

Westerville City School District

Comprehensive Annual Financial Report

For Fiscal Year Ended
June 30, 2019



Board of Education
Westerville City School District
Westerville, Ohio



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Columbus, Ohio 43215
IPARepor@ohioauditor.gov
(800) 282-0370

Board of Education
Westerville City School District
936 Eastwind Drive
Westerville, Ohio 43081

We have reviewed the *Independent Auditor's Report* of the Westerville City School District, Franklin County, prepared by Julian & Grube, Inc., for the audit period July 1, 2018 through June 30, 2019. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. The Westerville City School District is responsible for compliance with these laws and regulations

A handwritten signature in black ink that reads "Keith Faber".

Keith Faber
Auditor of State
Columbus, Ohio

January 31, 2020

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Westerville City School District

Westerville, Ohio



Comprehensive Annual Financial Report

For Fiscal Year Ended June 30, 2019

Issued By:

Office of the Treasurer

Prepared By:

Nicole Marshall

Treasurer

Westerville City School District

Westerville, Ohio



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WESTERVILLE CITY SCHOOL DISTRICT, OHIO
COMPREHENSIVE ANNUAL FINANCIAL REPORT
TABLE OF CONTENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	<u>Page</u>
I. INTRODUCTORY SECTION	
Letter of Transmittal	1
Elected Officials and Administrative Staff	7
Table of Organization for Administrators	8
Certificate of Achievement, Government Finance Officers Association	9
II. FINANCIAL SECTION	
Independent Auditor’s Report	11
Management’s Discussion and Analysis	15
Basic Financial Statements:	
Government-wide Financial Statements	
Statement of Net Position	27
Statement of Activities	28
Fund Financial Statements	
Balance Sheet – Governmental Funds	29
Reconciliation of Total Governmental Fund Balances to Net Position of Governmental Activities	31
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds	32
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	33
Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis) – General Fund	34
Statement of Net Position – Proprietary Funds	35
Statement of Revenues, Expenses, and Changes in Net Position – Proprietary Funds	36
Statement of Cash Flows – Proprietary Funds	37
Statement of Fiduciary Net Position – Fiduciary Funds	38
Statement of Changes in Fiduciary Net Position – Fiduciary Fund	39

WESTERVILLE CITY SCHOOL DISTRICT, OHIO
COMPREHENSIVE ANNUAL FINANCIAL REPORT
TABLE OF CONTENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

Notes to Basic Financial Statements	40
Required Supplementary Information	
Schedule of the District’s Proportionate Share of the Net Pension Liability	
School Employees Retirement System (SERS) of Ohio	86
State Teachers Retirement System (STRS) of Ohio	88
Schedule of District Pension Contributions:	
School Employees Retirement System (SERS) of Ohio	90
State Teachers Retirement System (STRS) of Ohio	92
Schedule of the District’s Proportionate Share of the OPEB Liability	
School Employees Retirement System (SERS) of Ohio	94
State Teachers Retirement System (STRS) of Ohio	95
Schedule of District OPEB Contributions:	
School Employees Retirement System (SERS) of Ohio	96
State Teachers Retirement System (STRS) of Ohio	98
Notes to Required Supplementary Information	100
Supplementary Information	
Combining Statements and Individual Fund Schedules	
Description of Funds – Major Funds	105
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis) –Debt Service	106
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis) –Permanent Improvement	106
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis) –Building	106
Description of Funds – Other Governmental Funds	107
Combining Balance Sheet – Other Governmental Funds	110

WESTERVILLE CITY SCHOOL DISTRICT, OHIO
COMPREHENSIVE ANNUAL FINANCIAL REPORT
TABLE OF CONTENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Other Governmental Funds	114
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis) – Other Governmental Funds	118
Description of Funds – Internal Service Funds	124
Combining Statement of Net Position – Internal Service Funds	125
Combining Statement of Revenues, Expenses and Changes in Net Position – Internal Service Funds	126
Combining Statement of Cash Flows – Internal Service Funds	127
Description of Funds – Agency Funds	128
Combining Statement of Changes in Assets & Liabilities – Agency Funds	129
 III. STATISTICAL SECTION	
Table of Contents	131
Net Position by Component – Last Ten Fiscal Years	132
Change in Net Position – Last Ten Fiscal Years	133
Fund Balances, Governmental Funds – Last Ten Fiscal Years	135
Changes in Fund Balances, Governmental Funds – Last Ten Fiscal Years	136
Assessed Valuation and Estimated Actual Value of Taxable Property – Last Ten Collection Years	138
Property Tax Rates Direct and Overlapping Governments – Last Ten Collection Years	139
Principal Taxpayers – Current Year and Ten Years Ago	140
Property Tax Levies and Collections – Real, Public Utility Tax And Tangible Personal Property – Last Ten Calendar Years	141
Ratios of Outstanding Debt by Type – Last Ten Years	142
Ratios of General Bonded Debt Outstanding – Last Ten Years	143
Legal Debt Margin Information	144

