	\$17,381,593	\$14,142,014	\$3,239,579
OPEB	830,342	86,526	743,816
Other Amounts	1,796,767	1,865,166	(68,399)
Total Deferred Outflows of Resources	<u>20,008,702</u>	<u>16,093,706</u>	<u>3,914,996</u>
<u>Liabilities</u>			
Current and Other Liabilities	5,199,334	4,254,885	(944,449)
Long-Term Liabilities			
Net Pension Liability	43,931,477	57,416,649	13,485,172
Net OPEB Liability	10,070,658	12,003,186	1,932,528
Other Amounts	49,518,422	40,556,992	(8,961,430)
Total Liabilities	<u>108,719,891</u>	<u>114,231,712</u>	<u>5,511,821</u>
<u>Deferred Inflows of Resources</u>			
Pension	1,484,711	0	(1,484,711)
OPEB	1,157,322	0	(1,157,322)
Other Amounts	20,541,489	18,596,067	(1,945,422)
Total Deferred Inflows of Resources	<u>23,183,522</u>	<u>18,596,067</u>	<u>(4,587,455)</u>
<u>Net Position</u>			
Net Investment in Capital Assets	10,058,821	9,487,788	571,033
Restricted	4,000,967	2,860,558	1,140,409
Unrestricted (Deficit)	(26,346,975)	(43,217,028)	16,870,053
Total Net Position (Deficit)	<u>(\$12,287,187)</u>	<u>(\$30,868,682)</u>	<u>\$18,581,495</u>

The net pension liability reported by the School District at June 30, 2018, is reported pursuant to Governmental Accounting Standards Board (GASB) Statement No. 68, "Accounting and Financial Reporting for Pensions". For fiscal year 2018, the School District adopted GASB Statement No. 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions", which significantly revises accounting for costs and liabilities related to other postemployment benefits (OPEB). 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 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, 2018  
Unaudited

---

GASB Statements No. 68 and No. 75 require the net pension liability and the net OPEB liability 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, respectively, not accounted for as deferred outflows/inflows.

As a result of implementing GASB Statement No. 75, the School District is reporting a net OPEB liability and deferred outflows/inflows of resources related to OPEB on the accrual basis of accounting. This implementation also had the effect of restating net position at June 30, 2017, from (\$18,952,022) to (\$30,868,682).

Big Walnut Local School District  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2018  
Unaudited

Pension/OPEB related changes noted in the above table reflect an increase in deferred outflows and deferred inflows. The 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. The effect of these changes for pension and OPEB are the most significant reason for the increase in total net position.

There are, however, several other significant changes of note in the above table. The increase in current and other assets is primarily related to an increase in cash and cash equivalents and property taxes receivable. The increase in cash and cash equivalents is largely due to \$9.46 million in general obligation bonds issued during the fiscal year, of which \$9.2 million had not been spent as of fiscal year end. The increase in property taxes receivable is the result of two additional tax levies, a bond levy and a permanent improvement levy, as well as an increase in assessed valuation of over \$83 million. The issuance of general obligation bonds is also reflected in the increase in other long-term liabilities. The increase in property taxes receivable contributed to the increase in other deferred inflows. There was also a sizable increase in current and other liabilities. A portion of this is related to contracts payable outstanding at fiscal year end for the ongoing construction of a new high school, a new elementary school, and security improvements to existing buildings. The liability for accrued wages and benefits also increased due to wage rate and benefit increases as well as the addition of staff (an additional twenty-three full-time equivalent staff overall).

Table 2 reflects the change in net position for fiscal year 2018 and fiscal year 2017.

Table 2  
Change in Net Position

	Governmental Activities		
	2018	2017	Change
<u>Revenues</u>			
Program Revenues			
Charges for Services	\$2,373,030	\$2,415,155	(\$42,125)
Operating Grants, Contributions, and Interest	2,261,866	2,328,495	(66,629)
Total Program Revenues	4,634,896	4,743,650	(108,754)
General Revenues			
Property Taxes Levied for General Purposes	22,552,163	20,769,187	1,782,976
Property Taxes Levied for Debt Service Purposes	3,051,453	2,744,057	307,396
Property Taxes Levied for Permanent Improvements	856,815	0	856,815
Payment in Lieu of Taxes	100,000	70,000	30,000
Income Taxes Levied for General Purposes	7,102,089	6,489,797	612,292
Grants and Entitlements	9,104,648	8,695,044	409,604
Interest	298,431	93,846	204,585
Gifts and Donations	243,094	194,648	48,446
Miscellaneous	456,717	456,104	613
Total General Revenues	43,765,410	39,512,683	4,252,727
Total Revenues	48,400,306	44,256,333	4,143,973

(continued)

Big Walnut Local School District  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2018  
Unaudited

Table 2  
Change in Net Position  
(continued)

	Governmental Activities		
	2018	2017	Change
<u>Expenses</u>			
Instruction			
Regular	\$10,254,559	\$19,971,733	\$9,717,174
Special	4,266,106	5,918,612	1,652,506
Vocational	57,054	129,042	71,988
Support Services			
Pupils	1,302,823	2,208,747	905,924
Instructional Staff	635,746	1,462,702	826,956
Board of Education	141,801	121,953	(19,848)
Administration	1,203,922	3,911,763	2,707,841
Fiscal	1,102,816	1,262,719	159,903
Business	14,613	13,439	(1,174)
Operation and Maintenance of Plant	3,272,304	3,278,133	5,829
Pupil Transportation	2,982,312	2,891,832	(90,480)
Central	419,477	366,231	(53,246)
Non-Instructional Services	1,624,643	1,807,612	182,969
Extracurricular Activities	741,650	988,450	246,800
Interest and Fiscal Charges	1,798,985	1,425,636	(373,349)
Total Expenses	<u>29,818,811</u>	<u>45,758,604</u>	<u>15,939,793</u>
Increase (Decrease) in Net Position	18,581,495	(1,502,271)	20,083,766
Net Position (Deficit) Beginning of Year	<u>(30,868,682)</u>	n/a	n/a
Net Position (Deficit) End of Year	<u><u>(\$12,287,187)</u></u>	<u><u>(\$30,868,682)</u></u>	<u><u>\$18,581,495</u></u>

The information necessary to restate the fiscal year 2017 beginning balances and the fiscal year 2017 OPEB expense amounts for the effects of the initial implementation of GASB Statement No. 75 is not available. Therefore, fiscal year 2017 functional expenses still include OPEB expense of \$86,526 computed under GASB Statement No. 45. GASB Statement No. 45 required recognizing pension expense equal to contractually required contributions to the plan. Under GASB Statement No. 75, OPEB expense represents additional amounts earned adjusted by deferred outflows/inflows. The contractually required contribution is no longer a component of OPEB expense. Under GASB Statement No. 75, the fiscal year 2018 financial statements report negative OPEB expense of \$1,387,875. Consequently, in order to compare fiscal year 2018 total program expenses to fiscal year 2017, the following adjustments are needed.

Total 2018 Program Expenses Under GASB Statement No. 75	\$29,818,811
Negative OPEB Expense Under GASB Statement No. 75	(1,387,875)
2018 Contractually Required Contribution	(131,147)
Adjusted 2018 Program Expenses	<u>28,299,789</u>
Total 2017 Program Expenses Under GASB Statement No. 45	<u>(45,758,604)</u>
Decrease in Program Expenses Not Related to OPEB	<u><u>(\$17,458,815)</u></u>

Big Walnut Local School District  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2018  
Unaudited

The largest component of the decrease in program expenses results from changes in assumptions and benefit terms related to pensions. STRS adopted certain assumption changes including a reduction in the discount rate and also voted to suspend cost of living adjustments (COLA). SERS decreased the COLA assumption. See Note 15. As a result of these changes, pension expense decreased from \$5,714,456 in fiscal year 2017 to a negative pension expense of \$11,947,372 for fiscal year 2018. The allocation of the fiscal year 2018 negative pension expense to program expenses is as follows.

	2018 Program Expenses Related to Negative Pension Expense
<u>Expenses:</u>	
Instruction:	
Regular	(\$7,193,250)
Special	(1,418,700)
Vocational	(47,617)
Support Services:	
Pupils	(657,559)
Instructional Staff	(592,143)
Board of Education	(43)
Administration	(1,770,781)
Fiscal	(10,748)
Business	(114)
Operation and Maintenance of Plant	(15,333)
Pupil Transportation	(19,674)
Central	(2,278)
Non-Instructional Services	(8,617)
Extracurricular Activities	(210,515)
Total Expenses	(\$11,947,372)

For governmental activities, there was a 9 percent increase in total revenues primarily due to the additional tax levies, a bond levy and a permanent improvement levy, as well as an increase in assessed valuation. There was also an increase in income tax revenue based on the improving economic trend, unrestricted grant and entitlements (State foundation resources based on increased enrollment), and interest revenue.

There was an increase in program expenses, after excluding the decreases related to pension noted above. The increases were primarily salary and benefit related as noted earlier due to scheduled increases and an increase in staffing.

Big Walnut Local School District  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2018  
Unaudited

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	
	2018	2017	2018	2017
Instruction				
Regular	\$10,254,559	\$19,971,733	\$9,107,650	\$18,651,485
Special	4,266,106	5,918,612	2,770,957	4,411,855
Vocational	57,054	129,042	55,559	127,555
Support Services				
Pupils	1,302,823	2,208,747	1,263,315	2,208,747
Instructional Staff	635,746	1,462,702	635,746	1,460,222
Board of Education	141,801	121,953	141,801	121,953
Administration	1,203,922	3,911,763	1,203,922	3,911,763
Fiscal	1,102,816	1,262,719	1,102,816	1,262,719
Business	14,613	13,439	14,613	13,439
Operation and Maintenance of Plant	3,272,304	3,278,133	3,272,304	3,278,133
Pupil Transportation	2,982,312	2,891,832	2,917,513	2,834,807
Central	419,477	366,231	419,477	366,231
Non-Instructional Services	1,624,643	1,807,612	66,071	229,697
Extracurricular Activities	741,650	988,450	413,186	710,712
Interest and Fiscal Charges	1,798,985	1,425,636	1,798,985	1,425,636
Total Expenses	<u>\$29,818,811</u>	<u>\$45,758,604</u>	<u>\$25,183,915</u>	<u>\$41,014,954</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.

Big Walnut Local School District  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2018  
Unaudited

---

**The School District's Funds**

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

Fund balance increased \$514,388 (4 percent) for the General Fund. Revenues increased \$3 million (8 percent) for the reasons described previously; an increase in property tax revenue, income tax revenue, and State foundation resources, as well as an increase in open enrollment tuition and interest revenue. Expenditures increased \$2.7 million (7 percent) due primarily to staffing increases and wage rate and benefit increases.

The increase in fund balance in the Bond Retirement debt service fund was due to property tax and related revenues exceeding amounts required for debt retirement as well as due to the premium on general obligation bonds issued.

The Building capital projects fund was a new fund created in fiscal year 2018 for constructing a new high school, a new elementary school, and security improvements to existing buildings. Bond anticipation notes, in the amount of \$9.5 million, were issued for this construction. These BANS were retired with general obligation bonds issued later in the fiscal year.

**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 2018, the School District amended its General Fund budget as needed. For revenues, there was a modest 2 percent increase from the original budget to the final budget primarily due to increasing estimates for property taxes and open enrollment tuition. Changes from the final budget to actual revenues were not significant. For expenditures, there was little change from the original budget to the final budget and changes from the final budget to actual expenditures were not significant.

**Capital Assets and Debt Administration**

**Capital Assets**

At the end of fiscal year 2018, the School District had \$45,574,640 invested in capital assets (net of accumulated depreciation). The most significant additions for fiscal year 2018 were the start of the construction for the new high school and elementary school, security improvements to the existing buildings, and the purchase of three new buses. Two buses were disposed. For further information regarding the School District's capital assets, refer to Note 11 to the basic financial statements.

Big Walnut Local School District  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2018  
Unaudited

---

Debt

The School District's outstanding debt at June 30, 2018, consisted of general obligation bonds and capital leases, in the amount of \$46,947,430 and \$467,257, respectively. During fiscal year 2018, the School District issued general obligation bonds, in the amount of \$9,460,000, 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, 19, and 20 to the basic financial statements.

**Current Issues**

In fiscal year 2018, the effective class I millage rate for the School District is 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 2018. A county reappraisal or update does increase in 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 also the challenges of the costs to accommodate the growth. Careful planning, monitoring, and foresight over enrollment will be a necessary and important process.

The School District utilizes a five-year forecast of the General Fund 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 2020. The positive cash balance is a result of passing a 6.9 mill substitute emergency levy in May 2015, which has a current effective rate of 5.48, and a 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 has experienced a steady increase in enrollment, as development in the surrounding communities has increased, which prompted the School District to contract with FutureThink, Inc. to have an enrollment study completed to estimate enrollment growth through 2025. The information provided in this study was reviewed closely by the Administration and conveyed to the Board of Education which resulted in the Board of Education forming a Facilities Committee to review the enrollment information and look at existing building capacities. This 24-member committee, comprised of School District residents with experience in general and school construction, real estate, HVAC, security, facility and finance planning and management, and engineering, along with School District staff members studied more than ten possible solutions and presented a build plus repurpose recommendation to the Board of Education in May 2016. With the approval of the 6.6 mill bond levy on November 7, 2017, the School District selected an architect and a construction manager in the spring of 2018 and is in the process of designing the new high school and elementary school. Additional construction projects of security entrance upgrades of five existing buildings was started at the end of fiscal year 2018 and were operational for the start of the 2018/2019 school year. Based on estimated growth of property value in the community and a plan of finance that phases in the bond issue debt over several years, the School District will not expect the full amount of 6.6 mills to be collected early in the repayment schedule.



Big Walnut Local School District  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2018  
Unaudited

---

The School District's facilities range in age from seven years to ninety-two years 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 add new buses for enrollment growth, replace old buses, and maintain aging buildings and grounds.

The School District negotiated a three-year agreement with the Big Walnut Education Association (BWEA) bargaining unit to expire June 30, 2019, providing for a 2 percent increase to the base salary each year. The School District also negotiated a three-year agreement with the Big Walnut Professional Support Staff (BWPSS) bargaining unit to expire June 30, 2019, also providing for a 2 percent increase to the base salary each year. 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.

The Tanger Outlet Mall opened in 2016. The property and improvements have a 10/75 tax increment financing (TIF) mechanism that will limit property tax proceeds from the increased value of property. The School District held several meetings with Simon/Tanger management resulting in an annual direct payment to the School District for the ten-year period of the TIF. The first \$100,000 payment was split, \$30,000 in fiscal year 2017 and \$70,000 in fiscal year 2018. The School District will receive a \$100,000 payment each year for the following nine years.

The School District has worked with local municipalities to establish New Community Authorities (NCA). Sunbury Meadows Subdivision 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 and is under the NCA. The Village of Galena has worked with the School District to establish a NCA for the Arrowhead Lake Estates and Retreats at Dustin, which are two new developments being planned. 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 development 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 Tippett Court, Sunbury, Ohio 43074.

This Page Intentionally Left Blank

Big Walnut Local School District  
Statement of Net Position  
June 30, 2018

	Governmental Activities
<u>Assets</u>	
Equity in Pooled Cash and Cash Equivalents	\$22,962,820
Accounts Receivable	170,682
Accrued Interest Receivable	34,666
Intergovernmental Receivable	705,092
Income Taxes Receivable	3,084,004
Prepaid Items	29,951
Inventory Held for Resale	11,413
Materials and Supplies Inventory	5,858
Property Taxes Receivable	26,928,398
Payment in Lieu of Taxes Receivable	100,000
Nondepreciable Capital Assets	2,485,596
Depreciable Capital Assets, Net	43,089,044
 Total Assets	 99,607,524
<u>Deferred Outflows of Resources</u>	
Deferred Charge on Refunding	1,796,767
Pension	17,381,593
OPEB	830,342
 Total Deferred Outflows of Resources	 20,008,702
<u>Liabilities</u>	
Accounts Payable	197,995
Contracts Payable	454,255
Accrued Wages and Benefits Payable	3,583,109
Matured Compensated Absences Payable	22,529
Retainage Payable	9,196
Intergovernmental Payable	810,938
Accrued Interest Payable	121,312
Long-Term Liabilities	
Due Within One Year	1,497,696
Due in More Than One Year	
Net Pension Liability	43,931,477
Net OPEB Liability	10,070,658
Other Amounts Due in More Than One Year	48,020,726
 Total Liabilities	 108,719,891
<u>Deferred Inflows of Resources</u>	
Property Taxes	20,541,489
Pension	1,484,711
OPEB	1,157,322
 Total Deferred Inflows of Resources	 23,183,522
<u>Net Position</u>	
Net Investment in Capital Assets	10,058,821
Restricted For	
Debt Service	2,519,154
Capital Projects	861,272
Athletics and Music	49,630
Food Service	175,032
Special Instruction	218,080
Other Purposes	177,799
Unrestricted (Deficit)	(26,346,975)
 Total Net Position (Deficit)	 (\$12,287,187)

See Accompanying Notes to the Basic Financial Statements

Big Walnut Local School District  
Statement of Activities  
For the Fiscal Year Ended June 30, 2018

	Program Revenues		
	Expenses	Charges for Services	Operating Grants, Contributions, and Interest
<u>Governmental Activities</u>			
Instruction			
Regular	\$10,254,559	\$1,079,360	\$67,549
Special	4,266,106	104,923	1,390,226
Vocational	57,054	0	1,495
Support Services			
Pupils	1,302,823	0	39,508
Instructional Staff	635,746	0	0
Board of Education	141,801	0	0
Administration	1,203,922	0	0
Fiscal	1,102,816	0	0
Business	14,613	0	0
Operation and Maintenance of Plant	3,272,304	0	0
Pupil Transportation	2,982,312	11,872	52,927
Central	419,477	0	0
Non-Instructional Services	1,624,643	851,479	707,093
Extracurricular Activities	741,650	325,396	3,068
Interest and Fiscal Charges	1,798,985	0	0
	<u>\$29,818,811</u>	<u>\$2,373,030</u>	<u>\$2,261,866</u>

General Revenues

Property Taxes Levied for General Purposes  
Property Taxes Levied for Debt Service Purposes  
Property Taxes Levied for Permanent Improvements  
Payment in Lieu of Taxes  
Income Taxes Levied for General Purposes  
Grants and Entitlements not Restricted to Specific Programs  
Interest  
Gifts and Donations  
Miscellaneous

Total General Revenues

Change in Net Position

Net Position (Deficit) Beginning of Year (Restated - See Note 3)

Net Position (Deficit) End of Year

See Accompanying Notes to the Basic Financial Statements

Net (Expense) Revenue  
and Change in Net Position

Governmental  
Activities

(\$9,107,650)  
(2,770,957)  
(55,559)

(1,263,315)  
(635,746)  
(141,801)  
(1,203,922)  
(1,102,816)  
(14,613)  
(3,272,304)  
(2,917,513)  
(419,477)  
(66,071)  
(413,186)  
(1,798,985)

(25,183,915)

22,552,163  
3,051,453  
856,815  
100,000  
7,102,089  
9,104,648  
298,431  
243,094  
456,717