WESTERVILLE CITY SCHOOL DISTRICT, OHIO
COMPREHENSIVE ANNUAL FINANCIAL REPORT
TABLE OF CONTENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

Computation of Direct and Overlapping General Obligation Bonded Debt	145
Demographic and Economic Statistics – Last Ten Years	146
Principal Employers – Current Year and Ten Years Ago	147
Staffing Statistics – Full Time Equivalent (FTE) by Type and Function	148
Operating Indicators by Function	149
Capital Assets by Function/Program	150
School Building Information	152
Educational and Operating Statistics	154

Introductory Section



Board of Education
Westerville City School District
Westerville, Ohio

Westerville City School District

Westerville, Ohio



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Westerville City Schools

Department of Treasurer/Fiscal Services
Nicole Marshall, Treasurer/CFO

936 Eastwind Dr., Westerville, OH 43081
Main Office (614) 797-5700 Fax (614) 797-5775

Vision

Our vision is
to be the benchmark
of educational
excellence.

December 9, 2019

To the Board of Education and Residents of the Westerville City School District:

Mission

Our mission is
to prepare students
to contribute
to the competitive
and changing world
in which we live.

As the Superintendent and the Treasurer of the Westerville City School District (the District), we are pleased to submit to you the Comprehensive Annual Financial Report (CAFR) for the year ended June 30, 2019. This CAFR is prepared by the Treasurer and in accordance with accounting principles generally accepted in the United States of America (GAAP) and in conformance with standards of financial reporting established by the Governmental Accounting Standards Board (GASB) using guidelines recommended by the Government Finance Officers Association of the United States and Canada (GFOA). Management is responsible for the contents of this report, and we believe the data presented is complete and accurate in all material respects.

In addition, this report is designed so that a reader can acquire the maximum understanding of the District's financial activity. This report is provided as a way for the District to communicate openly about the District's finances with its stakeholders.

Values

- Respect
- Inclusiveness
- Community
- Communication
- Collaboration
- Innovation
- Nurturing
- Trust
- Accountability

Management is also required to prepare a narrative introduction and overview of the financial statements in the form of Management's Discussion and Analysis, which can be found on page 15. This letter of transmittal is designed and should be read in conjunction with that analysis. Comments on the report are welcome and requests for additional financial information can be obtained by contacting the Office of the Treasurer.

This report will be posted on the District's website. A copy will be sent to financial rating services, and any other interested parties.

REPORTING ENTITY

The District is an independent political subdivision of the State of Ohio and operates subject to the provisions of the Ohio Constitution and various sections of the Ohio Revised Code. Under such laws, there is no authority for the District to have a charter or adopt local laws. The District is not a part of, nor under the control of, the City of Westerville. The territory of the District is considerably larger than the territory of the City of Westerville.

WESTERVILLE CITY SCHOOL DISTRICT, OHIO
LETTER OF TRANSMITTAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

The Westerville City School District (the District) is located in Central Ohio, immediately northeast of the City of Columbus. Encompassing 52 square miles, the District includes land in the City of Westerville, Village of Minerva Park, City of Columbus, Franklin County, and Delaware County. Westerville is a growing residential suburb with a school district enrollment of 15,385, and the District's estimated population is 98,331 (Mid Ohio Regional Planning Commission). The District is currently comprised of 23 schools: 1 preschool, 15 elementary schools, four middle schools, and three high schools. The District is culturally and economically diverse, and its residents are well educated and expect a high quality education for their children. Many residents are area leaders in business, the professions, and the arts. Westerville is the home of Otterbein University, a 4-year liberal arts institution.

The District provides a vast range of educational and support services as mandated by State statute and the desires of the community, which include but are not limited to, regular, special needs, and vocational educational programs, guidance and support services, extracurricular activities, food service activities, and various community programs.

The accompanying basic financial statements comply with the provisions of Governmental Accounting Standards Board (GASB) Statement No. 14, *The Financial Reporting Entity*, and Statement No. 39, *Determining Whether Certain Organizations are Component Units*, and Statement No. 61, *The Financial Reporting Entity: Omnibus on Amendment of GASB Statements No. 14 and 34* in that the basic financial statements include all organizations, activities and functions for which the District is financially accountable. Financial accountability is defined as the appointment of a voting majority of a component unit's board and either (i) the District's ability to impose its will over a component unit, or (ii) the possibility that the component unit will provide a financial benefit or impose a financial burden on the District. On that basis, the reporting entity of the District includes the services of the District only (i.e. there are no component units).

ORGANIZATION OF THE DISTRICT / PROFILE OF THE GOVERNMENT

The Board of Education of the Westerville City School District (the Board) is a five-member body politic and corporate, as defined by Section 3313.02, Ohio Revised Code. The Board serves as the taxing authority, contracting body, policy maker, and ensures that all other general laws of the State of Ohio are followed in the expenditure of the District's tax dollars, and approves the annual appropriation resolution and tax budget.

Board members are elected at large for staggered four-year terms. The Board meets regularly on the second and fourth Monday of each month. At the first meeting of each year, the Board elects one of its members as president and one as vice-president to serve as such for one year. The Board members on June 30, 2019, were as follows:

Board Member	Service as a Board Member		
	Began	Expires	
Tracy Davidson	01/01/18	12/31/21	President
Rev. Rick Vilardo	01/01/18	12/31/21	Vice President
Rev. Vaughn Bell	11/19/18	12/31/19	Member
Gerrie Cotter	01/01/16	12/31/19	Member
Dr. Nancy Nestor-Baker	01/01/18	12/31/21	Member

WESTERVILLE CITY SCHOOL DISTRICT, OHIO
LETTER OF TRANSMITTAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

The Superintendent of Schools is the Chief Executive and Administrative Officer for the Westerville Board of Education. On July 1, 2013, John Kellogg, Ed.D. was appointed Superintendent. Dr. Kellogg, in this capacity, directs and supervises the work of all the schools, offices, and employees of the Board, except the Treasurer and the Treasurer's staff. Dr. Kellogg is in his 35th year of service to public education having served in the roles of teacher, administrator and Chief Executive Officer.

The Treasurer is the chief financial officer (CFO) of the District and is responsible directly to the Board for maintaining all financial records, issuing all payments, maintaining custody of all District funds and assets, and investing idle funds as specified by Ohio Law. Nicole Marshall was appointed as Treasurer/CFO on July 1, 201. Mrs. Marshall has been in the government finance profession for 15 years.

ECONOMIC DEVELOPMENT AND OUTLOOK

The City of Westerville is located in the northeast quadrant of Ohio's fastest growing metropolitan area and is a vital city of 37,000 residents within 11.5 square miles that abut the City of Columbus, Ohio's capital. The City has immediate access to I-71 and I-270. Settled in 1806, Westerville's historic legacy serves as a constant backdrop to its steady residential and corporate growth. New and existing businesses enjoy the character of the cobblestone streets in Uptown Westerville and a business climate poised for the 21st century.

Employment in Westerville has remained fairly steady with unemployment in June of 2018 of approximately 3.5% decreasing to 3.2% as of June 2019. Employment in the District is diversified with a majority in the finance and insurance sector.

The District has an excellent relationship with the City of Westerville, which assures that development projects selected by the City are also highly desirable for the District. When the City of Westerville uses an incentive to attract a business, it primarily uses Community Reinvestment Areas (CRAs) or Tax Increment Financing (TIF) areas. In either case, the District is reimbursed for a portion of property taxes it would have collected through an agreement with the City of Westerville. The District and City maintain a strong working relationship to attract desirable development to the community.

EMPLOYEE RELATIONS

The District currently has approximately 1,850 full-time and part-time employees. Four organizations represent District employees. In the opinion of District officials, labor relations are good.

WESTERVILLE CITY SCHOOL DISTRICT, OHIO
LETTER OF TRANSMITTAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

Certified Staff

The teaching or certified staff is represented by the Westerville Education Association (WEA), which is affiliated with the Ohio Education Association (OEA) and the National Education Association (NEA). The Board has bargained with the WEA since September 1, 1997. The Board and the WEA signed a three-year agreement effective September 1, 2018 through August 31, 2021. The agreement provides a 2.6% raise effective for fiscal year 2019 through 2021.

Classified Staff

Classified employees are represented by three unions: bus drivers and mechanics are represented by the Ohio Association of Public School Employees (OAPSE) #719, the custodial, maintenance and food service staff are represented by OAPSE #138, and the clerical staff is represented by Westerville Educational Support Staff Association (WESSA). In July of 2018, all three unions approved new three year agreements effective July 1, 2018 through June 30, 2021. The OAPSE #719 and #138 agreement also includes a one year extension through June 30, 2022. The agreements provide a 2.6% raise and a \$300 lump payment in January for each year of the contract.