43,765,410

18,581,495

(30,868,682)

(\$12,287,187)

This Page Intentionally Left Blank

Big Walnut Local School District  
Balance Sheet  
Governmental Funds  
June 30, 2018

	General	Bond Retirement	Building	Other Governmental	Total
<u>Assets</u>					
Equity in Pooled Cash and Cash Equivalents	\$10,085,602	\$2,419,256	\$9,260,926	\$1,168,485	\$22,934,269
Accounts Receivable	168,631	0	0	2,051	170,682
Accrued Interest Receivable	34,666	0	0	0	34,666
Interfund Receivable	43,440	0	0	0	43,440
Intergovernmental Receivable	323,931	0	0	381,161	705,092
Income Taxes Receivable	3,084,004	0	0	0	3,084,004
Prepaid Items	28,734	0	0	1,217	29,951
Inventory Held for Resale	0	0	0	11,413	11,413
Materials and Supplies Inventory	0	0	0	5,858	5,858
Restricted Assets:					
Equity in Pooled Cash and Cash Equivalents	28,551	0	0	0	28,551
Property Taxes Receivable	22,737,708	3,094,408	0	1,096,282	26,928,398
Payment in Lieu of Taxes Receivable	0	0	0	100,000	100,000
<b>Total Assets</b>	<b>\$36,535,267</b>	<b>\$5,513,664</b>	<b>\$9,260,926</b>	<b>\$2,766,467</b>	<b>\$54,076,324</b>
<u>Liabilities</u>					
Accounts Payable	\$142,677	\$0	\$0	\$55,318	\$197,995
Contracts Payable	0	0	454,255	0	454,255
Accrued Wages and Benefits Payable	3,421,882	0	0	161,227	3,583,109
Matured Compensated Absences Payable	22,529	0	0	0	22,529
Retainage Payable	0	0	9,196	0	9,196
Interfund Payable	0	0	0	43,440	43,440
Intergovernmental Payable	777,624	0	1,441	31,873	810,938
<b>Total Liabilities</b>	<b>4,364,712</b>	<b>0</b>	<b>464,892</b>	<b>291,858</b>	<b>5,121,462</b>
<u>Deferred Inflows of Resources</u>					
Property Taxes	17,401,950	2,326,352	0	813,187	20,541,489
Unavailable Revenue	763,292	21,852	0	367,769	1,152,913
<b>Total Deferred Inflows of Resources</b>	<b>18,165,242</b>	<b>2,348,204</b>	<b>0</b>	<b>1,180,956</b>	<b>21,694,402</b>
<u>Fund Balances</u>					
Nonspendable	57,285	0	0	7,075	64,360
Restricted	3,579	3,165,460	8,796,034	1,121,146	13,086,219
Committed	0	0	0	88,458	88,458
Assigned	1,330,868	0	0	98,770	1,429,638
Unassigned (Deficit)	12,613,581	0	0	(21,796)	12,591,785
<b>Total Fund Balances</b>	<b>14,005,313</b>	<b>3,165,460</b>	<b>8,796,034</b>	<b>1,293,653</b>	<b>27,260,460</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b>\$36,535,267</b>	<b>\$5,513,664</b>	<b>\$9,260,926</b>	<b>\$2,766,467</b>	<b>\$54,076,324</b>

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, 2018

Total Governmental Fund Balances \$27,260,460

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. 45,574,640

Deferred outflows of resources includes deferred charges on refundings which do not provide current financial resources and, therefore, are not reported in the funds. 1,796,767

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	90,872	
Accrued Interest Receivable	11,761	
Intergovernmental Receivable	311,958	
Income Taxes Receivable	455,600	
Delinquent Property Taxes Receivable	182,722	
Payment in Lieu Taxes Receivable	<u>100,000</u>	
		1,152,913

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. (121,312)

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

General Obligation Bonds Payable	(46,947,430)	
Compensated Absences Payable	(2,103,735)	
Capital Leases Payable	<u>(467,257)</u>	
		(49,518,422)

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

Deferred Outflows - Pension	17,381,593	
Deferred Inflows - Pension	(1,484,711)	
Net Pension Liability	(43,931,477)	
Deferred Outflows - OPEB	830,342	
Deferred Inflows - OPEB	(1,157,322)	
Net OPEB Liability	<u>(10,070,658)</u>	
		<u>(38,432,233)</u>

Net Position (Deficit) of Governmental Activities (\$12,287,187)

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, 2018

	General	Bond Retirement	Building	Other Governmental	Total
<u>Revenues</u>					
Property Taxes	\$22,593,345	\$3,055,173	\$0	\$849,949	\$26,498,467
Income Taxes	6,961,625	0	0	0	6,961,625
Intergovernmental	9,338,265	329,567	0	1,666,730	11,334,562
Interest	252,061	0	43,762	4,249	300,072
Tuition and Fees	1,414,805	0	0	0	1,414,805
Extracurricular Activities	0	0	0	289,901	289,901
Charges for Services	6,481	0	0	851,574	858,055
Gifts and Donations	132,374	0	0	115,690	248,064
Miscellaneous	333,861	44,555	0	117,394	495,810
<b>Total Revenues</b>	<b>41,032,817</b>	<b>3,429,295</b>	<b>43,762</b>	<b>3,895,487</b>	<b>48,401,361</b>
<u>Expenditures</u>					
Current:					
Instruction					
Regular	19,092,847	0	0	0	19,092,847
Special	5,372,496	0	0	811,616	6,184,112
Vocational	109,995	0	0	0	109,995
Support Services					
Pupils	2,095,706	0	0	66,310	2,162,016
Instructional Staff	1,314,013	0	0	71,983	1,385,996
Board of Education	142,145	0	0	0	142,145
Administration	3,621,269	0	14,460	21,835	3,657,564
Fiscal	1,150,265	38,659	0	7,013	1,195,937
Business	13,009	0	0	0	13,009
Operation and Maintenance of Plant	3,294,791	0	0	0	3,294,791
Pupil Transportation	2,912,217	0	0	256,049	3,168,266
Central	421,583	0	0	12,600	434,183
Non-Instructional Services	3,112	0	0	1,573,656	1,576,768
Extracurricular Activities	632,466	0	0	342,094	974,560
Capital Outlay	222,175	0	733,268	213,212	1,168,655
Debt Service:					
Principal Retirement	110,380	1,293,936	0	53,724	1,458,040
Interest and Fiscal Charges	9,960	1,506,435	0	642	1,517,037
Interest on Capital Appreciation Bonds	0	281,064	0	0	281,064
<b>Total Expenditures</b>	<b>40,518,429</b>	<b>3,120,094</b>	<b>747,728</b>	<b>3,430,734</b>	<b>47,816,985</b>
Excess of Revenues Over (Under) Expenditures	514,388	309,201	(703,966)	464,753	584,376
<u>Other Financing Sources (Uses)</u>					
Bond Anticipation Notes Issued	0	0	9,500,000	0	9,500,000
Current Refunding	0	(9,500,000)	0	0	(9,500,000)
General Obligation Bonds Issued	0	9,460,000	0	0	9,460,000
Premium on Bonds Issued	0	536,413	0	0	536,413
Inception of Capital Lease	0	0	0	256,049	256,049
<b>Total Other Financing Sources (Uses)</b>	<b>0</b>	<b>496,413</b>	<b>9,500,000</b>	<b>256,049</b>	<b>10,252,462</b>
Changes in Fund Balances	514,388	805,614	8,796,034	720,802	10,836,838
Fund Balances Beginning of Year	13,490,925	2,359,846	0	572,851	16,423,622
<b>Fund Balances End of Year</b>	<b>\$14,005,313</b>	<b>\$3,165,460</b>	<b>\$8,796,034</b>	<b>\$1,293,653</b>	<b>\$27,260,460</b>

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, 2018

Changes in Fund Balances - Total Governmental Funds \$10,836,838

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	722,698	
Depreciable Capital Assets	570,360	
Depreciation	<u>(1,250,124)</u>	42,934

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

Delinquent Property Taxes	(38,036)	
Payment in Lieu of Taxes	100,000	
Income Taxes	140,464	
Intergovernmental	24,635	
Interest	2,608	
Tuition and Fees	(225,131)	
Extracurricular Activities	(3,598)	
Charges for Services	(95)	
Gifts and Donations	<u>(1,902)</u>	(1,055)

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	1,293,936	
Capital Leases	<u>164,104</u>	1,458,040

Bond proceeds are other financing sources in the governmental funds but the issuance increase long-term liabilities on the statement of net position. (9,460,000)

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. (256,049)

(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, 2018  
 (continued)

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	(\$26,455)	
Annual Accretion on Capital Appreciation Bonds	(265,316)	
Payment of Accretion on Capital Appreciation Bonds	281,064	
Unamortized Premium	(536,413)	
Amortization of Premium	78,697	
Amortization of Discount	(475)	
Amortization of Deferred Charge on Refunding	<u>(68,399)</u>	(537,297)

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. (260,978)

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

Pension	11,947,372	
OPEB	<u>1,387,875</u>	13,335,247

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

Pension	3,292,668	
OPEB	<u>131,147</u>	<u>3,423,815</u>

Change in Net Position of Governmental Activities \$18,581,495

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, 2018

	Budgeted Amounts		Actual	Variance with Final Budget Over (Under)
	Original	Final		(Under)
<u>Revenues</u>				
Property Taxes	\$21,113,196	\$21,707,294	\$22,072,588	\$365,294
Income Taxes	7,119,065	7,034,093	6,901,674	(132,419)
Intergovernmental	9,386,131	9,574,160	9,338,265	(235,895)
Interest	153,678	252,722	247,886	(4,836)
Tuition and Fees	1,132,079	1,340,877	1,298,110	(42,767)
Charges for Services	13,301	6,886	6,481	(405)
Gifts and Donations	121,222	138,012	135,675	(2,337)
Miscellaneous	233,089	110,992	96,764	(14,228)
<b>Total Revenues</b>	<b>39,271,761</b>	<b>40,165,036</b>	<b>40,097,443</b>	<b>(67,593)</b>
<u>Expenditures</u>				
Current:				
Instruction				
Regular	19,129,667	19,180,857	19,015,158	165,699
Special	5,491,483	5,330,768	5,311,977	18,791
Vocational	115,983	111,355	110,484	871
Support Services				
Pupils	2,095,980	2,102,338	2,082,875	19,463
Instructional Staff	1,323,224	1,307,457	1,298,527	8,930
Board of Education	203,318	202,131	195,231	6,900
Administration	3,524,364	3,699,625	3,615,610	84,015
Fiscal	1,187,226	1,168,330	1,147,918	20,412
Business	13,877	14,188	13,128	1,060
Operation and Maintenance of Plant	3,386,173	3,477,369	3,442,134	35,235
Pupil Transportation	3,063,245	3,044,849	2,984,443	60,406
Central	501,168	441,440	421,895	19,545
Non-Instructional Services	2,195	3,364	3,112	252
Extracurricular Activities	604,402	657,571	633,879	23,692
Capital Outlay	225,526	223,783	222,175	1,608
<b>Total Expenditures</b>	<b>40,867,831</b>	<b>40,965,425</b>	<b>40,498,546</b>	<b>466,879</b>
Excess of Revenues				
Under Expenditures	(1,596,070)	(800,389)	(401,103)	399,286
<u>Other Financing Sources</u>				
Refund of Prior Year Expenditures	0	159,111	159,111	0
Changes in Fund Balance	(1,596,070)	(641,278)	(241,992)	399,286
Fund Balance Beginning of Year	9,481,523	9,481,523	9,481,523	0
Prior Year Encumbrances Appropriated	573,506	573,506	573,506	0
<b>Fund Balance End of Year</b>	<b>\$8,458,959</b>	<b>\$9,413,751</b>	<b>\$9,813,037</b>	<b>\$399,286</b>

See Accompanying Notes to the Basic Financial Statements

Big Walnut Local School District  
Statement of Fiduciary Assets and Liabilities  
Agency Funds  
June 30, 2018

<u>Assets</u>	
Equity in Pooled Cash and Cash Equivalents	<u>\$169,780</u>
 <u>Liabilities</u>	
Undistributed Assets	\$18,592
Due to Students	<u>151,188</u>
Total Liabilities	<u>\$169,780</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, 2018

---

**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-seven classified employees, two hundred forty-one certified employees (two hundred twenty-eight teachers and thirteen others), and twenty-three administrative employees who provide services to 3,668 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, 2018

---

**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 23, 24, and 25 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, 2018

---

**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 sources restricted to building improvement.

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 2018. 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, advance placement testing, State athletic tournament activity, and the Sunbury Meadows Community Development Authority.

**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, 2018

---

**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.

**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, unavailable revenue, pension, and OPEB. Property taxes represent amounts for which there was an enforceable legal claim as of June 30, 2018, but which were levied to finance fiscal year 2019 operations. This amount has 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 22. 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 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 final amended certificate of estimated resources requested by the School District prior to fiscal year end.

Big Walnut Local School District  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2018

---

**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 2018, 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 2018, 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 2018 was \$252,061, which includes \$51,533 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, 2018

---

**Note 2 - Summary of Significant Accounting Policies** (continued)

**G. Prepaid Items**

Payments made to vendors for services that will benefit periods beyond June 30, 2018, 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 expensed/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.

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, net pension/OPEB liability and 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. Bonds and capital leases are recognized as a liability on the fund financial statements when due.

**Note 2 - Summary of Significant Accounting Policies** (continued)

**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.

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.

Big Walnut Local School District  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2018

---

**Note 2 - Summary of Significant Accounting Policies** (continued)

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 2019 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, 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.

**Note 3 - Change in Accounting Principles**

For fiscal year 2018, the School District has implemented Governmental Accounting Standards Board (GASB) Statement No. 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions", Statement No. 85, "Omnibus 2017", and related guidance from GASB Implementation Guide No. 2017-3, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions (and Certain Issues Related to OPEB Plan Reporting).

For fiscal year 2018, the School District also implemented GASB Implementation Guide No. 2017-1. These changes were incorporated in the School District's fiscal year 2018 financial statements; however, there was no effect on beginning net position/fund balance.



Big Walnut Local School District  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2018

---

**Note 3 - Change in Accounting Principles** (continued)

GASB Statement No. 75 established standards for measuring and recognizing postemployment benefit liabilities, deferred outflows of resources, deferred inflows of resources, and expenses/expenditures. The implementation of this statement had the following effect on net position as previously reported.

Net Position June 30, 2017	(\$18,952,022)
Net OPEB Liability	(12,003,186)
Deferred Outflows - Payments Subsequent to the Measurement Date	<u>86,526</u>
Restated Net Position June 30, 2017	<u><u>(\$30,868,682)</u></u>

Other than employer contributions subsequent to the measurement date, the School District made no restatement for deferred outflows/inflows of resources as the information needed to generate these restatements was not available.

GASB Statement No. 85 addresses a variety of topics including issues related to blending component units, goodwill, fair value measurement and application, and postemployment benefits (pension and other postemployment benefits (OPEB)). These changes were incorporated in the School District's fiscal year 2018 financial statements; however, there was no effect on beginning net position/fund balance.

**Note 4 - Accountability**

At June 30, 2018, the Title VI-B and Title IV-A special revenue funds had deficit fund balances, in the amount of \$19,425 and \$1,835, respectively, resulting from adjustments for accrued liabilities. 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, 2018

**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	\$514,388
<b><u>Increase (Decrease) Due To:</u></b>	
Revenue Accruals:	
Accrued FY 2017, Received in Cash FY 2018	7,411,530
Accrued FY 2018, Not Yet Received in Cash	(8,183,698)
Expenditure Accruals:	
Accrued FY 2017, Paid in Cash FY 2018	(3,970,760)
Accrued FY 2018, Not Yet Paid in Cash	4,364,712
Cash Adjustments:	
Unrecorded Cash Activity FY 2017	(4,874)
Unrecorded Cash Activity FY 2018	779
Prepaid Items	(28,734)
Encumbrances Outstanding at Fiscal Year End (Budget Basis)	(345,335)
Budget Basis	(\$241,992)

**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, 2018

---

**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 described in (1) or (2) provided the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two 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, bonds and other obligations of political subdivisions of the State of Ohio;
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);
7. The State Treasurer's investment pool (STAR Ohio); and
8. Certain bankers' acceptances and commercial paper notes for a period not to exceed one hundred eighty 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, 2018

**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. An investment must mature within five years from the date of purchase, 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.

Investments

Investments are reported at fair value or amortized cost. As of June 30, 2018, the School District had the following investments:

Measurement/Investment	Measurement Amount	Less Than Six Months	Six Months to One Year	One Year to Two Years	More Than Two Years
Fair Value - Level One Inputs					
Mutual Funds	\$73,957	\$73,957	\$0	\$0	\$0
Fair Value - Level Two Inputs					
Negotiable Certificates of Deposit	3,860,825	1,087,219	742,120	940,235	1,091,251
Federal Home Loan Bank Notes	754,984	754,984	0	0	0
Federal National Mortgage Association Notes	1,496,320	0	0	1,017,516	478,804
United States Treasury Bills/Notes	2,288,122	2,288,122	0	0	0
Total Fair Value - Level Two Inputs	8,400,251	4,130,325	742,120	1,957,751	1,570,055
Amortized Cost					
Commercial Paper	5,990,208	5,990,208	0	0	0
Net Asset Value Per Share					
STAR Ohio	4,255,068	4,255,068	0	0	0
Total Investments	<u>\$18,719,484</u>	<u>\$14,449,558</u>	<u>\$742,120</u>	<u>\$1,957,751</u>	<u>\$1,570,055</u>

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, 2018. 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).

Big Walnut Local School District  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2018

**Note 6 - Deposits and Investments** (continued)

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	\$3,860,825	20.62%
Federal Home Loan Bank Notes	754,984	4.03
Federal National Mortgage Association Notes	1,496,320	7.99
United States Treasury Bills/Notes	2,288,122	12.22
Commercial Paper	5,990,208	32.00

**Note 7 - Receivables**

Receivables at June 30, 2018, 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.

Big Walnut Local School District  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2018

**Note 7 - Receivables** (continued)

A summary of the principal items of intergovernmental receivables follows:

	Amount
Governmental Activities	
Major Fund	
General Fund	
Bureau of Workers' Compensation	\$80,938
Columbus State Community College	2,392
Medicaid	95,474
Tuition	145,127
Total General Fund	323,931
Other Governmental Funds	
Miscellaneous State Grants	\$4,122
Title VI-B	319,686
Title I	31,488
Title II-A	16,515
Title IV-A	9,350
Total Other Governmental Funds	381,161
Total Intergovernmental Receivables	\$705,092

**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, 2018

---

**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 2018 represent the collection of calendar year 2017 taxes. Real property taxes received in calendar year 2018 were levied after April 1, 2017, on the assessed values as of January 1, 2017, 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 2018 represent the collection of calendar year 2017 taxes. Public utility real and tangible personal property taxes received in calendar year 2018 became a lien on December 31, 2016, were levied after April 1, 2017, 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, 2018, are available to finance fiscal year 2018 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, 2018, 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, 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. The amount available as an advance at June 30, 2017, was \$4,660,997 in the General Fund and \$643,606 in the Bond Retirement debt service 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, 2018

**Note 9 - Property Taxes** (continued)

The assessed values upon which fiscal year 2018 taxes were collected are:

	2017 Second- Half Collections		2018 First- Half Collections	
	Amount	Percent	Amount	Percent
Agricultural/Residential and Other Real Estate	\$725,795,190	84.59%	\$810,593,340	86.10%
Public Utility Personal	132,179,380	15.41	130,844,650	13.90
Total Assessed Value	<u>\$857,974,570</u>	<u>100.00%</u>	<u>\$941,437,990</u>	<u>100.00%</u>
Tax rate per \$1,000 of assessed valuation	\$38.01		\$38.85	

**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, 2018, was as follows:

	Balance at 6/30/17	Additions	Reductions	Balance at 6/30/18
Governmental Activities				
Nondepreciable Capital Assets				
Land	\$1,762,898	\$0	\$0	\$1,762,898
Construction in Progress	0	722,698	0	722,698
Total Nondepreciable Capital Assets	<u>1,762,898</u>	<u>722,698</u>	<u>0</u>	<u>2,485,596</u>
Depreciable Capital Assets				
Land Improvements	749,922	112,825	0	862,747
Buildings and Building Improvements	52,798,110	162,842	0	52,960,952
Furniture, Fixtures, and Equipment	911,586	38,644	0	950,230
Vehicles	3,416,024	256,049	(104,676)	3,567,397
Total Depreciable Capital Assets	<u>57,875,642</u>	<u>570,360</u>	<u>(104,676)</u>	<u>58,341,326</u>

(continued)



Big Walnut Local School District  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2018

**Note 11 - Capital Assets** (continued)

	Balance at 6/30/17	Additions	Reductions	Balance at 6/30/18
Governmental Activities (continued)				
Less Accumulated Depreciation				
Land Improvements	(\$313,928)	(\$30,702)	\$0	(\$344,630)
Buildings and Building Improvements	(11,025,524)	(971,530)	0	(11,997,054)
Furniture, Fixtures, and Equipment	(530,018)	(74,689)	0	(604,707)
Vehicles	(2,237,364)	(173,203)	104,676	(2,305,891)
Total Accumulated Depreciation	(14,106,834)	(1,250,124)	104,676	(15,252,282)
Depreciable Capital Assets, Net	43,768,808	(679,764)	0	43,089,044
Governmental Activities, Capital Assets, Net	\$45,531,706	\$42,934	\$0	\$45,574,640

Depreciation expense was charged to governmental functions as follows:

Instruction:	
Regular	\$624,898
Special	65,517
Vocational	9,542
Support Services:	
Pupils	11,810
Instructional Staff	33,533
Administration	56,942
Fiscal	1,467
Operation and Maintenance of Plant	89,583
Pupil Transportation	187,751
Central	734
Non-Instructional Services	100,197
Extracurricular Activities	68,150
Total Depreciation Expense	<u>\$1,250,124</u>

**Note 12 - Interfund**

At June 30, 2018, the General Fund had an interfund receivable, in the amount of \$43,440, 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, 2018

**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 2018, the School District contracted for the following insurance coverage.

Coverage provided by the Ohio School Plan:	
Buildings and Contents	\$101,028,576
Auto Liability	5,000,000
General Liability	
Each Occurrence	5,000,000
Aggregate	7,000,000

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 2018, 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.

**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, 2018:

Vendor	Contract Amount	Amount Paid as of 6/30/18	Outstanding Balance
LeVeck Commercial Construction	\$1,193,461	\$0	\$1,193,461
Triad Architects, Ltd.	186,671	0	186,671
VSWC Architects, Inc.	6,000,000	245,585	5,754,415

Big Walnut Local School District  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2018

---

**Note 14 - Contractual Commitments** (continued)

At fiscal year end, the amount of significant encumbrances expected to be honored upon performance by the vendor in fiscal year 2019 are as follows:

General Fund	\$345,335
Permanent Improvement Fund	80,002
Building Fund	7,224,244
Other Governmental Funds	43,576
Total	<u><u>\$7,693,157</u></u>

**Note 15 - Defined Benefit Pension Plans**

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

**Net Pension Liability and Net OPEB Liability**

The net pension liability and the net OPEB liability 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 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 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.

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

Big Walnut Local School District  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2018

**Note 15 - Defined Benefit Pension Plans** (continued)

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. Resulting adjustments to the net pension/OPEB liability 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 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](http://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.

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.

**Note 15 - Defined Benefit Pension Plans** (continued)

One year after an effective benefit date, a benefit recipient is entitled to a 3 percent cost of living adjustment (COLA). This same COLA is added each year to the base benefit amount on the anniversary date of the benefit.

Funding Policy - Plan members are required to contribute 10 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, 2018, 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 \$806,275 for fiscal year 2018. Of this amount, \$137,718 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](http://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.

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. Effective July 1, 2017, the cost of living adjustment was reduced to zero. Members are eligible to retire at age sixty with five years of qualifying service credit, at age fifty-five with twenty-six years of service credit, or thirty-one 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 9.5 percent of the 14 percent employer contribution into an investment account. Investment allocation decisions are determined by the member. The remaining 4.5 percent of the 14 percent employer rate is allocated to the defined benefit unfunded liability. A member is eligible to receive a retirement benefit at age fifty and termination of employment. The member may elect to receive a lifetime monthly annuity or a lump sum withdrawal.

Big Walnut Local School District  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2018

**Note 15 - Defined Benefit Pension Plans** (continued)

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, 2018, the employer rate was 14 percent and the plan members were also required to contribute 14 percent of covered salary. The fiscal year 2018 contribution rates were equal to the statutory maximum rates.

The School District's contractually required contribution to STRS was \$2,486,393 for fiscal year 2018. Of this amount, \$428,468 is reported as an intergovernmental payable.

**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, 2017, 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	0.16647170%	0.13513111%	
Proportion of the Net Pension Liability Current Measurement Date	<u>0.16536950%</u>	<u>0.14334122%</u>	
Change in Proportionate Share	<u>0.00110220%</u>	<u>0.00821011%</u>	

Big Walnut Local School District  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2018

**Note 15 - Defined Benefit Pension Plans** (continued)

	SERS	STRS	Total
Proportionate Share of the Net Pension Liability	\$9,880,463	\$34,051,014	\$43,931,477
Pension Expense	(\$97,659)	(\$11,849,713)	(\$11,947,372)

At June 30, 2018, the School District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources.

	SERS	STRS	Total
<b>Deferred Outflows of Resources</b>			
Differences Between Expected and Actual Experience	\$425,221	\$1,314,890	\$1,740,111
Changes of Assumptions	510,926	7,447,331	7,958,257
Changes in Proportionate Share and Difference Between School District Contributions and Proportionate Share of Contributions	375,980	4,014,577	4,390,557
School District Contributions Subsequent to The Measurement Date	806,275	2,486,393	3,292,668
Total Deferred Outflows of Resources	<u>\$2,118,402</u>	<u>\$15,263,191</u>	<u>\$17,381,593</u>

<b>Deferred Inflows of Resources</b>			
Differences Between Expected and Actual Experience	\$0	\$274,438	\$274,438
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	46,900	1,123,723	1,170,623
Changes in Proportionate Share and Difference Between School District Contributions and Proportionate Share of Contributions	39,650	0	39,650
Total Deferred Inflows of Resources	<u>\$86,550</u>	<u>\$1,398,161</u>	<u>\$1,484,711</u>

\$3,292,668 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, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized as pension expense as follows.

	SERS	STRS	Total
Fiscal Year Ended June 30,			
2019	\$654,262	\$2,846,174	\$3,500,436
2020	663,981	4,374,822	5,038,803
2021	137,669	3,080,113	3,217,782
2022	(230,335)	1,077,528	847,193
Total	<u>\$1,225,577</u>	<u>\$11,378,637</u>	<u>\$12,604,214</u>

**Note 15 - Defined Benefit Pension Plans** (continued)

**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, 2017, are presented below.

Wage 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

Prior to 2017, an assumption of 3 percent was used for COLA and Ad Hoc COLA.

For 2017, the 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.



Big Walnut Local School District  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2018

**Note 15 - Defined Benefit Pension Plans** (continued)

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.

	1% Decrease (6.5%)	Current Discount Rate (7.5%)	1% Increase (8.5%)
School District's Proportionate Share of the Net Pension Liability	\$13,711,514	\$9,880,463	\$6,671,175

Big Walnut Local School District  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2018

**Note 15 - Defined Benefit Pension Plans** (continued)

**Actuarial Assumptions - STRS**

Key methods and assumptions used in the latest actuarial valuation reflecting experience study results used in the July 1, 2017, actuarial valuation compared with July 1, 2016, are presented below.

	<u>July 1, 2017</u>	<u>July 1, 2016</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

For the July 1, 2017, actuarial valuation, 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 the July 1, 2016, actuarial valuation, mortality rates were based on the RP-2000 Combined Mortality Table (Projection 2022-Scale AA) for males and females. Males ages were set back two years through age eighty-nine and no set back for age ninety and above. Females younger than age eighty were set back four years, one year set back from age eighty through eighty-nine, and no set back from age ninety and above.

Actuarial assumptions used in the July 1, 2017, valuation are based on the results of an actuarial experience study for the period July 2, 2011, through June 30, 2016. Actuarial assumptions used in the June 30, 2016, valuation are based on the results of an actuarial experience effective July 1, 2012.

Big Walnut Local School District  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2018

**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, 2017. The discount rate used to measure the total pension liability was 7.75 percent as of June 30, 2016. The projection of cash flows used to determine the discount rate assumes member and employer contributions will be made at the statutory contribution rates in accordance with rate increases described above. For this purpose, only employer contributions that are intended to fund benefits of current plan members and their beneficiaries are included. 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, 2017. 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, 2017.

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.

	1% Decrease (6.45%)	Current Discount Rate (7.45%)	1% Increase (8.45%)
School District's Proportionate Share of the Net Pension Liability	\$48,810,970	\$34,051,014	\$21,617,964

**Note 16 - Postemployment Benefits**

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

**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](http://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.

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 2018, .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 2018, this amount was \$23,700. 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 2018, the School District's surcharge obligation was \$96,429.

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 \$131,147 for fiscal year 2018. Of this amount, \$101,530 is reported as an intergovernmental payable.

Big Walnut Local School District  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2018

**Note 16 - Postemployment Benefits** (continued)

**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](http://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, 2018, STRS did not allocate any employer contributions to postemployment health care.

**Net OPEB Liability**

The net OPEB liability was measured as of June 30, 2017, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date. The School District's proportion of the net OPEB liability was based on the School District's share of contributions to the respective retirement systems relative to the contributions of all participating entities. Following is information related to the proportionate share and OPEB expense.

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Proportion of the Net OPEB Liability Prior Measurement Date	0.16756910%	0.13513111%	
Proportion of the Net OPEB Liability Current Measurement Date	<u>0.16685730%</u>	<u>0.14334122%</u>	
Change in Proportionate Share	<u>0.00071180%</u>	<u>0.00821011%</u>	
Proportionate Share of the Net OPEB Liability	\$4,478,012	\$5,592,646	\$10,070,658
OPEB Expense	\$255,972	(\$1,643,847)	(\$1,387,875)

Big Walnut Local School District  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2018

**Note 16 - Postemployment Benefits** (continued)

At June 30, 2018, the School District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources.

	SERS	STRS	Total
<b>Deferred Outflows of Resources</b>			
Differences Between Expected and Actual Experience	\$0	\$322,842	\$322,842
Changes in Proportionate Share and Difference Between School District Contributions and Proportionate Share of School District Contributions Subsequent to the Measurement Date	0	376,353	376,353
	<u>131,147</u>	<u>0</u>	<u>131,147</u>
Total Deferred Outflows of Resources	<u>\$131,147</u>	<u>\$699,195</u>	<u>\$830,342</u>
<b>Deferred Inflows of Resources</b>			
Changes of Assumptions	\$424,940	\$450,506	\$875,446
Net Difference Between Projected and Actual Earnings on OPEB Plan Investments	11,825	239,043	250,868
Changes in Proportionate Share and Difference Between School District Contributions and Proportionate Share of Contributions	<u>31,008</u>	<u>0</u>	<u>31,008</u>
Total Deferred Inflows of Resources	<u>\$467,773</u>	<u>\$689,549</u>	<u>\$1,157,322</u>

\$131,147 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 in the fiscal year ending June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized as OPEB expense as follows.

	SERS	STRS	Total
Fiscal Year Ended June 30,			
2019	(\$168,155)	(\$18,312)	(\$186,467)
2020	(168,155)	(18,312)	(186,467)
2021	(128,507)	(18,312)	(146,819)
2022	(2,956)	(18,314)	(21,270)
2023	0	41,448	41,448
2024	<u>0</u>	<u>41,448</u>	<u>41,448</u>
Total	<u>(\$467,773)</u>	<u>\$9,646</u>	<u>(\$458,127)</u>

Big Walnut Local School District  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2018

---

**Note 16 - Postemployment Benefits** (continued)

**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.

Key methods and assumptions used in calculating the total OPEB liability in the latest actuarial valuation date of June 30, 2017, are presented below.

Wage 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	3.56 percent
Prior Measurement Date	2.92 percent
Single Equivalent Interest Rate, net of plan investment expense including inflation	
Measurement Date	3.63 percent
Prior Measurement Date	2.98 percent
Medical Trend Assumption	
Medicare	5.5 to 5 percent
Pre-Medicare	7.5 to 5 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.

Big Walnut Local School District  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2018

**Note 16 - Postemployment Benefits** (continued)

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.

Discount Rate - The discount rate used to measure the total OPEB liability at June 30, 2017, was 3.63 percent. The discount rate used to measure the total OPEB liability prior to June 30, 2017, was 2.98 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 3.56 percent, as of June 30, 2017 (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 (2.63 percent) or one percentage point higher (4.63 percent) than the current discount rate (3.63 percent). Also shown is what SERS' net OPEB liability would be based on health care cost trend rates that are one percentage point lower (6.5 percent decreasing to 4 percent) and one percentage point higher (8.5 percent decreasing to 6 percent) than the current rate.

	1% Decrease (2.63%)	Current Discount Rate (3.63%)	1% Increase (4.63%)
School District's Proportionate Share of the Net OPEB Liability	\$5,407,769	\$4,478,012	\$3,741,406



Big Walnut Local School District  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2018

**Note 16 - Postemployment Benefits** (continued)

	1% Decrease (6.5% Decreasing to 4%)	Current Trend Rate (7.53% Decreasing to 5%)	1% Increase (8.5% Decreasing to 6%)
School District's Proportionate Share of the Net OPEB Liability	\$3,633,571	\$4,478,012	\$5,595,643

**Actuarial Assumptions - STRS**

Key methods and assumptions used in the latest actuarial valuation reflecting experience study results used in the June 30, 2017, 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
Payroll Increases	3 percent
Cost of Living Adjustments (COLA)	0 percent effective July 1, 2017
Blended Discount Rate of Return	4.13 percent
Health Care Cost Trends	6 to 11 percent initial, 4.5 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, 2017, 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 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.

Big Walnut Local School District  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2018

**Note 16 - Postemployment Benefits** (continued)

Also since the prior measurement date, 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 premium reimbursements will be discontinued beginning January 2019. Subsequent to the current measurement date, the date for discontinuing remaining Medicare Part B reimbursements was extended to January 2020.

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 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 not projected to be sufficient to make all projected future benefit payments of current plan members. The OPEB plan's fiduciary net position was projected to become insufficient to make future benefit payments during the fiscal year ending June 30, 2037. Therefore, the long-term expected rate of return on OPEB plan assets was used to determine the present value of the projected benefit payments through the fiscal year ending June 30, 2036, and the Bond Buyer Twenty-Year Municipal Bond Rate of 3.58 percent as of June 30, 2017 (i.e. municipal bond rate), was used to determine the present value of 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 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. A blended discount rate of 3.26 percent which represents the long-term expected rate of return of 7.75 percent for the funded benefit payments and the Bond Buyer Twenty-Year Municipal Bond Rate of 2.85 percent for the unfunded benefit payments was used to measure the total OPEB liability at June 30, 2016.

Sensitivity of the School District's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate and the Health Care Cost Trend Rate - The following table represents the net OPEB liability as of June 30, 2017, calculated using the current period discount rate assumption of 4.13 percent as well as what the net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (3.13 percent) or one percentage point higher (5.13 percent) than the current assumption. Also shown is the net OPEB liability 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 (3.13%)	Current Discount Rate (4.16%)	1% Increase (5.13%)
School District's Proportionate Share of the Net OPEB Liability	\$7,508,037	\$5,592,646	\$4,078,860

Big Walnut Local School District  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2018

**Note 18 - Postemployment Benefits** (continued)

	1% Decrease	Current Trend Rate	1% Increase
School District's Proportionate Share of the Net OPEB Liability	\$3,885,530	\$5,592,646	\$7,839,409

**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.

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 - Short-Term Obligations**

On December 21, 2017, the School District issued bond anticipation notes, in the amount of \$9,500,000, for building construction. The notes had an interest rate of 2.625 percent and matured on May 1, 2018. These notes were paid with the proceeds of general obligation bonds.

Big Walnut Local School District  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2018

**Note 19 - Long-Term Obligations**

Changes in the School District's long-term obligations during fiscal year 2018 were as follows:

	Restated Balance at 6/30/17	Additions	Reductions	Balance at 6/30/18	Amounts Due Within One Year
Governmental Activities					
General Long-Term Obligations					
School Facilities Construction and Improvement Bonds FY 2009					
Serial Bonds 2.5-3.65%	\$330,000	\$0	\$0	\$330,000	\$330,000
Capital Appreciation Bonds 3.19%	48,936	0	48,936	0	0
Accretion on Capital Appreciation Bonds	252,389	28,675	281,064	0	0
Bond Premium	11,980	0	1,547	10,433	0
Bond Discount	(3,676)	0	(475)	(3,201)	0
School Facilities Construction and Improvement Bonds (Group D) FY 2010					
Term Bonds 1.650%	7,175,000	0	710,000	6,465,000	720,000
Refunding School Improvement Bonds FY 2012					
Serial Bonds 2-3%	7,065,000	0	525,000	6,540,000	200,000
Capital Appreciation Bonds 32%	143,405	0	0	143,405	46,150
Accretion on Capital Appreciation Bonds	541,312	236,641	0	777,953	0
Bond Premium	1,056,658	0	76,958	979,700	0
Refunding School Improvement Bonds FY 2015					
Term Bonds 3%	380,000	0	10,000	370,000	10,000
Serial Bonds 3-3.625%	9,565,000	0	0	9,565,000	0
Bond Premium	191,179	0	192	190,987	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	0
Bond Premium	420,349	0	0	420,349	0

(continued)

Big Walnut Local School District  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2018

**Note 19 - Long-Term Obligations** (continued)

	Restated Balance at 6/30/17	Additions	Reductions	Balance at 6/30/18	Amounts Due Within One Year
Governmental Activities (continued)					
General Long-Term Obligations (continued)					
School Facilities Construction and Improvement Bonds FY 2018					
Serial Bonds 2-4%	\$0	\$9,460,000	\$0	\$9,460,000	\$0
Bond Premium	0	536,413	0	536,413	0
Total General Long-Term Obligations	38,338,923	10,261,729	1,653,222	46,947,430	1,306,150
Net Pension Liability					
SERS	12,184,193	0	2,303,730	9,880,463	0
STRS	45,232,456	0	11,181,442	34,051,014	0
Total Net Pension Liability	57,416,649	0	13,485,172	43,931,477	0
Net OPEB Liability					
SERS	4,776,339	0	298,327	4,478,012	0
STRS	7,226,847	0	1,634,201	5,592,646	0
Total Net OPEB Liability	12,003,186	0	1,932,528	10,070,658	0
Compensated Absences	1,842,757	328,815	67,837	2,103,735	32,595
Capital Leases	375,312	256,049	164,104	467,257	158,951
Total Governmental Activities Long-Term Obligations	<u>\$109,976,827</u>	<u>\$10,846,593</u>	<u>\$17,302,863</u>	<u>\$103,520,557</u>	<u>\$1,497,696</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. The remaining bonds are being retired through the Bond Retirement debt service fund.