FINANCIAL INFORMATION

The District's accounting system is organized on a "fund" basis. Each fund is a distinct, self-balancing entity. Records are maintained during the fiscal year on a budgetary basis system of accounting as prescribed by State statute. Cash basis accounting differs from generally accepted accounting principles (GAAP) as promulgated by the Governmental Accounting Standards Board (GASB).

Internal Controls

The management of the District is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the District are protected from loss, theft or misuse, and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with 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. Management believes the internal controls adequately meet the above objectives.

WESTERVILLE CITY SCHOOL DISTRICT, OHIO
LETTER OF TRANSMITTAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

Budgetary Controls

The budgetary process is prescribed by provisions of the Ohio Revised Code and entails the preparation of budgetary documents within an established timetable. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriations resolution, all of which are prepared on the budgetary basis of accounting. The certificate of estimated resources and the appropriations resolution are subject to amendment throughout the year with the legal restriction that appropriations cannot exceed estimated resources, as certified. All funds, other than agency funds, are legally required to be budgeted and appropriated. The primary level of budgetary control required by Ohio Revised Code is at the fund level. The level of budgetary control imposed by the District (the level at which expenditures cannot legally exceed the appropriated amount) is established at the fund level for all funds. Any budgetary modifications at these levels may only be made by resolution of the Board of Education. The District maintains an encumbrance accounting system as one technique of accomplishing budgetary control. Unencumbered appropriation balances are verified prior to the release of purchase orders to ensure funds are available to meet the obligation created by the purchase order. Encumbered amounts at year-end are carried forward to succeeding fiscal years and are not re-appropriated.

Financial Planning and Policies

As required by Ohio Revised Code, the District adopts a five-year financial forecast annually to ensure long term financial success. It serves as a planning tool to certify if funds are available for future expenditures and to strategize when the District will need to return to voters for additional funds or to reduce expenditures accordingly. The most recent forecast, approved in November 2019, shows a positive available fund balance through 2024.

AWARDS AND ACKNOWLEDGEMENTS

GFOA Certificate of Achievement

The Government Finance Officers Association of the United States and Canada awarded the Certificate of Achievement for Excellence in Financial Reporting to the Westerville City School District for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2018. The Certificate of Achievement is the highest form of recognition for excellence in state and local government financial reporting.

In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report, whose contents conform to program standards. The report 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 Comprehensive Annual Financial Report continues to meet the high standards required by the Certificate of Achievement program, and we are submitting it to GFOA to determine its eligibility for a certificate.

Independent Audit

State statutes require a bi-annual audit by independent auditor's unless a single audit is required. Julian & Grube, Inc. conducted the District's 2019 fiscal year audit. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the Uniform Guidance. The auditor's report on the basic financial statements and combining and individual fund statements and schedules is included in the financial section of this report.

WESTERVILLE CITY SCHOOL DISTRICT, OHIO

Letter of Transmittal

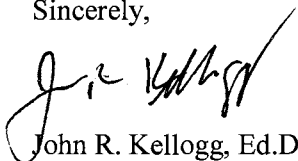
For the Fiscal Year Ended June 30, 2019

Acknowledgments

The preparation and publication of this Comprehensive Annual Financial Report on a timely basis would not have been possible without the cooperation of the entire Treasurer's Department.

Also, this report would not have been possible without the continued support of the Westerville Board of Education who values quality financial information with which to help make decisions. Without their leadership and commitment to excellence, this would not be possible.

Sincerely,



John R. Kellogg, Ed.D
Superintendent/CEO



Nicole Marshall
Treasurer/CFO

WESTERVILLE CITY SCHOOL DISTRICT, OHIO
ELECTED OFFICIALS AND ADMINISTRATIVE STAFF
AS OF JUNE 30, 2019

BOARD OF EDUCATION

President
Vice President
Member
Member
Member

Tracy Davidson
Rev. Rick Vilardo
Rev. Vaughn Bell
Gerrie Cotter
Dr. Nancy Nestor-Baker