The capital appreciation bonds matured and 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.

Big Walnut Local School District  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2018

---

**Note 19 - Long-Term Obligations** (continued)

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:

<u>Year</u>	<u>Amount</u>
2018	\$720,000
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.

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 included 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, 2018, 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 2018, \$236,641 was accreted on the capital appreciation bonds for a total value of \$921,358 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 included 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.

Big Walnut Local School District  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2018

---

**Note 19 - Long-Term Obligations** (continued)

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>
2018	\$10,000
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.

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 consisted 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, 2018, \$4,960,000 of the refunded bonds was still outstanding.

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.

Big Walnut Local School District  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2018

**Note 19 - Long-Term Obligations** (continued)

As of June 30, 2018, \$4,130,000 of the refunded bonds was still outstanding.

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 at a premium of \$536,413. 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, 2018, \$9,217,164 of bond proceeds had not been spent and \$23,409 was spent on items which were not capitalized.

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

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 and the Building Improvement capital projects fund.

The School District's overall debt margin was \$33,190,456 with an unvoted debt margin of \$810,593 at June 30, 2018.

Principal and interest requirements to retire general obligation bonds outstanding at June 30, 2018, were as follows:

Fiscal Year Ending June 30,	General Obligation Bonds				
	Serial	Term	Capital Appreciation	Interest	Total
2019	\$530,000	\$730,000	\$46,150	\$1,729,888	\$3,036,038
2020	630,000	930,000	55,792	1,898,716	3,514,508
2021	650,000	945,000	41,463	1,880,042	3,516,505
2022	1,220,000	955,000	0	1,332,869	3,507,869
2023	1,250,000	975,000	0	1,279,474	3,504,474
2024-2028	7,425,000	2,300,000	0	5,608,570	15,333,570
2029-2033	10,920,000	0	0	3,989,210	14,909,210
2034-2038	13,325,000	0	0	1,095,593	14,420,593
	<u>\$35,950,000</u>	<u>\$6,835,000</u>	<u>\$143,405</u>	<u>\$18,814,362</u>	<u>\$61,742,767</u>



Big Walnut Local School District  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2018

**Note 20 - Capital Leases - Lessee Disclosure**

The School District has entered into capitalized leases for equipment and vehicles. New capital leases are reflected in the accounts “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 2018 were \$164,104.

	Governmental Activities
Equipment and Vehicles	\$801,150
Less Accumulated Depreciation	(198,365)
Carrying Value at June 30, 2018	\$602,785

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, 2018.

	Governmental Activities	
Year	Principal	Interest
2019	\$158,951	\$12,211
2020	131,493	7,801
2021	124,005	4,678
2022	52,808	1,559
Total	\$467,257	\$26,249

**Note 21 - 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	\$5,858	\$5,858
Prepaid Items	28,734	0	0	1,217	29,951
Unclaimed Monies	28,551	0	0	0	28,551
Total Nonspendable	57,285	0	0	7,075	64,360

(continued)

Big Walnut Local School District  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2018

**Note 21 - Fund Balance** (continued)

Fund Balance	General	Bond Retirement	Building	Other Governmental	Total Governmental Funds
Restricted for:					
Athletics and Music	\$0	\$0	\$0	\$48,437	\$48,437
Building Construction	0	0	0	712,981	712,981
Debt Retirement	0	3,165,460	0	0	3,165,460
Food Service Operations	0	0	0	230,811	230,811
Nonpublic Schools	0	0	0	94,294	94,294
Permanent Improvements	0	0	8,796,034	0	8,796,034
Regular Instruction	3,579	0	0	33,730	37,309
Special Instruction	0	0	0	893	893
<b>Total Restricted</b>	<b>3,579</b>	<b>3,165,460</b>	<b>8,796,034</b>	<b>1,121,146</b>	<b>13,086,219</b>
Committed for:					
Permanent Improvements	0	0	0	88,458	88,458
Assigned for:					
Educational Activities	63,209	0	0	0	63,209
Extracurricular Activities	12,924	0	0	0	12,924
Permanent Improvements	0	0	0	98,770	98,770
Projected Budget Shortage	1,077,508	0	0	0	1,077,508
Regular Instruction	448	0	0	0	448
Unpaid Obligations	176,779	0	0	0	176,779
<b>Total Assigned</b>	<b>1,330,868</b>	<b>0</b>	<b>0</b>	<b>98,770</b>	<b>1,429,638</b>
Unassigned (Deficit)	12,613,581	0	0	(21,796)	12,591,785
<b>Total Fund Balance</b>	<b>\$14,005,313</b>	<b>\$3,165,460</b>	<b>\$8,796,034</b>	<b>\$1,293,653</b>	<b>\$27,260,460</b>

**Note 22 - 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, 2018

---

**Note 22 - Set Asides** (continued)

The following cash basis information identifies the change in the fund balance set aside for capital improvements during fiscal year 2018.

	<u>Capital Improvements</u>
Balance June 30, 2017	\$0
Current Year Set Aside Requirement	619,054
Current Year Offsets	<u>(619,054)</u>
Balance June 30, 2018	<u>\$0</u>

**Note 23 - 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 2018, the School District paid \$64,982 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 23 - 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 24 - 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 fifteen member board consisting of superintendents, treasurers, the president of Harcum-Shuett Insurance Agency, Inc., and a member of the Hylant Group, Inc. The Hylant Group, Inc. is the Plan's administrator and is responsible for processing claims. Harcum-Shuett Insurance Agency serves as the sales and marketing representative which establishes agreements between the Plan and its members. Financial information can be obtained from Harcum-Shuett Insurance Agency, 246 East Sycamore Street, Columbus, Ohio 43206.

**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 25 - 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.

**Note 26 - 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, 2018.

**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 a result of the fiscal year 2018 review, the School District owes \$26,894. This amount has not been included in the financial statements.

**C. Litigation**

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

**Note 27 - Subsequent Event**

On July 25, 2018, the School District issued School Facilities Construction and Improvement Bonds, in the amount \$42,000,000 for the construction of new school buildings. The bonds have an interest rate of 2.5 to 5 percent with a final maturity on December 1, 2055.

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 Five Fiscal Years (1)

	2018	2017	2016	2015
School District's Proportion of the Net Pension Liability	0.16536950%	0.16647170%	0.16083990%	0.14705300%
School District's Proportionate Share of the Net Pension Liability	\$9,880,463	\$12,184,193	\$9,177,680	\$7,442,269
School District's Employee Payroll	\$5,622,100	\$5,240,186	\$4,889,340	\$4,372,336
School District's Proportionate Share of the Net Pension Liability as a Percentage of Employee Payroll	175.74%	232.51%	187.71%	170.21%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	69.50%	62.98%	69.16%	71.70%

(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

---

2014

---

0.14705300%

\$8,744,770

\$3,813,748

229.30%

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 Five Fiscal Years (1)

	2018	2017	2016	2015
School District's Proportion of the Net Pension Liability	0.14334122%	0.13513111%	0.12764004%	0.12055539%
School District's Proportionate Share of the Net Pension Liability	\$34,051,014	\$45,232,456	\$35,275,973	\$29,323,243
School District's Employee Payroll	\$15,802,929	\$14,255,336	\$14,399,121	\$12,256,554
School District's Proportionate Share of the Net Pension Liability as a Percentage of Employee Payroll	215.47%	317.30%	244.99%	239.25%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	75.30%	66.80%	72.10%	74.70%

(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



---

2014

---

0.12055539%

\$34,929,655

\$11,818,185

295.56%

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 Two Fiscal Years (1)

	2018	2017
School District's Proportion of the Net OPEB Liability	0.16685730%	0.16756910%
School District's Proportionate Share of the Net OPEB Liability	\$4,478,012	\$4,776,339
School District's Employee Payroll	\$5,622,100	\$5,240,186
School District's Proportionate Share of the Net OPEB Liability as a Percentage of Employee Payroll	79.65%	91.15%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	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  
 State Teachers Retirement System of Ohio  
 Last Two Fiscal Years (1)

	2018	2017
School District's Proportion of the Net OPEB Liability	0.16685730%	0.16756910%
School District's Proportionate Share of the Net OPEB Liability	\$5,592,646	\$7,226,847
School District's Employee Payroll	\$15,802,929	\$14,255,336
School District's Proportionate Share of the Net OPEB Liability as a Percentage of Employee Payroll	35.39%	50.70%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	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>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
<b>Net Pension Liability</b>				
Contractually Required Contribution	\$806,275	\$787,094	\$733,626	\$644,415
Contributions in Relation to the Contractually Required Contribution	<u>(806,275)</u>	<u>(787,094)</u>	<u>(733,626)</u>	<u>(644,415)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
School District Employee Payroll (1)	\$5,972,407	\$5,622,100	\$5,240,186	\$4,889,340
Pension Contributions as a Percentage of Employee Payroll	13.50%	14.00%	14.00%	13.18%
<b>Net OPEB Liability</b>				
Contractually Required Contribution (2)	\$131,147	\$86,526	\$79,935	\$113,514
Contributions in Relation to the Contractually Required Contribution	<u>(131,147)</u>	<u>(86,526)</u>	<u>(79,935)</u>	<u>(113,514)</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>2.20%</u>	<u>1.54%</u>	<u>1.53%</u>	<u>2.32%</u>
Total Contributions as a Percentage of Employee Payroll (2)	<u>15.70%</u>	<u>15.54%</u>	<u>15.53%</u>	<u>15.50%</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>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
\$606,006	\$527,823	\$528,529	\$433,704	\$516,314	\$418,670
<u>(606,006)</u>	<u>(527,823)</u>	<u>(528,529)</u>	<u>(433,704)</u>	<u>(516,314)</u>	<u>(418,670)</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$4,372,336	\$3,813,748	\$3,929,583	\$3,450,313	\$3,813,247	\$4,254,774
13.86%	13.84%	13.45%	12.57%	13.54%	9.84%
\$78,070	\$73,082	\$86,188	\$110,839	\$75,894	\$236,305
<u>(78,070)</u>	<u>(73,082)</u>	<u>(86,188)</u>	<u>(110,839)</u>	<u>(75,894)</u>	<u>(236,305)</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<u>1.79%</u>	<u>1.92%</u>	<u>2.19%</u>	<u>3.21%</u>	<u>1.99%</u>	<u>5.55%</u>
<u>15.65%</u>	<u>15.76%</u>	<u>15.64%</u>	<u>15.78%</u>	<u>15.53%</u>	<u>15.39%</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>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
<b>Net Pension Liability</b>				
Contractually Required Contribution	\$2,486,393	\$2,212,410	\$1,995,747	\$2,015,877
Contributions in Relation to the Contractually Required Contribution	<u>(2,486,393)</u>	<u>(2,212,410)</u>	<u>(1,995,747)</u>	<u>(2,015,877)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
School District Employee Payroll	\$17,759,950	\$15,802,929	\$14,255,336	\$14,399,121
Pension Contributions as a Percentage of Employee Payroll	14.00%	14.00%	14.00%	14.00%
<b>Net OPEB Liability</b>				
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>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
\$1,593,352	\$1,536,364	\$1,519,970	\$1,470,562	\$1,557,554	\$1,557,762
<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>(1,557,762)</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$12,256,554	\$11,818,185	\$11,692,077	\$11,312,015	\$11,981,185	\$11,982,785
13.00%	13.00%	13.00%	13.00%	13.00%	13.00%
\$122,566	\$118,182	\$116,921	\$113,120	\$119,812	\$119,828
<u>(122,566)</u>	<u>(118,182)</u>	<u>(116,921)</u>	<u>(113,120)</u>	<u>(119,812)</u>	<u>(119,828)</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
1.00%	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, 2018

**Net Pension Liability**

**Changes in Assumptions - SERS**

For 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 new 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**

Amounts reported for fiscal year 2018 incorporate changes in assumptions and changes in benefit terms used by STRS in calculating the total pension liability in the latest actuarial valuation. These new 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, 2018

---

For 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 were set back two years through age eighty-nine and no set back for age ninety and above. Females younger than age eighty were 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 2018	3.56 percent
Fiscal Year 2017	2.92 percent
Single Equivalent Interest Rate, net of plan investment expense including inflation	
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.

Also 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 premium reimbursements will be discontinued beginning January 2019.

This Page Intentionally Left Blank

**COMBINING STATEMENTS AND  
INDIVIDUAL FUND SCHEDULES**

This Page Intentionally Left Blank

### **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)

Big Walnut Local School District  
Combining Statements - Nonmajor Governmental Funds

---

**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, 2018

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
<u>Assets</u>			
Equity in Pooled Cash and Cash Equivalents	\$542,343	\$626,142	\$1,168,485
Accounts Receivable	2,051	0	2,051
Intergovernmental Receivable	381,161	0	381,161
Prepaid Items	1,217	0	1,217
Inventory Held for Resale	11,413	0	11,413
Materials and Supplies Inventory	5,858	0	5,858
Property Taxes Receivable	0	1,096,282	1,096,282
Payment in Lieu of Taxes Receivable	0	100,000	100,000
Total Assets	<u>\$944,043</u>	<u>\$1,822,424</u>	<u>\$2,766,467</u>
<u>Liabilities</u>			
Accounts Payable	\$55,318	\$0	\$55,318
Accrued Wages and Benefits Payable	161,227	0	161,227
Interfund Payable	43,440	0	43,440
Intergovernmental Payable	29,711	2,162	31,873
Total Liabilities	<u>289,696</u>	<u>2,162</u>	<u>291,858</u>
<u>Deferred Inflows of Resources</u>			
Property Taxes	0	813,187	813,187
Unavailable Revenue	260,903	106,866	367,769
Total Deferred Inflows of Resources	<u>260,903</u>	<u>920,053</u>	<u>1,180,956</u>
<u>Fund Balances</u>			
Nonspendable	7,075	0	7,075
Restricted	408,165	712,981	1,121,146
Committed	0	88,458	88,458
Assigned	0	98,770	98,770
Unassigned (Deficit)	(21,796)	0	(21,796)
Total Fund Balances	<u>393,444</u>	<u>900,209</u>	<u>1,293,653</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$944,043</u>	<u>\$1,822,424</u>	<u>\$2,766,467</u>

Big Walnut Local School District  
Combining Balance Sheet  
Nonmajor Special Revenue Funds  
June 30, 2018

	Food Service	Other Local Grants	High School Multi- Handicapped	Athletic and Music
<u>Assets</u>				
Equity in Pooled Cash and Cash Equivalents	\$319,992	\$28,512	\$893	\$67,771
Accounts Receivable	210	0	0	1,841
Intergovernmental Receivable	0	0	0	0
Prepaid Items	585	0	0	15
Inventory Held for Resale	11,413	0	0	0
Materials and Supplies Inventory	5,858	0	0	0
Total Assets	<u>\$338,058</u>	<u>\$28,512</u>	<u>\$893</u>	<u>\$69,627</u>
<u>Liabilities</u>				
Accounts Payable	\$80	\$0	\$0	\$19,887
Accrued Wages and Benefits Payable	83,750	0	0	0
Interfund Payable	0	0	0	0
Intergovernmental Payable	16,839	0	0	110
Total Liabilities	<u>100,669</u>	<u>0</u>	<u>0</u>	<u>19,997</u>
<u>Deferred Inflows of Resources</u>				
Unavailable Revenue	135	0	0	1,178
<u>Fund Balances</u>				
Nonspendable	6,443	0	0	15
Restricted	230,811	28,512	893	48,437
Unassigned (Deficit)	0	0	0	0
Total Fund Balances (Deficit)	<u>237,254</u>	<u>28,512</u>	<u>893</u>	<u>48,452</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$338,058</u>	<u>\$28,512</u>	<u>\$893</u>	<u>\$69,627</u>



Auxiliary Services	Miscellaneous State Grants	Title VI-B	Title I	Title II-A	Title IV-A
\$121,803	\$3,372	\$0	\$0	\$0	\$0
0	0	0	0	0	0
0	4,122	319,686	31,488	16,515	9,350
44	37	536	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
<u>\$121,847</u>	<u>\$7,531</u>	<u>\$320,222</u>	<u>\$31,488</u>	<u>\$16,515</u>	<u>\$9,350</u>
\$25,402	\$867	\$0	\$4,890	\$510	\$3,682
876	0	76,601	0	0	0
0	0	28,572	13,136	0	1,732
1,231	0	10,431	0	1,100	0
<u>27,509</u>	<u>867</u>	<u>115,604</u>	<u>18,026</u>	<u>1,610</u>	<u>5,414</u>
0	2,916	224,043	12,567	14,293	5,771
44	37	536	0	0	0
94,294	3,711	0	895	612	0
0	0	(19,961)	0	0	(1,835)
<u>94,338</u>	<u>3,748</u>	<u>(19,425)</u>	<u>895</u>	<u>612</u>	<u>(1,835)</u>
<u>\$121,847</u>	<u>\$7,531</u>	<u>\$320,222</u>	<u>\$31,488</u>	<u>\$16,515</u>	<u>\$9,350</u>

(continued)

Big Walnut Local School District  
Combining Balance Sheet  
Nonmajor Special Revenue Funds  
June 30, 2018  
(continued)

	Total
<u>Assets</u>	
Equity in Pooled Cash and Cash Equivalents	\$542,343
Accounts Receivable	2,051
Intergovernmental Receivable	381,161
Prepaid Items	1,217
Inventory Held for Resale	11,413
Materials and Supplies Inventory	5,858
	\$944,043
Total Assets	\$944,043
<u>Liabilities</u>	
Accounts Payable	\$55,318
Accrued Wages and Benefits Payable	161,227
Interfund Payable	43,440
Intergovernmental Payable	29,711
	289,696
Total Liabilities	289,696
<u>Deferred Inflows of Resources</u>	
Unavailable Revenue	260,903
	260,903
<u>Fund Balances</u>	
Nonspendable	7,075
Restricted	408,165
Unassigned (Deficit)	(21,796)
	393,444
Total Fund Balances (Deficit)	393,444
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$944,043

Big Walnut Local School District  
Combining Balance Sheet  
Nonmajor Capital Projects Funds  
June 30, 2018

	Permanent Improvement	Capital Projects	Total
<u>Assets</u>			
Equity in Pooled Cash and Cash Equivalents	\$537,684	\$88,458	\$626,142
Property Taxes Receivable	1,096,282	0	1,096,282
Payment in Lieu of Taxes Receivable	100,000	0	100,000
Total Assets	<u>\$1,733,966</u>	<u>\$88,458</u>	<u>\$1,822,424</u>
<u>Liabilities</u>			
Intergovernmental Payable	\$2,162	\$0	\$2,162
<u>Deferred Inflows of Resources</u>			
Property Taxes	813,187	0	813,187
Unavailable Revenue	106,866	0	106,866
Total Deferred Inflows of Resources	<u>920,053</u>	<u>0</u>	<u>920,053</u>
<u>Fund Balances</u>			
Restricted	712,981	0	712,981
Committed	0	88,458	88,458
Assigned	98,770	0	98,770
Total Fund Balances	<u>811,751</u>	<u>88,458</u>	<u>900,209</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$1,733,966</u>	<u>\$88,458</u>	<u>\$1,822,424</u>

This Page Intentionally Left Blank

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, 2018

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
<u>Revenues</u>			
Property Taxes	\$0	\$849,949	\$849,949
Intergovernmental	1,660,707	6,023	1,666,730
Interest	4,249	0	4,249
Extracurricular Activities	289,901	0	289,901
Charges for Services	851,574	0	851,574
Gifts and Donations	24,068	91,622	115,690
Miscellaneous	46,648	70,746	117,394
<b>Total Revenues</b>	<b>2,877,147</b>	<b>1,018,340</b>	<b>3,895,487</b>
<u>Expenditures</u>			
Current:			
Instruction			
Special	811,616	0	811,616
Support Services			
Pupils	66,310	0	66,310
Instructional Staff	71,983	0	71,983
Administration	143	21,692	21,835
Fiscal	0	7,013	7,013
Pupil Transportation	0	256,049	256,049
Central	12,600	0	12,600
Non-Instructional Services	1,573,656	0	1,573,656
Extracurricular Activities	342,094	0	342,094
Capital Outlay	0	213,212	213,212
Debt Service:			
Principal Retirement	0	53,724	53,724
Interest and Fiscal Charges	0	642	642
<b>Total Expenditures</b>	<b>2,878,402</b>	<b>552,332</b>	<b>3,430,734</b>
Excess of Revenues Over (Under) Expenditures	(1,255)	466,008	464,753
<u>Other Financing Sources</u>			
Inception of Capital Lease	0	256,049	256,049
Changes in Fund Balances	(1,255)	722,057	720,802
Fund Balances Beginning of Year	394,699	178,152	572,851
Fund Balances End of Year	<u>\$393,444</u>	<u>\$900,209</u>	<u>\$1,293,653</u>

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, 2018

	Food Service	Other Local Grants	High School Multi- Handicapped	Athletic and Music
<u>Revenues</u>				
Intergovernmental	\$461,949	\$0	\$0	\$0
Interest	3,397	0	0	0
Extracurricular Activities	0	0	0	289,901
Charges for Services	851,574	0	0	0
Gifts and Donations	0	24,068	0	0
Miscellaneous	7,555	0	0	39,093
Total Revenues	<u>1,324,475</u>	<u>24,068</u>	<u>0</u>	<u>328,994</u>
<u>Expenditures</u>				
Current:				
Instruction				
Special	0	0	0	0
Support Services				
Pupils	0	0	0	0
Instructional Staff	0	3,750	0	0
Administration	0	143	0	0
Central	0	0	0	0
Non-Instructional Services	1,405,036	0	0	0
Extracurricular Activities	0	3,075	0	337,172
Total Expenditures	<u>1,405,036</u>	<u>6,968</u>	<u>0</u>	<u>337,172</u>
Changes in Fund Balances	(80,561)	17,100	0	(8,178)
Fund Balances (Deficit) Beginning of Year	<u>317,815</u>	<u>11,412</u>	<u>893</u>	<u>56,630</u>
Fund Balances (Deficit) End of Year	<u><u>\$237,254</u></u>	<u><u>\$28,512</u></u>	<u><u>\$893</u></u>	<u><u>\$48,452</u></u>

Auxiliary Services	Network Connectivity	Miscellaneous State Grants	Title VI-B	Limited English Proficiency	Title I
\$240,895	\$12,600	\$26,592	\$608,655	\$3,594	\$214,196
852	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>241,747</u>	<u>12,600</u>	<u>26,592</u>	<u>608,655</u>	<u>3,594</u>	<u>214,196</u>
0	0	0	610,557	3,594	176,413
0	0	26,055	0	0	36,438
0	0	0	0	0	450
0	0	0	0	0	0
0	12,600	0	0	0	0
168,620	0	0	0	0	0
0	0	0	0	0	0
<u>168,620</u>	<u>12,600</u>	<u>26,055</u>	<u>610,557</u>	<u>3,594</u>	<u>213,301</u>
73,127	0	537	(1,902)	0	895
21,211	0	3,211	(17,523)	0	0
<u>\$94,338</u>	<u>\$0</u>	<u>\$3,748</u>	<u>(\$19,425)</u>	<u>\$0</u>	<u>\$895</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, 2018  
(continued)

	Early Childhood Special Education	Title II-A	Title IV-A	Total
<u>Revenues</u>				
Intergovernmental	\$21,052	\$66,945	\$4,229	\$1,660,707
Interest	0	0	0	4,249
Extracurricular Activities	0	0	0	289,901
Charges for Services	0	0	0	851,574
Gifts and Donations	0	0	0	24,068
Miscellaneous	0	0	0	46,648
	0	0	0	0
Total Revenues	<u>21,052</u>	<u>66,945</u>	<u>4,229</u>	<u>2,877,147</u>
<u>Expenditures</u>				
Current:				
Instruction				
Special	21,052	0	0	811,616
Support Services				
Pupils	0	0	3,817	66,310
Instructional Staff	0	67,383	400	71,983
Administration	0	0	0	143
Central	0	0	0	12,600
Non-Instructional Services	0	0	0	1,573,656
Extracurricular Activities	0	0	1,847	342,094
Total Expenditures	<u>21,052</u>	<u>67,383</u>	<u>6,064</u>	<u>2,878,402</u>
Changes in Fund Balances	0	(438)	(1,835)	(1,255)
Fund Balances (Deficit) Beginning of Year	<u>0</u>	<u>1,050</u>	<u>0</u>	<u>394,699</u>
Fund Balances (Deficit) End of Year	<u>\$0</u>	<u>\$612</u>	<u>(\$1,835)</u>	<u>\$393,444</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, 2018

	Permanent Improvement	Capital Projects	Total
<u>Revenues</u>			
Property Taxes	\$849,949	\$0	\$849,949
Intergovernmental	6,023	0	6,023
Gifts and Donations	91,622	0	91,622
Miscellaneous	0	70,746	70,746
<b>Total Revenues</b>	<b>947,594</b>	<b>70,746</b>	<b>1,018,340</b>
<u>Expenditures</u>			
Support Services			
Administration	21,692	0	21,692
Fiscal	7,013	0	7,013
Pupil Transportation	256,049	0	256,049
Capital Outlay	190,995	22,217	213,212
Debt Service:			
Principal Retirement	53,724	0	53,724
Interest and Fiscal Charges	642	0	642
<b>Total Expenditures</b>	<b>530,115</b>	<b>22,217</b>	<b>552,332</b>
Excess of Revenues Over Expenditures	417,479	48,529	466,008
<u>Other Financing Sources</u>			
Inception of Capital Lease	256,049	0	256,049
Changes in Fund Balances	673,528	48,529	722,057
Fund Balances Beginning of Year	138,223	39,929	178,152
Fund Balances End of Year	<u>\$811,751</u>	<u>\$88,458</u>	<u>\$900,209</u>

This Page Intentionally Left Blank

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, 2018

	Balance at 6/30/17	Additions	Reductions	Balance at 6/30/18
<u>Sunbury Meadows Community Development Authority</u>				
<u>Assets</u>				
Equity in Pooled Cash and Cash Equivalents	\$0	\$100,458	\$100,458	\$0
<u>Liabilities</u>				
Undistributed Assets	\$0	\$100,458	\$100,458	\$0
<u>High School Advanced Placement</u>				
<u>Assets</u>				
Equity in Pooled Cash and Cash Equivalents	\$7,606	\$34,075	\$33,078	\$8,603
<u>Liabilities</u>				
Undistributed Assets	\$7,606	\$34,075	\$33,078	\$8,603
<u>Teachers</u>				
<u>Assets</u>				
Equity in Pooled Cash and Cash Equivalents	\$8,107	\$3,667	\$2,947	\$8,827
<u>Liabilities</u>				
Undistributed Assets	\$8,107	\$3,667	\$2,947	\$8,827
<u>Athletic Tournaments</u>				
<u>Assets</u>				
Equity in Pooled Cash and Cash Equivalents	\$1,647	\$8,246	\$8,731	\$1,162
<u>Liabilities</u>				
Undistributed Assets	\$1,647	\$8,246	\$8,731	\$1,162
<u>Student Activities</u>				
<u>Assets</u>				
Equity in Pooled Cash and Cash Equivalents	\$151,868	\$115,911	\$116,591	\$151,188
<u>Liabilities</u>				
Due to Students	\$151,868	\$115,911	\$116,591	\$151,188
<u>Total - All Funds</u>				
<u>Assets</u>				
Equity in Pooled Cash and Cash Equivalents	\$169,228	\$262,357	\$261,805	\$169,780
<u>Liabilities</u>				
Undistributed Assets	\$17,360	\$146,446	\$145,214	\$18,592
Due to Students	151,868	115,911	116,591	151,188
Total Liabilities	\$169,228	\$262,357	\$261,805	\$169,780

**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, 2018

	Original Budget	Budget	Actual	Variance Over (Under)
<u>Revenues</u>				
Property Taxes	\$21,113,196	\$21,707,294	\$22,072,588	\$365,294
Income Taxes	7,119,065	7,034,093	6,901,674	(132,419)
Intergovernmental	9,386,131	9,574,160	9,338,265	(235,895)
Interest	153,678	252,722	247,886	(4,836)
Tuition and Fees	1,132,079	1,340,877	1,298,110	(42,767)
Charges for Services	13,301	6,886	6,481	(405)
Gifts and Donations	121,222	138,012	135,675	(2,337)
Miscellaneous	233,089	110,992	96,764	(14,228)
Total Revenues	<u>39,271,761</u>	<u>40,165,036</u>	<u>40,097,443</u>	<u>(67,593)</u>
<u>Expenditures</u>				
Current:				
Instruction				
Regular				
Salaries	11,771,411	11,688,330	11,680,823	7,507
Fringe Benefits	4,594,692	4,741,516	4,738,117	3,399
Purchased Services	1,961,284	1,909,553	1,893,275	16,278
Materials and Supplies	593,516	640,391	516,433	123,958
Other	720	720	143	577
Capital Outlay	208,044	200,347	186,367	13,980
Total Regular	<u>19,129,667</u>	<u>19,180,857</u>	<u>19,015,158</u>	<u>165,699</u>
Special				
Salaries	3,121,761	3,020,986	3,015,209	5,777
Fringe Benefits	1,571,444	1,662,161	1,660,859	1,302
Purchased Services	745,874	593,252	585,371	7,881
Materials and Supplies	26,689	30,472	27,773	2,699
Other	300	0	0	0
Capital Outlay	25,415	23,897	22,765	1,132
Total Special	<u>5,491,483</u>	<u>5,330,768</u>	<u>5,311,977</u>	<u>18,791</u>
Vocational				
Salaries	78,371	78,871	78,504	367
Fringe Benefits	34,612	29,484	29,128	356
Purchased Services	3,000	3,000	2,852	148
Total Vocational	<u>115,983</u>	<u>111,355</u>	<u>110,484</u>	<u>871</u>
Total Instruction	<u>24,737,133</u>	<u>24,622,980</u>	<u>24,437,619</u>	<u>185,361</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, 2018  
(continued)

	Original Budget	Budget	Actual	Variance Over (Under)
Support Services				
Pupils				
Salaries	\$736,866	\$723,063	\$718,806	\$4,257
Fringe Benefits	257,096	274,179	272,939	1,240
Purchased Services	1,079,635	1,084,712	1,075,222	9,490
Materials and Supplies	19,683	18,684	15,898	2,786
Other	200	200	0	200
Capital Outlay	2,500	1,500	10	1,490
Total Pupils	<u>2,095,980</u>	<u>2,102,338</u>	<u>2,082,875</u>	<u>19,463</u>
Instructional Staff				
Salaries	901,630	863,672	860,776	2,896
Fringe Benefits	381,879	406,577	405,333	1,244
Purchased Services	3,600	3,568	1,113	2,455
Materials and Supplies	13,510	10,935	8,694	2,241
Other	22,605	22,705	22,611	94
Total Instructional Staff	<u>1,323,224</u>	<u>1,307,457</u>	<u>1,298,527</u>	<u>8,930</u>
Board of Education				
Salaries	0	14,750	14,750	0
Fringe Benefits	6,012	16,283	11,955	4,328
Purchased Services	167,070	142,618	140,910	1,708
Materials and Supplies	2,636	630	309	321
Other	27,600	27,850	27,307	543
Total Board of Education	<u>203,318</u>	<u>202,131</u>	<u>195,231</u>	<u>6,900</u>
Administration				
Salaries	2,150,280	2,239,331	2,230,514	8,817
Fringe Benefits	950,041	1,082,933	1,078,054	4,879
Purchased Services	363,741	315,075	251,836	63,239
Materials and Supplies	32,329	43,438	38,329	5,109
Other	23,190	15,065	13,094	1,971
Capital Outlay	4,783	3,783	3,783	0
Total Administration	<u>3,524,364</u>	<u>3,699,625</u>	<u>3,615,610</u>	<u>84,015</u>
Fiscal				
Salaries	500,409	485,284	485,114	170
Fringe Benefits	200,467	186,696	186,171	525
Purchased Services	13,200	13,200	8,818	4,382
Materials and Supplies	14,250	24,250	18,668	5,582
Other	457,900	457,900	449,147	8,753
Capital Outlay	1,000	1,000	0	1,000
Total Fiscal	<u>1,187,226</u>	<u>1,168,330</u>	<u>1,147,918</u>	<u>20,412</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, 2018  
(continued)

	Original Budget	Budget	Actual	Variance Over (Under)
Business				
Salaries	\$8,804	\$8,604	\$8,587	\$17
Fringe Benefits	1,421	1,432	1,369	63
Purchased Services	3,652	4,152	3,172	980
<b>Total Business</b>	<b>13,877</b>	<b>14,188</b>	<b>13,128</b>	<b>1,060</b>
Operation and Maintenance of Plant				
Salaries	1,149,813	1,187,024	1,179,590	7,434
Fringe Benefits	582,867	660,471	654,517	5,954
Purchased Services	1,383,661	1,405,130	1,389,880	15,250
Materials and Supplies	229,432	222,427	217,711	4,716
Capital Outlay	40,400	2,317	436	1,881
<b>Total Operation and Maintenance of Plant</b>	<b>3,386,173</b>	<b>3,477,369</b>	<b>3,442,134</b>	<b>35,235</b>
Pupil Transportation				
Salaries	1,501,561	1,441,215	1,415,855	25,360
Fringe Benefits	891,121	942,940	940,030	2,910
Purchased Services	351,080	305,779	299,462	6,317
Materials and Supplies	303,408	339,840	315,679	24,161
Capital Outlay	16,075	15,075	13,417	1,658
<b>Total Pupil Transportation</b>	<b>3,063,245</b>	<b>3,044,849</b>	<b>2,984,443</b>	<b>60,406</b>
Central				
Salaries	102,467	103,642	101,280	2,362
Fringe Benefits	49,591	49,100	49,038	62
Purchased Services	342,851	284,998	268,492	16,506
Materials and Supplies	6,259	3,700	3,085	615
<b>Total Central</b>	<b>501,168</b>	<b>441,440</b>	<b>421,895</b>	<b>19,545</b>
<b>Total Support Services</b>	<b>15,298,575</b>	<b>15,457,727</b>	<b>15,201,761</b>	<b>255,966</b>
Non-Instructional Services				
Salaries	1,888	1,888	1,888	0
Fringe Benefits	307	526	295	231
Materials and Supplies	0	950	929	21
<b>Total Non-Instructional Services</b>	<b>2,195</b>	<b>3,364</b>	<b>3,112</b>	<b>252</b>
Extracurricular Activities				
Academic and Subject Oriented Activities				
Salaries	88,568	101,868	101,178	690
Fringe Benefits	14,368	21,462	15,678	5,784
Purchased Services	3,000	0	0	0
Materials and Supplies	7,000	3,100	2,006	1,094
<b>Total Academic and Subject Oriented Activities</b>	<b>112,936</b>	<b>126,430</b>	<b>118,862</b>	<b>7,568</b>

(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, 2018  
(continued)

	Original Budget	Budget	Actual	Variance Over (Under)
Sport Oriented Activities				
Salaries	\$420,747	\$416,347	\$412,533	\$3,814
Fringe Benefits	68,219	79,394	67,291	12,103
Purchased Services	0	35,000	34,799	201
Total Sport Oriented Activities	488,966	530,741	514,623	16,118
School and Public Service				
Co-Curricular Activities				
Other	2,500	400	394	6
Total Extracurricular Activities	604,402	657,571	633,879	23,692
Capital Outlay				
Building Improvement Sites				
Capital Outlay	103,201	100,458	99,016	1,442
Facilities Acquisition and Construction Services				
Capital Outlay	122,325	123,325	123,159	166
Total Capital Outlay	225,526	223,783	222,175	1,608
Total Expenditures	40,867,831	40,965,425	40,498,546	466,879
Excess of Revenues				
Under Expenditures	(1,596,070)	(800,389)	(401,103)	399,286
<u>Other Financing Sources</u>				
Refund of Prior Year Expenditures	0	159,111	159,111	0
Changes in Fund Balance	(1,596,070)	(641,278)	(241,992)	399,286
Fund Balance Beginning of Year	9,481,523	9,481,523	9,481,523	0
Prior Year Encumbrances Appropriated	573,506	573,506	573,506	0
Fund Balance End of Year	\$8,458,959	\$9,413,751	\$9,813,037	\$399,286