APPOINTED OFFICIALS

Superintendent
Treasurer

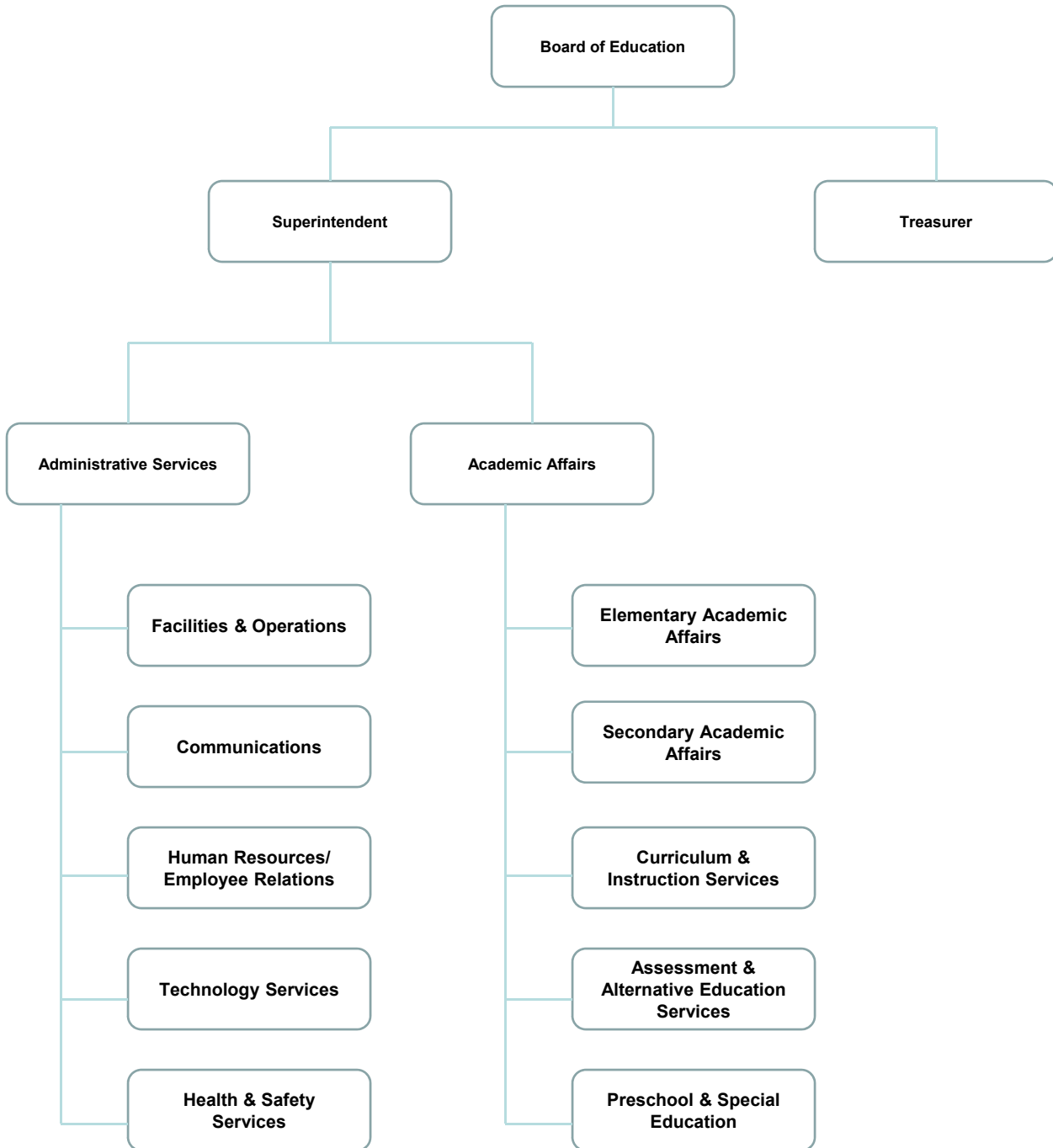
Dr. John Kellogg
Nicole Marshall

ADMINISTRATIVE STAFF

Deputy Superintendent
Executive Director, Human Relations
Executive Director, Business Services
Executive Director, Communications
Executive Director, Elementary Academic Affairs
Executive Director, Secondary Academic Affairs
Principal, Westerville North High School
Principal, Westerville South High School
Principal, Westerville Central High School
Principal, Blendon Middle School
Principal, Genoa Middle School
Principal, Heritage Middle School
Principal, Walnut Springs Middle School
Principal, Alcott Elementary School
Principal, Annehurst Elementary School
Principal, Cherrington Elementary School
Principal, Emerson Elementary School
Principal, Fouse Elementary School
Principal, Hanby Elementary School
Principal, Hawthorne Elementary School
Principal, Huber Ridge Elementary School
Principal, Longfellow Elementary School
Principal, Mark Twain Elementary School
Principal, McVay Elementary School
Principal, Pointview Elementary School
Principal, Robert Frost Elementary School
Principal, Whittier Elementary School
Principal, Wilder Elementary School

Mark Hershiser
Paul Hopkins
Scott Dorne
Greg Viebranz
Barbara Wallace
Scott Reeves
Kurt Yancey
Mike Hinze
Tom Lanier
Kendall Harris
Scott Gaddis
Dru Tomlin
Becca Gianni
Earl Rahm III
Tabitha Wilburn
Andy Heck
Chris Doolittle
Robert Stranges
Monica Brown
Angela Ervin
Tyson Hilkert
Chris Doolittle
Vicki Moss
Charles Swain
Sherry Birchem
Sarah Berka
Cheryl Relford
Dr. Victoria Hazlett

WESTERVILLE CITY SCHOOL DISTRICT, OHIO
TABLE OF ORGANIZATION FOR ADMINISTRATORS
FOR FISCAL YEAR ENDED JUNE 30, 2019





Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

Westerville City School District
Ohio

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2018

Christopher P. Morill

Executive Director/CEO

Westerville City School District

Westerville, Ohio



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Financial Section



Board of Education
Westerville City School District
Westerville, Ohio

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Julian & Grube, Inc.

Serving Ohio Local Governments

333 County Line Rd. West, Westerville, OH 43082 Phone: 614.846.1899 Fax: 614.846.2799

Independent Auditor's Report

Westerville City School District
Franklin County
936 Eastwind Drive
Westerville, Ohio 43081

To the Board of Education:

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Westerville City School District, Franklin County, Ohio, as of and for the fiscal year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the Westerville City 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 Westerville City 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 Westerville City School District's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of management's accounting policies and the reasonableness of their significant accounting estimates, as well as our evaluation of the overall financial statement presentation.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Westerville City School District, Franklin County, Ohio, as of June 30, 2019, and the respective changes in financial position and, where applicable, cash flows thereof and the budgetary comparison for the General fund thereof for the fiscal year then ended in accordance with the accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require this presentation to include *management's discussion and analysis* and schedules of net pension and other post-employment benefit liabilities/asset 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 Westerville City 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.

Westerville City School District
Franklin County
Independent Auditor's Report
Page 3

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 9, 2019, on our consideration of the Westerville City 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 Westerville City School District's internal control over financial reporting and compliance.

A handwritten signature in cursive script that reads "Julian & Grube, Inc.".

Julian & Grube, Inc.
December 9, 2019

Westerville City School District

Westerville, Ohio



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WESTERVILLE CITY SCHOOL DISTRICT, OHIO
Management's Discussion & Analysis
For the Fiscal Year Ended June 30, 2019
Unaudited

The management of the Westerville City School District (the District) offers the readers of the District's Comprehensive Annual Financial Report this narrative overview and analysis of the financial activities for the year ended June 30, 2019. The District encourages readers to consider the information presented here in conjunction with additional information that has been furnished in the letter of transmittal, notes to the basic financial statements and the financial statements to enhance their understanding of the District's financial performance.

FINANCIAL HIGHLIGHTS

The District's net position increased by \$39 million or 72.5%. Program revenues accounted for \$29.4 million or 13.3% of total revenues, and general revenues accounted for \$191.6 million or 86.7%.

The general fund reported a positive fund balance of \$151.6 million.

USING THIS COMPREHENSIVE ANNUAL FINANCIAL REPORT

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

The Statement of Net Position and Statement of Activities provide information about the activities of the whole District, presenting both an aggregate view of the District's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. The fund financial statements also look at the District's major funds with all other non-major funds presented in total in one column. The major fund for the Westerville City School District is the general fund. The District has also selected to present the debt service fund, the permanent improvement fund and the building fund as major funds.

REPORTING THE DISTRICT AS A WHOLE

Statement of Net Position and Statement of Activities

While this document contains a large number of funds utilized by the District to provide programs and activities, the view of the District as a whole looks at all financial transactions and asks the questions, "How did the District perform financially in 2019?" The Statement of Net Position and the Statement of Activities help to answer this question. These statements include *all assets plus deferred outflows of resources* and *liabilities plus deferred inflows of resources* using the *accrual basis of accounting*, which is similar to the accounting used by private sector corporations. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

These two statements report the District's *net position* and change in net position. This change in net position is important because it tells the reader that, for the District as a whole, the financial position of the District has improved or diminished. The reader must also consider other non-financial factors such as the District's property tax base, current property tax laws, student enrollment growth, facility conditions and other factors in arriving at their conclusion regarding the overall health of the District.

WESTERVILLE CITY SCHOOL DISTRICT, OHIO
Management's Discussion & Analysis
For the Fiscal Year Ended June 30, 2019
Unaudited

In the Statement of Net Position and the Statement of Activities, all of the District's activities are reported as governmental including instruction, support services, operation and maintenance of plant, student transportation and extracurricular activities.