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, 2018

	Budget	Actual	Variance Over (Under)
<u>Revenues</u>			
Property Taxes	\$2,901,662	\$2,952,575	\$50,913
Intergovernmental	380,611	329,567	(51,044)
Miscellaneous	44,610	44,555	(55)
Total Revenues	<u>3,326,883</u>	<u>3,326,697</u>	<u>(186)</u>
<u>Expenditures</u>			
Current:			
Support Services			
Fiscal			
Other	38,800	38,659	141
Debt Service:			
Principal Retirement	10,793,936	10,793,936	0
Interest and Fiscal Charges	1,506,654	1,506,435	219
Interest on Capital Appreciation Bonds	281,064	281,064	0
Total Debt Service	<u>12,581,654</u>	<u>12,581,435</u>	<u>219</u>
Total Expenditures	<u>12,620,454</u>	<u>12,620,094</u>	<u>360</u>
Excess of Revenues Under Expenditures	<u>(9,293,571)</u>	<u>(9,293,397)</u>	<u>(174)</u>
<u>Other Financing Sources</u>			
General Obligation Bonds Issued	9,460,000	9,460,000	0
Premium on Bonds Issued	536,498	536,413	(85)
Total Other Financing Sources	<u>9,996,498</u>	<u>9,996,413</u>	<u>(85)</u>
Changes in Fund Balance	702,927	703,016	89
Fund Balance Beginning of Year	<u>1,716,240</u>	<u>1,716,240</u>	<u>0</u>
Fund Balance End of Year	<u><u>\$2,419,167</u></u>	<u><u>\$2,419,256</u></u>	<u><u>\$89</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, 2018

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over (Under)</u>
<u>Revenues</u>			
Intergovernmental	\$43,300	\$43,268	(\$32)
<u>Expenditures</u>			
Current:			
Support Services			
Administration			
Salaries	12,314	9,235	(3,079)
Fringe Benefits	4,604	3,784	(820)
Total Support Services	16,918	13,019	(3,899)
Capital Outlay			
Site Improvement Services			
Capital Outlay	31,384	25,000	6,384
Architecture and Engineering Services			
Purchased Services	5,938,004	5,914,123	23,881
Building Improvement Services			
Capital Outlay	1,265,649	1,263,365	2,284
Other Facilities Acquisition and Construction			
Capital Outlay	297,049	291,573	5,476
Total Capital Outlay	7,532,086	7,494,061	38,025
Total Expenditures	7,549,004	7,507,080	41,924
Excess of Revenues Under Expenditures	(7,505,704)	(7,463,812)	41,892
<u>Other Financing Sources</u>			
Bond Anticipation Notes Issued	9,500,000	9,500,000	0
Changes in Fund Balance	1,994,296	2,036,188	41,892
Fund Balance Beginning of Year	0	0	0
Fund Balance End of Year	<u>\$1,994,296</u>	<u>\$2,036,188</u>	<u>\$41,892</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, 2018

	<u>Budget</u>	<u>Actual</u>	Variance Over (Under)
<u>Revenues</u>			
Intergovernmental	\$355,500	\$348,939	(\$6,561)
Interest	3,500	3,462	(38)
Charges for Services	873,400	851,499	(21,901)
Miscellaneous	<u>7,600</u>	<u>7,555</u>	<u>(45)</u>
Total Revenues	<u>1,240,000</u>	<u>1,211,455</u>	<u>(28,545)</u>
<u>Expenditures</u>			
Current:			
Non-Instructional Services			
Salaries	512,545	501,470	11,075
Fringe Benefits	286,476	284,087	2,389
Purchased Services	34,368	24,170	10,198
Materials and Supplies	478,043	463,837	14,206
Other	5,100	6,151	(1,051)
Capital Outlay	<u>4,739</u>	<u>3,820</u>	<u>919</u>
Total Expenditures	<u>1,321,271</u>	<u>1,283,535</u>	<u>37,736</u>
Changes in Fund Balance	(81,271)	(72,080)	9,191
Fund Balance Beginning of Year	390,533	390,533	0
Prior Year Encumbrances Appropriated	<u>114</u>	<u>114</u>	<u>0</u>
Fund Balance End of Year	<u><u>\$309,376</u></u>	<u><u>\$318,567</u></u>	<u><u>\$9,191</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, 2018

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over (Under)</u>
<u>Revenues</u>			
Gifts and Donations	\$24,068	\$24,068	\$0
<u>Expenditures</u>			
Current:			
Support Services			
Instructional Staff			
Purchased Services	3,801	3,750	51
Materials and Supplies	215	215	0
Total Instructional Staff	4,016	3,965	51
Administration			
Purchased Services	227	143	84
Total Support Services	4,243	4,108	135
Extracurricular Activities			
Academic and Subject Oriented Activities			
Materials and Supplies	3,141	3,141	0
Total Expenditures	7,384	7,249	135
Changes in Fund Balance	16,684	16,819	135
Fund Balance Beginning of Year	11,412	11,412	0
Fund Balance End of Year	<u>\$28,096</u>	<u>\$28,231</u>	<u>\$135</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, 2018

	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, 2018

	Budget	Actual	Variance Over (Under)
<u>Revenues</u>			
Extracurricular Activities	\$291,570	\$289,363	(\$2,207)
Gifts and Donations	1,075	0	(1,075)
Miscellaneous	39,093	39,093	0
Total Revenues	331,738	328,456	(3,282)
<u>Expenditures</u>			
Current:			
Extracurricular Activities			
Academic and Subject			
Oriented Activities			
Purchased Services	13,050	13,027	23
Materials and Supplies	3,900	3,471	429
Total Academic and Subject			
Oriented Activities	16,950	16,498	452
Sport Oriented Activities			
Salaries	20,333	19,795	538
Fringe Benefits	3,318	3,039	279
Purchased Services	152,460	151,855	605
Materials and Supplies	67,748	65,287	2,461
Capital Outlay	73,205	73,049	156
Total Sport Oriented Activities	317,064	313,025	4,039
Total Expenditures	334,014	329,523	4,491
Changes in Fund Balance	(2,276)	(1,067)	1,209
Fund Balance Beginning of Year	53,281	53,281	0
Prior Year Encumbrances Appropriated	3,598	3,598	0
Fund Balance End of Year	\$54,603	\$55,812	\$1,209

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, 2018

	<u>Budget</u>	<u>Actual</u>	Variance Over (Under)
<u>Revenues</u>			
Intergovernmental	\$240,895	\$240,895	\$0
Interest	817	817	0
Total Revenues	<u>241,712</u>	<u>241,712</u>	<u>0</u>
<u>Expenditures</u>			
Current:			
Non-Instructional Services			
Salaries	39,310	37,930	1,380
Fringe Benefits	7,680	7,228	452
Purchased Services	37,106	37,106	0
Materials and Supplies	144,458	59,806	84,652
Capital Outlay	48,937	45,324	3,613
Total Expenditures	<u>277,491</u>	<u>187,394</u>	<u>90,097</u>
Changes in Fund Balance	(35,779)	54,318	90,097
Fund Balance Beginning of Year	555	555	0
Prior Year Encumbrances Appropriated	<u>35,224</u>	<u>35,224</u>	<u>0</u>
Fund Balance End of Year	<u>\$0</u>	<u>\$90,097</u>	<u>\$90,097</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, 2018

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

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, 2018

	Budget	Actual	Variance Over (Under)
<u>Revenues</u>			
Intergovernmental	\$28,191	\$25,386	(\$2,805)
<u>Expenditures</u>			
Current:			
Support Services			
Pupils			
Salaries	21,900	21,900	0
Fringe Benefits	3,486	3,486	0
Materials and Supplies	2,805	2,805	0
Total Expenditures	28,191	28,191	0
Changes in Fund Balance	0	(2,805)	(2,805)
Fund Balance Beginning of Year	3,372	3,372	0
Fund Balance End of Year	\$3,372	\$567	(\$2,805)

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, 2018

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over (Under)</u>
<u>Revenues</u>			
Intergovernmental	<u>\$633,432</u>	<u>\$604,860</u>	<u>(\$28,572)</u>
<u>Expenditures</u>			
Current:			
Instruction			
Special			
Salaries	401,883	401,883	0
Fringe Benefits	173,865	173,865	0
Materials and Supplies	<u>28,922</u>	<u>28,922</u>	<u>0</u>
Total Expenditures	<u>604,670</u>	<u>604,670</u>	<u>0</u>
Changes in Fund Balance	28,762	190	(28,572)
Fund Balance (Deficit) Beginning of Year	(28,853)	(28,853)	0
Prior Year Encumbrances Appropriated	<u>91</u>	<u>91</u>	<u>0</u>
Fund Balance (Deficit) End of Year	<u><u>\$0</u></u>	<u><u>(\$28,572)</u></u>	<u><u>(\$28,572)</u></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, 2018

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over (Under)</u>
<u>Revenues</u>			
Intergovernmental	\$3,594	\$3,594	\$0
<u>Expenditures</u>			
Current:			
Instruction			
Special			
Other	3,594	3,594	0
Changes in Fund Balance	0	0	0
Fund Balance Beginning of Year	0	0	0
Fund Balance End of Year	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

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, 2018

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over (Under)</u>
<u>Revenues</u>			
Intergovernmental	\$226,422	\$207,501	(\$18,921)
<u>Expenditures</u>			
Current:			
Instruction			
Special			
Purchased Services	172,258	172,258	0
Materials and Supplies	4,155	4,155	0
Total Instruction	176,413	176,413	0
Support Services			
Pupils			
Purchased Services	38,568	38,568	0
Materials and Supplies	100	100	0
Total Pupils	38,668	38,668	0
Instructional Staff			
Purchased Services	1,345	1,345	0
Total Support Services	40,013	40,013	0
Total Expenditures	216,426	216,426	0
Changes in Fund Balance	9,996	(8,925)	(18,921)
Fund Balance (Deficit) Beginning of Year	(28,146)	(28,146)	0
Prior Year Encumbrances Appropriated	18,150	18,150	0
Fund Balance (Deficit) End of Year	<u>\$0</u>	<u>(\$18,921)</u>	<u>(\$18,921)</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, 2018

	Budget	Actual	Variance Over (Under)
<u>Revenues</u>			
Intergovernmental	\$21,052	\$21,052	\$0
<u>Expenditures</u>			
Current:			
Instruction			
Special			
Salaries	21,052	21,052	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 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, 2018

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over (Under)</u>
<u>Revenues</u>			
Intergovernmental	\$73,967	\$71,517	(\$2,450)
<u>Expenditures</u>			
Current:			
Support Services			
Instructional Staff			
Salaries	25,000	25,000	0
Fringe Benefits	14,830	14,830	0
Purchased Services	19,277	19,277	0
Materials and Supplies	9,610	9,610	0
Total Expenditures	68,717	68,717	0
Changes in Fund Balance	5,250	2,800	(2,450)
Fund Balance (Deficit) Beginning of Year	(17,750)	(17,750)	0
Prior Year Encumbrances Appropriated	12,500	12,500	0
Fund Balance (Deficit) End of Year	<u>\$0</u>	<u>(\$2,450)</u>	<u>(\$2,450)</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, 2018

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over (Under)</u>
<u>Revenues</u>			
Intergovernmental	\$6,742	\$650	(\$6,092)
<u>Expenditures</u>			
Current:			
Support Services			
Pupils			
Salaries	1,500	1,500	0
Fringe Benefits	232	232	0
Purchased Services	3,760	3,760	0
Materials and Supplies	250	250	0
Total Pupils	5,742	5,742	0
Instructional Staff			
Purchased Services	1,000	1,000	0
Total Expenditures	6,742	6,742	0
Changes in Fund Balance	0	(6,092)	(6,092)
Fund Balance Beginning of Year	0	0	0
Fund Balance (Deficit) End of Year	<u>\$0</u>	<u>(\$6,092)</u>	<u>(\$6,092)</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, 2018

	Budget	Actual	Variance Over (Under)
<u>Revenues</u>			
Property Taxes	\$566,373	\$573,720	\$7,347
Intergovernmental	23,627	6,023	(17,604)
Gifts and Donations	114,000	113,236	(764)
Total Revenues	704,000	692,979	(11,021)
<u>Expenditures</u>			
Current:			
Instruction			
Regular			
Capital Outlay	9,915	9,915	0
Support Services			
Administration			
Salaries	18,471	13,853	(4,618)
Fringe Benefits	6,903	5,677	(1,226)
Total Administration	25,374	19,530	(5,844)
Fiscal			
Other	7,100	7,013	(87)
Pupil Transportation			
Purchased Services	55,000	54,366	(634)
Total Support Services	87,474	80,909	(6,565)
Capital Outlay			
Site Improvement Services			
Capital Outlay	149,211	147,090	2,121
Architecture and Engineering Services			
Purchased Services	930	530	400
Building Improvement Services			
Capital Outlay	117,352	113,992	3,360
Total Capital Outlay	267,493	261,612	5,881
Total Expenditures	364,882	352,436	12,446
Changes in Fund Balance	339,118	340,543	1,425
Fund Balance Beginning of Year	18,641	18,641	0
Prior Year Encumbrances Appropriated	6,882	6,882	0
Fund Balance End of Year	\$364,641	\$366,066	\$1,425

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, 2018

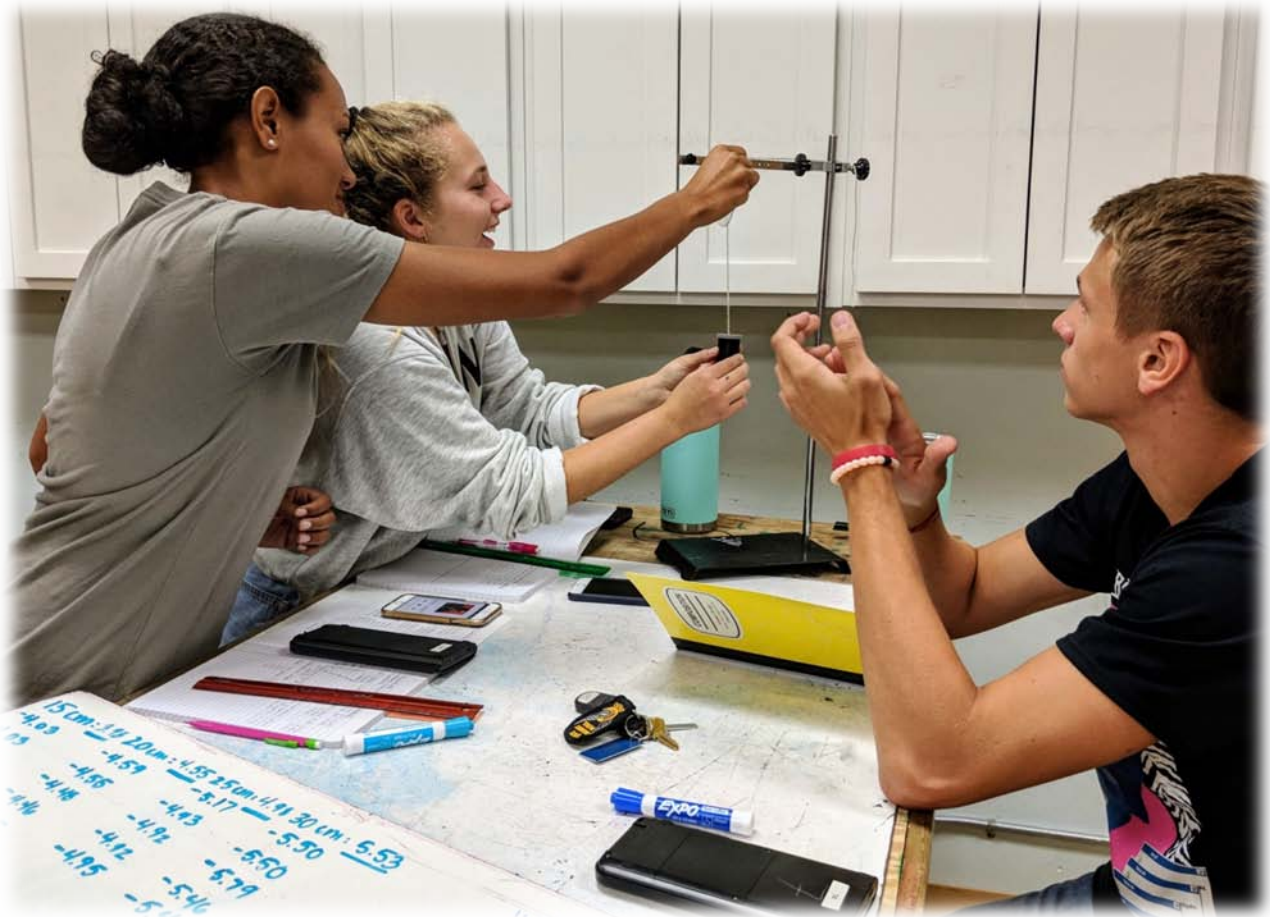
	<u>Budget</u>	<u>Actual</u>	<u>Variance Over (Under)</u>
<u>Revenues</u>			
Miscellaneous	\$31,357	\$31,138	(\$219)
<u>Expenditures</u>			
Capital Outlay			
Building Improvement Services			
Capital Outlay	26,224	26,224	0
Excess of Revenues Over Expenditures	5,133	4,914	(219)
<u>Other Financing Sources</u>			
Refund of Prior Year Expenditures	40,000	40,000	0
Changes in Fund Balance	45,133	44,914	(219)
Fund Balance Beginning of Year	29,813	29,813	0
Prior Year Encumbrances Appropriated	9,724	9,724	0
Fund Balance End of Year	<u>\$84,670</u>	<u>\$84,451</u>	<u>(\$219)</u>



**BIG WALNUT**  
LOCAL SCHOOLS

**INSPIRE  
& GUIDE**

# Statistical



This Page Intentionally Left Blank

**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>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Net Investment in Capital Assets	\$10,058,821	\$9,487,788	\$8,796,981	\$7,701,671
Restricted for				
Debt Service	2,519,154	2,278,581	1,793,141	1,498,459
Capital Projects	861,272	0	0	69,978
Set Asides	0	0	0	0
Other Purposes	620,541	581,977	582,386	384,737
Unrestricted (Deficit)	<u>(26,346,975)</u>	<u>(43,217,028)</u>	<u>(28,622,259)</u>	<u>(28,986,056)</u>
Total Net Position (Deficit)	<u><u>(\$12,287,187)</u></u>	<u><u>(\$30,868,682)</u></u>	<u><u>(\$17,449,751)</u></u>	<u><u>(\$19,331,211)</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>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
\$6,828,018	\$5,671,864	\$5,398,816	\$8,765,794	\$9,138,600	\$8,781,299
1,923,468	1,675,753	1,341,840	1,023,224	1,669,886	1,358,370
604,074	1,352,915	2,346,226	554,136	267,664	607,425
0	0	0	343,611	112,378	0
339,384	277,043	245,132	567,033	516,377	180,248
<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>(2,939,538)</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>	<u>\$7,987,804</u>

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

	2018	2017	2016	2015
<u>Expenses</u>				
Instruction				
Regular	\$10,254,559	\$19,971,733	\$16,804,654	\$15,684,048
Special	4,266,106	5,918,612	4,820,732	4,334,012
Vocational	57,054	129,042	116,856	115,738
Support Services				
Pupils	1,302,823	2,208,747	1,788,455	1,598,266
Instructional Staff	635,746	1,462,702	1,333,494	936,657
Board of Education	141,801	121,953	182,953	132,995
Administration	1,203,922	3,911,763	3,384,838	2,817,247
Fiscal	1,102,816	1,262,719	1,146,703	1,076,889
Business	14,613	13,439	11,120	14,102
Operation and Maintenance of Plant	3,272,304	3,278,133	3,022,454	2,873,373
Pupil Transportation	2,982,312	2,891,832	2,447,728	2,316,202
Central	419,477	366,231	296,599	260,203
Non-Instructional Services	1,624,643	1,807,612	1,428,381	1,389,565
Extracurricular Activities	741,650	988,450	881,660	720,093
Interest and Fiscal Charges	1,798,985	1,425,636	1,350,037	1,729,427
Total Expenses	<u>29,818,811</u>	<u>45,758,604</u>	<u>39,016,664</u>	<u>35,998,817</u>
<u>Program Revenues</u>				
Charges for Services				
Regular	1,079,360	1,244,998	1,024,241	880,806
Special	104,923	17,408	47,340	57,123
Administration	0	0	0	0
Pupil Transportation	11,872	13,351	7,729	4,262
Non-Instructional Services	851,479	870,485	850,151	794,779
Extracurricular Activities	325,396	268,913	251,329	242,269
Total Charges for Services	<u>2,373,030</u>	<u>2,415,155</u>	<u>2,180,790</u>	<u>1,979,239</u>
Operating Grants, Contributions, and Interest	2,261,866	2,328,495	2,273,904	2,038,024
Capital Grants and Contributions	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Program Revenues	<u>4,634,896</u>	<u>4,743,650</u>	<u>4,454,694</u>	<u>4,017,263</u>
Net Expense	<u>(25,183,915)</u>	<u>(41,014,954)</u>	<u>(34,561,970)</u>	<u>(31,981,554)</u>
<u>General Revenues and Other Changes in Net Position</u>				
Property Taxes Levied for General Purposes	22,552,163	20,769,187	18,811,905	16,850,516
Property Taxes Levied for Debt Service Purposes	3,051,453	2,744,057	2,593,320	2,511,378
Property Taxes Levied for Permanent Improvements	856,815	0	0	0
Payment in Lieu of Taxes	100,000	70,000	30,000	0
Income Taxes Levied for General Purposes	7,102,089	6,489,797	6,209,585	5,773,333
Grants and Entitlements not Restricted to Specific Programs	9,104,648	8,695,044	8,216,417	7,861,995
Interest	298,431	93,846	144,272	34,516
Gifts and Donations	243,094	194,648	197,890	214,468
Miscellaneous	456,717	456,104	240,041	274,052
Total General Revenues	<u>43,765,410</u>	<u>39,512,683</u>	<u>36,443,430</u>	<u>33,520,258</u>
Changes in Net Position	<u>\$18,581,495</u>	<u>(\$1,502,271)</u>	<u>\$1,881,460</u>	<u>\$1,538,704</u>

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.