REPORTING THE DISTRICT'S MOST SIGNIFICANT FUNDS

Fund Financial Statements

Our analysis of the District's major funds begins on page 11. The fund financial statements begin on page 15 and provide detailed information about the most significant funds – not the District as a whole. Some funds are required to be established by State statute, while many other funds are established by the District to help manage money for particular purposes and compliance with various grant provisions. The District's three types of funds, governmental, proprietary and fiduciary use different accounting approaches as further described in the notes to the basic financial statements.

Governmental Funds

Most of the District's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances remaining at year-end available for spending in future periods. These funds are reported utilizing an accounting method called modified accrual accounting, which measures cash and other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the District's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources available to spend in the near future to finance the District's programs. The relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is reconciled in the financial statements.

Proprietary Funds

Proprietary funds use the accrual basis of accounting, the same as on the entity-wide statements. The District uses an internal service fund to account for a self-insurance program and one for workers compensation insurance. The assets plus deferred outflows, liabilities plus deferred inflows, and net position of the internal service funds have been included within the governmental activities.

Fiduciary Funds

The District is the trustee, or fiduciary for various student managed activity programs, various scholarship programs and other items listed as agency and private purpose. All of the District's fiduciary activities are reported in separate Statements of Fiduciary Net Position and Changes in Fiduciary Net Position on page 26-27. We exclude these activities from the District's other financial statements because the net position cannot be utilized by the District to finance its operations.

FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT AS A WHOLE

Net position may serve over time as a useful indicator of a government's financial position. In the case of the District, assets plus deferred outflows were greater than liabilities plus deferred inflows by \$92.8M at the close of the most recent fiscal year. This is due to the implementation of GASB 75 which is discussed below.

WESTERVILLE CITY SCHOOL DISTRICT, OHIO
Management's Discussion & Analysis
For the Fiscal Year Ended June 30, 2019
Unaudited

Long term liabilities decreased primarily due to a decrease of \$45 million in net pension liability and net OPEB liability. This factor is outside of the control of the District. The District contributes its statutorily required contributions to the pension systems; however, it is the pension systems that collect, hold and distribute pensions to District employees, not the District. Other amounts due in more than one year increased \$34.8 million due to the issuance of certificates of participation of \$39 million for renovation of South High School and safety and security upgrades throughout the District. A significant portion of the District's net position, \$86.2 million, reflects its investment in capital assets less any related debt used to acquire those assets that is still outstanding. The District uses capital assets to provide services; consequently, these assets are not available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. An additional portion of the District's net position, \$28.9 million, represents resources subject to external restrictions on how they may be used.

Table 1 provides a comparative analysis of fiscal year 2019 to 2018.

(Table 1)
Net Position

	Governmental Activities	
	2018	2018
Current assets	\$347,097,348	\$280,034,535
Capital assets	<u>149,288,519</u>	<u>149,717,174</u>
Total assets	496,385,867	429,751,709
Deferred outflows	58,942,810	76,196,707
Current liabilities	34,512,258	31,033,729
Long term liabilities	<u>310,680,850</u>	<u>320,878,653</u>
Total liabilities	345,193,108	351,912,382
Deferred inflows	117,379,300	100,274,604
Net position:		
Net investment in capital assets	86,216,028	87,764,935
Restricted	28,922,139	19,636,223
Unrestricted	<u>(22,381,898)</u>	<u>(53,639,728)</u>
Total net position	<u>\$92,756,269</u>	<u>\$53,761,430</u>

WESTERVILLE CITY SCHOOL DISTRICT, OHIO
Management's Discussion & Analysis
For the Fiscal Year Ended June 30, 2019
Unaudited

The net pension liability (NPL) is the largest single liability reported by the District at June 30, 2019 and is reported pursuant to GASB Statement 68, "Accounting and Financial Reporting for Pensions—an Amendment of GASB Statement 27." In fiscal year 2018, the School District adopted GASB Statement 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, many end users of this financial statement will gain a clearer understanding of the 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.

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

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

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

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 District is not responsible for certain key factors affecting the balance of these liabilities. In Ohio, the employee shares the obligation of funding pension benefits with the employer. Both employer and employee contribution rates are capped by State statute. A change in these caps requires action of both Houses of the General Assembly and approval of the Governor. Benefit provisions are also determined by State statute. The Ohio Revised Code permits, but does not require, the retirement systems to provide healthcare to eligible benefit recipients. The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits.