2014	2013	2012	2011	2010	2009
\$15,044,007	\$16,474,503	\$16,655,553	\$13,570,840	\$13,227,046	\$12,618,709
4,638,958	1,373,592	1,511,753	2,357,267	2,410,093	3,749,804
129,021	186,527	195,500	103,403	308,959	368,712
1,309,075	1,542,159	1,661,006	1,180,712	1,428,226	1,236,627
526,029	1,907,895	1,847,638	1,540,737	1,830,485	1,215,386
167,021	192,064	159,274	122,235	132,398	236,519
2,904,350	2,685,636	2,408,311	2,471,483	2,624,405	2,560,097
1,060,595	997,821	951,114	974,751	829,078	895,813
54,210	56,094	44,283	61,444	257,499	281,761
2,668,032	2,684,285	2,626,656	2,348,454	2,181,680	2,197,437
2,267,030	2,148,901	2,049,700	1,850,810	2,035,825	1,925,545
295,261	6,243	10,382	672	13,076	29,416
1,294,829	1,321,953	1,319,034	1,222,178	1,202,563	1,161,952
706,789	710,685	709,182	637,595	715,823	776,510
1,761,058	1,963,511	1,909,853	1,934,381	1,933,711	1,117,813
<u>34,826,265</u>	<u>34,251,869</u>	<u>34,059,239</u>	<u>30,376,962</u>	<u>31,130,867</u>	<u>30,372,101</u>
301,407	266,928	253,230	400,689	106,812	294,260
73,293	119,627	205,576	71,424	77,742	87,902
4,895	5,799	4,649	5,548	4,624	5,805
0	0	0	0	0	0
679,703	698,588	730,968	756,372	782,811	793,208
217,493	220,711	217,323	336,497	211,463	205,867
<u>1,276,791</u>	<u>1,311,653</u>	<u>1,411,746</u>	<u>1,570,530</u>	<u>1,183,452</u>	<u>1,387,042</u>
2,061,545	1,619,516	1,634,702	2,129,873	2,222,925	1,338,135
<u>0</u>	<u>0</u>	<u>0</u>	<u>19,005</u>	<u>0</u>	<u>19,360</u>
<u>3,338,336</u>	<u>2,931,169</u>	<u>3,046,448</u>	<u>3,719,408</u>	<u>3,406,377</u>	<u>2,744,537</u>
<u>(31,487,929)</u>	<u>(31,320,700)</u>	<u>(31,012,791)</u>	<u>(26,657,554)</u>	<u>(27,724,490)</u>	<u>(27,627,564)</u>
17,007,696	17,147,308	16,571,288	15,073,552	12,632,397	11,433,389
3,318,770	3,248,085	2,844,723	2,690,225	3,017,525	2,649,715
0	0	0	0	0	0
0	0	0	0	0	0
5,425,696	5,070,968	4,803,177	6,202,194	4,418,135	4,346,558
7,639,186	7,298,985	7,523,619	8,051,168	7,851,550	7,350,791
31,823	20,785	41,568	85,705	102,607	286,958
139,902	151,797	145,522	175,496	150,323	28,643
539,466	463,704	378,947	153,490	414,056	158,125
<u>34,102,539</u>	<u>33,401,632</u>	<u>32,308,844</u>	<u>32,431,830</u>	<u>28,586,593</u>	<u>26,254,179</u>
<u>\$2,614,610</u>	<u>\$2,080,932</u>	<u>\$1,296,053</u>	<u>\$5,774,276</u>	<u>\$862,103</u>	<u>(\$1,373,385)</u>

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

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
<b>General Fund</b>				
Reserved	\$0	\$0	\$0	\$0
Unreserved (Deficit)	0	0	0	0
Nonspendable	57,285	58,977	57,833	55,842
Restricted	3,579	3,784	3,964	4,257
Assigned	1,330,868	1,863,106	520,193	1,357,116
Unassigned (Deficit)	<u>12,613,581</u>	<u>11,565,058</u>	<u>12,258,589</u>	<u>10,768,740</u>
<b>Total General Fund (Deficit)</b>	<u>14,005,313</u>	<u>13,490,925</u>	<u>12,840,579</u>	<u>12,185,955</u>
<b>All Other Governmental Funds</b>				
Reserved	0	0	0	0
Unreserved, Reported in				
Special Revenue Funds	0	0	0	0
Debt Service Fund	0	0	0	0
Capital Projects Funds	0	0	0	0
Nonspendable	7,075	5,767	4,280	3,899
Restricted	13,082,640	2,766,301	2,461,948	2,286,544
Committed	88,458	39,929	91,911	242,909
Assigned	98,770	138,223	539,339	340,672
Unassigned (Deficit)	<u>(21,796)</u>	<u>(17,523)</u>	<u>(21,618)</u>	<u>(10,800)</u>
<b>Total All Other Governmental Funds</b>	<u>13,255,147</u>	<u>2,932,697</u>	<u>3,075,860</u>	<u>2,863,224</u>
<b>Total Governmental Funds</b>	<u>\$27,260,460</u>	<u>\$16,423,622</u>	<u>\$15,916,439</u>	<u>\$15,049,179</u>

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

<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
\$0	\$0	\$0	\$0	\$0	\$801,898
0	0	0	0	0	(1,166,807)
52,705	51,002	49,462	0	0	n/a
3,088	29	29	390,689	159,456	n/a
148,508	60,222	97,243	364,639	38,522	n/a
<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>n/a</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>	<u>(364,909)</u>
0	0	0	0	0	2,291,217
0	0	0	0	0	96,747
0	0	0	0	0	1,720,489
0	0	0	0	0	8,025,988
2,868	3,172	3,253	12,933	14,199	n/a
3,244,782	3,692,507	4,428,945	6,919,458	20,599,045	n/a
294,420	240,426	174,968	0	0	n/a
316,206	286,936	161,609	0	0	n/a
<u>(17,198)</u>	<u>(97,710)</u>	<u>(226,818)</u>	<u>(13,583)</u>	<u>(64,933)</u>	<u>n/a</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>12,134,441</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>	<u>\$11,769,532</u>

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

	2018	2017	2016	2015
<u>Revenues</u>				
Property Taxes	\$26,498,467	\$23,615,859	\$21,408,246	\$19,322,497
Payment in Lieu of Taxes	0	70,000	30,000	0
Income Taxes	6,961,625	6,470,375	6,246,771	5,693,134
Intergovernmental	11,334,562	10,961,151	10,381,669	9,866,947
Interest	300,072	96,345	144,806	33,547
Tuition and Fees	1,414,805	1,125,601	1,063,109	903,346
Extracurricular Activities	289,901	265,389	247,993	236,267
Charges for Services	858,055	875,222	855,613	800,899
Gifts and Donations	248,064	206,064	290,401	214,850
Miscellaneous	495,810	460,214	243,817	276,942
<b>Total Revenues</b>	<b>48,401,361</b>	<b>44,146,220</b>	<b>40,912,425</b>	<b>37,348,429</b>
<u>Expenditures</u>				
Current:				
Instruction				
Regular	19,092,847	17,703,487	15,744,945	15,468,083
Special	6,184,112	5,476,769	4,724,234	4,438,547
Vocational	109,995	109,899	105,400	105,627
Support Services				
Pupils	2,162,016	2,069,813	1,769,692	1,603,107
Instructional Staff	1,385,996	1,309,792	1,293,838	933,163
Board of Education	142,145	121,563	182,938	132,995
Administration	3,657,564	3,415,893	3,290,199	2,972,172
Fiscal	1,195,937	1,170,000	1,141,626	1,092,943
Business	13,009	12,547	13,218	12,486
Operation and Maintenance of Plant	3,294,791	3,117,812	2,948,237	2,817,163
Pupil Transportation	3,168,266	2,888,587	2,478,561	2,457,964
Central	434,183	349,743	291,739	266,241
Non-Instructional Services	1,576,768	1,630,533	1,319,058	1,300,116
Extracurricular Activities	974,560	863,854	897,886	692,643
Capital Outlay	1,168,655	936,780	981,005	611,057
Debt Service:				
Principal Retirement	1,458,040	1,392,498	1,623,354	1,725,553
Interest and Fiscal Charges	1,517,037	1,281,012	1,275,967	1,539,896
Interest on Capital Appreciation Bonds	281,064	269,010	102,153	242,221
Issuance Costs	0	0	0	0
<b>Total Expenditures</b>	<b>47,816,985</b>	<b>44,119,592</b>	<b>40,184,050</b>	<b>38,411,977</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>584,376</b>	<b>26,628</b>	<b>728,375</b>	<b>(1,063,548)</b>

2014	2013	2012	2011	2010	2009
\$20,455,515	\$20,433,156	\$19,364,069	\$17,789,384	\$15,748,370	\$13,975,143
0	0	0	0	0	0
5,411,148	5,082,396	4,797,450	6,176,875	4,378,961	4,367,830
9,754,821	8,950,041	9,095,110	9,858,298	9,748,448	8,715,851
28,103	20,719	41,887	91,090	97,564	287,274
367,098	382,112	447,035	337,203	272,375	327,724
207,965	216,664	218,586	328,952	211,330	206,095
684,433	718,086	738,593	784,361	793,442	799,013
189,048	164,293	180,478	667,163	25,960	46,242
543,054	385,544	387,038	170,791	395,079	158,125
<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>	<u>28,883,297</u>
13,833,719	15,099,166	14,481,761	12,340,142	12,611,011	11,949,498
4,588,253	1,344,058	1,443,636	2,315,126	2,432,415	3,684,912
101,571	176,984	185,958	93,861	299,416	359,169
1,404,784	1,496,423	1,672,659	1,163,840	1,408,284	1,222,872
520,524	1,864,230	1,801,761	1,538,977	1,818,766	1,207,259
167,021	192,064	159,274	122,235	132,398	236,519
2,877,151	2,621,822	2,354,153	2,439,799	2,564,264	2,485,192
1,059,667	995,006	946,287	975,508	828,018	906,794
53,922	55,845	44,401	79,686	256,270	290,335
2,578,783	2,623,215	2,528,691	2,344,097	2,148,120	2,154,632
2,275,629	2,174,356	1,992,844	1,818,841	1,945,087	1,779,954
270,020	6,243	10,382	672	13,076	29,416
1,192,402	1,269,647	1,222,866	1,180,883	1,173,563	1,125,544
647,760	667,589	670,937	602,885	681,466	742,534
799,001	975,680	2,605,952	13,207,951	11,667,097	1,985,236
1,970,000	1,290,981	954,968	1,392,616	2,212,892	897,845
1,570,239	1,615,426	1,801,292	1,862,610	1,786,579	890,279
0	394,019	441,043	457,204	592,793	816,158
0	0	0	0	0	129,000
<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>32,893,148</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>	<u>(4,009,851)</u>

(continued)

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

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
<u>Other Financing Sources (Uses)</u>				
Sale of Capital Assets	\$0	\$750	\$0	\$0
Bond Anticipation Notes Issued	9,500,000	0	0	0
Current Refunding	(9,500,000)	0	(1,340,000)	(10,000,000)
General Obligation Bonds Issued	9,460,000	4,100,000	5,990,000	9,965,000
Premium on Bonds Issued	536,413	420,349	1,112,385	191,563
Discount on Bonds Issued	0	0	0	0
Payment to Refunded Bond Escrow Agent	0	(4,396,400)	(5,623,500)	0
Inception of Capital Lease	256,049	355,856	0	189,245
Transfers In	0	0	1,003,099	0
Transfers Out	0	0	(1,003,099)	0
Total Other Financing Sources (Uses)	<u>10,252,462</u>	<u>480,555</u>	<u>138,885</u>	<u>345,808</u>
Changes in Fund Balances	<u>\$10,836,838</u>	<u>\$507,183</u>	<u>\$867,260</u>	<u>(\$717,740)</u>
Debt Service as a Percentage of Noncapital Expenditures	7.00%	6.81%	7.67%	9.30%

2014	2013	2012	2011	2010	2009
\$2,500	\$101,854	\$2,297	\$160,000	\$0	\$0
0	0	0	0	0	10,000,000
0	0	0	0	0	(10,000,000)
0	0	8,718,405	0	21,050,626	9,999,926
0	0	1,278,003	0	0	374,905
0	0	0	0	0	(115,057)
0	0	(9,855,873)	0	0	0
0	0	0	0	0	0
0	0	321,377	316,447	137,625	163,827
0	0	(321,377)	(316,447)	(137,625)	(163,827)
<u>2,500</u>	<u>101,854</u>	<u>142,832</u>	<u>160,000</u>	<u>21,050,626</u>	<u>10,259,774</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>	<u>\$6,249,923</u>
9.94%	9.56%	9.43%	11.72%	13.84%	8.75%

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		
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
2009	580,943,790	45,940,700	1,791,098,542	16,386,590	18,621,125

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)
\$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
643,271,080	1,809,719,667	35.55	24.16

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

Collection Year	2018	2017	2016	2015
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	9.5200	10.0600	10.0700	10.0300
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	6.8500	7.2400	7.2500	7.2200
Public Utility Personal	10.0000	10.0000	10.0000	10.0000
1990 Bond \$16,500,000	0.0000	0.0000	0.0000	0.9500
1991 Bond/Library \$1,500,000	0.0000	0.0000	0.0500	0.0500
2004 Bond \$13,000,000	1.2100	1.4500	1.5500	0.1000
2006 Emergency \$750,000	0.0000	0.0000	0.0000	0.0000
2008 Bond \$30,000,000	2.1000	2.1500	2.1500	2.6700
2010 Emergency \$4,900,000	0.0000	0.0000	0.0000	6.9300
2015 Substitute	5.4800	5.9100	6.0500	n/a
2017 Bond \$108,000,000	0.3100	n/a	n/a	n/a
2017 Permanent Improvement				
Effective Millage Rates				
Residential/Agricultural Real	1.1400	n/a	n/a	n/a
Commercial/Industrial/Public Utility Real	1.1800	n/a	n/a	n/a
Public Utility Personal	1.2500	n/a	n/a	n/a
Total Voted Millage				
Total Effective Voted Millage by Type of Property				
Residential/Agricultural Real	25.6400	24.9100	25.2000	26.1000
Commercial/Industrial/Public Utility Real	26.6500	26.8100	27.1200	27.9500
Public Utility Personal	34.2500	33.4100	33.7000	34.6000
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	30.2400	29.5100	29.8000	30.7000
Commercial/Industrial/Public Utility Real	31.2500	31.4100	31.7200	32.5500
Public Utility Personal	38.8500	38.0100	38.3000	39.2000
Total Weighted Average Tax Rate	31.5000	30.9500	31.1300	31.1600

2014	2013	2012	2011	2010	2009
\$9.3946	\$9.3864	\$9.3709	\$8.9919	\$8.9727	\$8.9565
10.1356	9.3703	9.3779	9.0921	8.9565	9.0211
13.9000	13.9000	13.9000	13.9000	13.9000	13.9000
6.7587	6.7528	6.7416	6.4690	6.4552	6.4435
7.2918	6.7412	6.7467	6.5411	6.4435	6.4900
10.0000	10.0000	10.0000	10.0000	10.0000	10.0000
1.5600	1.5600	1.4700	1.6800	1.6800	1.5000
0.2300	0.2100	0.2500	0.1800	0.1800	0.2700
1.1300	1.1300	1.2600	0.9500	1.1000	1.0000
0.0000	0.0000	0.0000	1.1500	1.1500	1.1700
2.6700	2.6700	2.0600	1.9000	1.9000	2.9000
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	n/a
n/a	n/a	n/a	n/a	n/a	n/a
29.3032	29.3292	28.8125	28.7809	19.5379	19.3400
30.5774	29.3015	28.8246	28.9532	19.5100	19.4511
37.0500	37.0900	36.6000	37.2200	29.9100	30.7400
4.6000	4.6000	4.6000	4.6000	4.6000	4.6000
33.9032	33.9292	33.4125	33.3809	24.1379	23.9400
35.1774	33.9015	33.4246	33.5532	24.1100	24.0511
41.6500	41.6900	41.2000	41.8200	34.5100	35.3400
34.2100	34.1400	33.6300	33.6200	24.4000	24.1600

(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	2018	2017	2016	2015
Delaware County	\$5.8600	\$5.8800	\$5.9000	\$5.9100
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	0.8000	0.8000
Genoa Township	13.3000	13.3000	13.3000	11.7000
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	0.4500	0.4500
Delaware County Health Department	0.7000	0.7000	0.7000	0.7000
Delaware-Morrow Mental Health District	1.0000	1.0000	0.2500	1.0000
Preservation Park District	0.6000	0.6000	0.6000	0.6000
BST and G Fire Department	4.8500	3.0000	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.

2014	2013	2012	2011	2010	2009
\$5.9100	\$5.0500	\$5.0500	\$5.0500	\$5.0400	\$4.2500
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
11.3000	11.3000	11.3000	11.3000	9.4000	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	2.0000	2.0000	2.0000	2.0000
7.5000	7.5000	7.5000	7.5000	7.6800	7.6700
1.0000	1.0000	1.0000	1.0000	1.0000	n/a

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
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
2008	15,337,175	14,929,123	97.34	351,766	15,280,889	99.63

Source: Delaware County Auditor

- (1) The 2018 information cannot be presented because all collections have not been made by June 30, 2018.
- (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
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
2008	238,618	150,902	63.24	5,426	156,328	65.51

Source: Delaware County Auditor

- (1) The 2018 information cannot be presented because all collections have not been made by June 30, 2018.
- (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	2018	
	Real Property Assessed Valuation	Percentage of Total School District Assessed Valuation (2018 Collection Year)
Columbus Outlets, LLC	\$9,517,960	1.17%
Northstar, LLC	6,810,930	0.84
Village at Sunbury Mills LTD	4,790,490	0.59
Ohashi Technica USA, Inc.	3,149,870	0.39
Homewood Corporation	2,113,890	0.26
Nature's Haven Partners	1,837,650	0.23
Sunbury Realty, LLC	1,723,090	0.21
American Showa, Inc.	1,673,600	0.21
EPEC, LLC	1,602,840	0.20
Siemer Land, LLC	1,454,890	0.18
Total	34,675,210	4.28
All Other Taxpayers	775,918,130	95.72
Total Assessed Valuation	<u>\$810,593,340</u>	<u>100.00%</u>

Taxpayer	2009	
	Real Property Assessed Valuation	Percentage of Total School District Assessed Valuation (2009 Collection Year)
Northstar, LLC	\$3,924,700	0.63%
American Showa, Inc.	3,203,610	0.51
Homewood Corporation	1,913,460	0.31
Ohashi Technica USA, Inc.	1,872,500	0.30
Eagle Bent Tree, LLC	1,674,160	0.27
EPEC, LLC	1,579,590	0.25
Dominion Homes, Inc.	1,575,000	0.25
Nature's Haven Partners	1,481,870	0.23
Eagle Royal American, LLC	1,469,690	0.23
North Star Land Development and Northstar Golf, LLC	1,370,820	0.22
Total	20,065,400	3.20
All Other Taxpayers	606,819,090	96.80
Total Assessed Valuation	<u>\$626,884,490</u>	<u>100.00%</u>

Source: Delaware County Auditor



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

2018		
Taxpayer	Assessed Valuation	Percentage of Total School District Assessed Valuation (2018 Collection Year)
AEP Ohio Transmission Company, Inc.	\$100,472,270	76.79%
Ohio Power Company	20,990,300	16.04
Columbia Gas of Ohio	4,904,150	3.75
Consolidated Electric Cooperative	2,654,410	2.03
Battery Utility of Ohio, LLC	1,070,180	0.81
Total	130,091,310	99.42
All Other Taxpayers	753,340	0.58
Total Assessed Valuation	\$130,844,650	100.00%

2009		
Taxpayer	Total Assessed Valuation	Percentage of Total School District Assessed Valuation (2009 Collection Year)
Columbus Southern Power Company	\$9,787,880	59.73%
Columbia Gas of Ohio	3,852,360	23.51
Consolidated Electric Cooperative	1,642,590	10.02
Ohio Power Company	772,880	4.72
Total	16,055,710	97.98
All Other Taxpayers	330,880	2.02
Total Assessed Valuation	\$16,386,590	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)
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
2009	28,794,053	80,715	28,874,768	1,952	7.46

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

<u>Fiscal Year</u>	<u>Population (1)</u>	<u>Estimated Actual Value</u>	<u>General Bonded Debt</u>	<u>General Bonded Debt to Estimated Actual Value</u>	<u>General Bonded Debt Per Capita</u>
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
2009	14,790	1,809,719,667	28,794,053	1.59	1,947

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.

This Page Intentionally Left Blank

Big Walnut Local School District  
 Computation of Direct and Overlapping Debt  
 June 30, 2018

Political Subdivision	Debt Outstanding	Percentage Applicable to School District (1)	Amount Applicable to School District
Big Walnut Local School District	\$47,414,687	100.00%	\$47,414,687
Delaware County	<u>47,368,300</u>	12.03	<u>5,698,406</u>
Total	<u><u>\$94,782,987</u></u>		<u><u>\$53,113,093</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 2018 collection year.

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

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Total Assessed Valuation	\$941,437,990	\$857,974,570	\$810,279,900	\$708,254,650
Less:				
Public Utility Tangible Personal Property	<u>(130,844,650)</u>	<u>(132,179,380)</u>	<u>(116,869,400)</u>	<u>(28,604,860)</u>
Total Assessed Valuation used to calculate Legal Debt Margin	810,593,340	725,795,190	693,410,500	679,649,790
Overall Debt Limitation - 9 Percent of Assessed Valuation	<u>72,953,401</u>	<u>65,321,567</u>	<u>62,406,945</u>	<u>61,168,481</u>
Gross Indebtedness	42,928,405	34,762,341	36,073,331	37,971,178
Less Fund Balance in Debt Service Fund	<u>3,165,460</u>	<u>2,359,846</u>	<u>2,017,297</u>	<u>1,951,601</u>
Net Debt Within 9 Percent Limitation	<u>39,762,945</u>	<u>32,402,495</u>	<u>34,056,034</u>	<u>36,019,577</u>
Legal Debt Margin Within 9 Percent Limitation	<u>\$33,190,456</u>	<u>\$32,919,072</u>	<u>\$28,350,911</u>	<u>\$25,148,904</u>
Legal Debt Margin as a Percentage of the Overall Debt Limitation	45.50%	50.40%	45.43%	41.11%
Unvoted Debt Limitation - .10 Percent of Assessed Valuation	\$810,593	\$725,795	\$693,411	\$679,650
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>\$810,593</u>	<u>\$725,795</u>	<u>\$693,411</u>	<u>\$679,650</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>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
\$649,246,280	\$643,640,780	\$640,342,740	\$657,684,150	\$655,011,810	\$643,271,080
<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>	<u>(16,386,590)</u>
630,544,610	625,758,270	622,380,270	639,705,800	638,340,020	626,884,490
<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>	<u>56,419,604</u>
39,708,957	41,678,957	42,969,938	43,900,490	45,268,286	26,404,867
<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>1,889,802</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>24,515,065</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>	<u>\$31,904,539</u>
34.26%	29.80%	26.53%	26.64%	25.20%	56.55%
\$630,545	\$625,758	\$622,380	\$639,706	\$638,340	\$626,884
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>\$630,545</u>	<u>\$625,758</u>	<u>\$622,380</u>	<u>\$639,706</u>	<u>\$638,340</u>	<u>\$626,884</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)
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
2009	14,790	386,817,660	26,154	7.50

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)	2018			2009		
	Number of Employees	Rank	Percent of Total Employment	Number of Employees	Rank	Percent of Total Employment
JP Morgan Chase	10,700	1	10.71%	7,893	1	9.10%
Kroger Company	2,249	2	2.25	1,620	2	1.87
Olentangy Local School District	2,203	3	2.21	1,564	3	1.80
Delaware County	1,159	4	1.16	1,082	4	1.25
Grady Memorial Hospital	1,108	5	1.11	577	8	0.66
PCM/Sarcom, Inc.	1,001	6	1.00			
Meijer, Inc.	746	7	0.75			
Exel, Inc.	660	8	0.66			
Delaware City School District	632	9	0.63	538	10	0.62
American Showa, Inc.	600	10	0.60	709	6	0.82
Central Ohio Primary Care Physicians, Inc.				935	5	1.08
Ohio Wesleyan University				612	7	0.71
Wal-Mart				554	9	0.64
Total	<u>21,058</u>		<u>21.08%</u>	<u>16,084</u>		<u>18.55%</u>
Total Employment Within Delaware County	<u>99,900</u>			<u>86,700</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	2018	2017	2016	2015
Instruction				
Regular				
Elementary/Intermediate School Classroom Teachers	114.0	113.0	102.0	88.0
Middle School Classroom Teachers	20.0	27.0	21.0	22.0
High School Classroom Teachers	53.0	45.0	43.0	41.0
Special				
Elementary/Intermediate School Classroom Teachers	21.0	18.0	15.0	19.0
Middle School Classroom Teachers	7.0	3.0	6.0	4.0
High School Classroom Teachers	10.0	4.0	9.0	9.0
Vocational				
High School Classroom Teachers	3.0	3.0	1.0	3.0
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	7.0	7.0	6.0	5.0
Drug Free	0.0	0.0	0.0	0.0
Athletic Coordinator	1.0	1.0	1.0	1.0
Social Workers	1.0	1.0	1.0	1.0
Instructional Staff				
Technology	3.0	2.0	2.0	1.0
Teaching Assistants	51.0	46.0	38.0	34.0
Library Assistants	1.0	1.0	1.0	1.0
Administration				
Elementary School	6.0	6.0	6.0	5.0
Middle School	2.0	2.0	2.0	2.0
High School	4.0	4.0	3.0	3.0
Administration Office	10.0	9.0	8.0	8.0
Administrator Assistance	3.0	3.0	3.0	3.0
Secretaries	22.0	22.0	19.0	17.0
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	22.0	20.0	20.0
Maintenance	4.0	4.0	4.0	4.0
Pupil Transportation				
Bus Drivers	34.0	33.0	31.0	29.0
Bus Aides	2.0	2.0	2.0	1.0
Bus Mechanics	3.0	2.0	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	17.0
Middle School Cooks	4.0	4.0	4.0	4.0
High School Cooks	9.0	9.0	9.0	7.0

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

2014	2013	2012	2011	2010	2009
78.0	78.0	97.0	86.0	98.0	102.0
23.0	23.0	n/a	n/a	n/a	n/a
39.0	38.0	42.0	47.0	45.0	50.0
17.0	12.0	17.0	16.0	22.0	27.0
5.0	3.0	n/a	n/a	n/a	n/a
9.0	7.0	12.0	8.0	9.0	9.0
2.0	2.0	2.0	2.0	5.0	6.0
5.0	4.0	4.0	4.0	6.0	8.0
1.0	1.0	1.0	1.0	1.0	1.0
0.0	0.0	1.0	1.0	1.0	1.0
0.0	0.0	0.0	0.0	0.0	0.0
0.0	0.0	0.0	0.0	0.0	2.0
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	1.0
26.0	25.0	26.0	23.0	23.0	26.0
1.0	1.0	1.0	0.0	4.0	5.0
4.0	4.0	3.0	3.0	3.0	3.0
2.0	2.0	2.0	1.5	2.0	2.0
2.0	2.0	2.0	2.5	3.0	3.0
7.0	6.0	6.0	6.0	8.0	8.0
3.0	3.0	3.0	3.0	3.0	3.0
15.0	14.0	12.0	13.0	14.0	13.0
2.0	2.0	3.0	3.0	3.0	3.0
1.0	1.0	1.0	1.0	1.0	1.0
18.0	18.0	15.0	17.0	15.0	17.0
3.0	3.0	2.0	2.0	2.0	2.0
27.0	23.0	26.0	23.0	28.0	30.0
2.0	1.0	1.0	1.0	2.0	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
15.0	15.0	12.0	10.0	10.0	10.0
5.0	5.0	5.0	6.0	6.0	6.0
7.0	7.0	7.0	6.0	8.0	8.0

This Page Intentionally Left Blank

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
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
2009	30,372,101	2,879	10,550	194	14.84

Source: School District Records

Note: Fiscal year 2018 expenses reflect the effect of the implementation of GASB Statement No. 75.

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

	*** 2018	*** 2017	*** 2016	2015	2014
<b>Big Walnut Elementary</b>					
Total Square Footage	37,289	37,289	37,289	36,700	36,700
Enrollment	394	369	337	320	456
Student Capacity	405*/298**	405*/298**	405*/298**	575	575
Regular Instruction Classrooms	21	22	19	18	23
Regular Instruction Teachers	21	22	19	18	23
Special Instruction Classrooms	4	2	3	2	3
Special Instruction Teachers	4	2	3	2	3
<b>Harrison Street Elementary</b>					
Total Square Footage	37,954	37,954	37,954	36,200	36,200
Enrollment	303	305	307	247	0
Student Capacity	265*/303**	265*/303**	265*/303**	475	475
Regular Instruction Classrooms	17	15	15	13	0
Regular Instruction Teachers	17	15	15	13	0
Special Instruction Classrooms	3	2	1	3	0
Special Instruction Teachers	3	2	1	3	0
<b>Hylen Souders Elementary</b>					
Total Square Footage	42,754	42,754	42,754	42,493	42,493
Enrollment	367	360	336	290	279
Student Capacity	407*/342**	407*/342**	407*/342**	725	725
Regular Instruction Classrooms	21	20	19	17	14
Regular Instruction Teachers	21	20	19	17	14
Special Instruction Classrooms	3	2	2	4	3
Special Instruction Teachers	3	2	2	4	3
<b>General Rosecrans Elementary</b>					
Total Square Footage	62,594	62,594	62,594	59,620	59,620
Enrollment	468	452	443	420	506
Student Capacity	500*/530**	500*/530**	500*/530**	500	500
Regular Instruction Classrooms	27	26	24	18	23
Regular Instruction Teachers	27	26	24	18	23
Special Instruction Classrooms	4	5	4	5	6
Special Instruction Teachers	4	5	4	5	6
<b>Big Walnut Intermediate School</b>					
Total Square Footage	73,393	73,393	73,393	69,680	69,680
Enrollment	566	557	536	527	501
Student Capacity	650*/532**	650*/532**	650*/532**	660	660
Regular Instruction Classrooms	28	30	25	22	18
Regular Instruction Teachers	28	30	25	22	18
Special Instruction Classrooms	7	7	5	5	5
Special Instruction Teachers	7	7	5	5	5

2013	2012	2011	2010	2009
36,700	36,700	36,700	36,700	36,700
468	546	497	563	538
575	575	575	575	575
23	25	19	21	27
23	25	19	26	27
2	2	3	4	5
2	2	3	4	5
36,200	36,200	36,200	36,200	36,200
0	0	0	335	327
475	475	475	475	475
0	0	0	18	19
0	0	0	18	19
0	0	0	3	6
0	0	0	4	6
42,493	42,493	42,493	42,493	42,493
265	321	356	457	420
725	725	725	725	725
15	19	18	23	22
15	19	18	23	22
2	2	2	4	8
2	2	2	7	8
59,620	59,620	59,620	n/a	n/a
488	556	540	n/a	n/a
500	500	500	n/a	n/a
24	23	20	n/a	n/a
24	23	20	n/a	n/a
4	6	4	n/a	n/a
4	6	4	n/a	n/a
69,680	69,680	69,680	69,680	69,680
450	685	656	660	648
660	660	660	660	660
16	30	29	29	29
16	30	29	31	34
4	7	3	3	3
4	7	7	7	8

(continued)

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

	2018	2017	2016	2015	2014
<b>Big Walnut Middle School</b>					
Total Square Footage	106,769	106,769	106,769	110,000	110,000
Enrollment	562	563	522	487	458
Student Capacity	700*/750**	700*/750**	700*/750**	650	650
Regular Instruction Classrooms	20	27	21	22	23
Regular Instruction Teachers	20	27	21	22	23
Special Instruction Classrooms	7	3	6	4	5
Special Instruction Teachers	7	3	6	4	5
<b>Big Walnut High School</b>					
Total Square Footage	183,175	183,175	183,175	180,000	180,000
Enrollment	1,008	999	969	982	950
Student Capacity	1,100*/1,109**	1,100*/1,109**	1,100*/1,109**	1,100	1,100
Regular/Vocational Instruction Classrooms	56	48	44	44	41
Regular/Vocational Instruction Teachers	56	48	44	44	41
Special Instruction Classrooms	10	4	9	9	9
Special Instruction Teachers	10	4	9	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.



2013	2012	2011	2010	2009
110,000	n/a	n/a	n/a	n/a
484	n/a	n/a	n/a	n/a
650	n/a	n/a	n/a	n/a
23	n/a	n/a	n/a	n/a
23	n/a	n/a	n/a	n/a
3	n/a	n/a	n/a	n/a
3	n/a	n/a	n/a	n/a
180,000	180,000	180,000	180,000	180,000
923	955	945	964	946
1,100	1,100	1,100	1,100	1,100
40	44	47	45	46
40	44	49	50	56
7	12	8	8	8
7	12	8	9	9

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

Degree	2018	2017	2016	2015	2014
Bachelor's Degree	29	28	24	21	15
Bachelor + 15	21	26	22	20	22
Bachelor + 30	33	28	28	26	20
Master's Degree	71	60	62	58	59
Master's + 15	34	35	29	34	33
Master's + 30	24	36	32	27	24
Master's + 45	16	0	0	0	0
Total	<u>228</u>	<u>213</u>	<u>197</u>	<u>186</u>	<u>173</u>

Source: School District Records

<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
20	19	16	19	33
20	25	23	27	24
17	17	19	24	31
57	56	53	62	61
30	31	30	30	31
19	22	18	17	14
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u><u>163</u></u>	<u><u>170</u></u>	<u><u>159</u></u>	<u><u>179</u></u>	<u><u>194</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)
2018	\$37,769	\$90,646	n/a	n/a
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
2009	32,082	75,714	56,749	54,565

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/ Intermediate Schools	Middle School	High School	Total
2018	2,098	562	1,008	3,668
2017	2,043	563	999	3,605
2016	1,959	522	969	3,450
2015	1,804	487	982	3,273
2014	1,742	458	950	3,150
2013	1,671	484	923	3,078
2012	2,108	n/a	955	3,063
2011	2,049	n/a	945	2,994
2010	2,015	n/a	964	2,979
2009	1,933	n/a	946	2,879

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.

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

District Buildings	2018	2017	2016	2015	2014
Big Walnut Elementary	9.80%	13.90%	16.40%	17.00%	25.40%
Harrison Street Elementary	23.10	26.70	26.30	26.00	n/a
Hulen Souders Elementary	22.60	19.80	22.60	24.20	28.20
General Rosecrans Elementary	8.80	9.80	10.60	16.50	14.40
Big Walnut Intermediate School	13.30	16.90	18.20	17.60	15.40
Big Walnut Middle School	15.40	15.10	13.70	16.50	19.30
Big Walnut High School	10.60	12.20	14.20	15.70	16.20

Source: School District Records

n/a - not applicable

<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
27.90%	25.67%	17.49%	14.00%	19.00%
n/a	n/a	n/a	36.00	20.00
32.70	30.94	16.24	21.00	26.00
18.90	18.21	15.05	n/a	n/a
20.80	20.44	25.82	12.00	19.00
22.40	n/a	n/a	n/a	n/a
19.80	17.46	25.40	17.00	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
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
2009	95.40	94.30	96.20	84.60

Source: Ohio Department of Education, Local Report Cards





**BIG WALNUT**  
LOCAL SCHOOLS

**INSPIRE  
& GUIDE**



Big Walnut Local School District  
Phone: 740.965.3010  
[www.bwls.net](http://www.bwls.net)

**This page intentionally left blank.**



# Dave Yost • Auditor of State

**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 27, 2018**