The employee enters the employment exchange with the knowledge that the employer's promise is limited not by contract but by law. The employer enters the exchange also knowing that there is a specific, legal limit to its contribution to the retirement system. In Ohio, there is no legal means to enforce the unfunded liability of the pension/OPEB plan *as against the public employer*. State law operates to mitigate/lessen the moral obligation of the public employer to the employee, because all parties enter the employment exchange with notice as to the law. The 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. sick and vacation leave), are satisfied through paid time-off or termination payments. There is no repayment schedule for the net pension liability or the net OPEB liability. As explained above, changes in benefits, contribution rates, and return on investments affect the balance of these liabilities but are outside the control of the local government.

WESTERVILLE CITY SCHOOL DISTRICT, OHIO
Management's Discussion & Analysis
For the Fiscal Year Ended June 30, 2019
Unaudited

In the event that contributions, investment returns, and other changes are insufficient to keep up with required payments, State statute does not assign/identify the responsible party for the unfunded portion. Due to the unique nature of how the net pension liability and the net OPEB liability are satisfied, these liabilities are separately identified within the long-term liability section of the statement of net position.

In accordance with GASB 68 and GASB 75, the 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 inflows/outflows.

As a result of implementing GASB 75, the District is reporting a net OPEB liability and deferred inflows/outflows of resources related to OPEB on the accrual basis of accounting. Under GASB 75, OPEB expense represents additional amounts earned, adjusted by deferred inflows/outflows. GASB 45 required recognizing OPEB expense equal to the contractually required contributions to the plan. The contractually required contribution is no longer a component of OPEB expense.

WESTERVILLE CITY SCHOOL DISTRICT, OHIO
Management's Discussion & Analysis
For the Fiscal Year Ended June 30, 2019
Unaudited

Table 2 shows the changes in net position for fiscal year 2019 and 2018.

(Table 2)
 Changes in Net Position

	Governmental Activities	
Revenues	2019	2018
Program revenues		
Charges for services and sales	\$ 7,559,778	\$ 9,095,604
Operating grants	20,950,537	17,789,781
Capital grants	<u>877,456</u>	<u>-</u>
Total program revenues	<u>29,387,771</u>	<u>26,885,385</u>
General revenues		
Property taxes	129,661,928	127,180,597
Grants and entitlements	54,045,917	54,044,147
Payment in lieu of taxes	4,248,081	3,918,615
Investment income	3,649,050	959,858
Miscellaneous	<u>29,349</u>	<u>51,086</u>
Total general revenues	<u>191,634,325</u>	<u>186,154,303</u>
Total revenues	<u>\$ 221,022,096</u>	<u>\$ 213,039,688</u>
Expenses		
Instruction		
Regular	\$ 74,442,151	\$ 40,163,402
Special	30,614,915	17,805,654
Vocational	381,783	474,237
Other	345,331	491,746
Support services		
Pupil	13,984,080	6,354,718
Instructional staff	5,711,015	3,008,329
Board of Education	849,481	1,101,088
Administration	12,205,564	6,187,446
Fiscal	2,819,120	2,225,049
Business	928,944	281,468
Operations and maintenance	12,940,763	9,425,832
Pupil transportation	8,779,408	5,865,512
Central services	3,047,024	1,861,420
Other non-instructional services	1,295,384	739,334
Food service operations	5,419,888	3,900,171
Extracurricular activities	3,592,538	2,067,512
Interest and fiscal charges	<u>4,669,868</u>	<u>3,647,362</u>
Total expenses	<u>\$ 182,027,257</u>	<u>\$ 105,600,280</u>
Change in net position	38,994,839	107,439,408
Net position, beginning of year	<u>53,761,430</u>	<u>(53,677,978)</u>
Net position, end of year	<u>\$ 92,756,269</u>	<u>\$ 53,761,430</u>

WESTERVILLE CITY SCHOOL DISTRICT, OHIO
Management's Discussion & Analysis
For the Fiscal Year Ended June 30, 2019
Unaudited

Governmental Activities

The net position of the District's governmental activities increased by \$39 million. Net position reflects a positive balance of \$92.8 million. The District has developed a strategic plan to best utilize the resources available and to preserve those resources as long as possible. The financial outlook of the District is stable and our Five Year Forecast shows a positive ending cash balance through 2024. The Board has spent the year putting together a levy that will fund capital projects in the first five years of the Facilities Master Plan, improve districtwide safety and security and address deficit spending that is forecasted to begin in fiscal year 2021.

Expenses of the governmental activities increased \$76.4 million or 72.4%. This increase is the result of the pension and OPEB expense that is required to be recorded per GASB 68 and GASB 75.

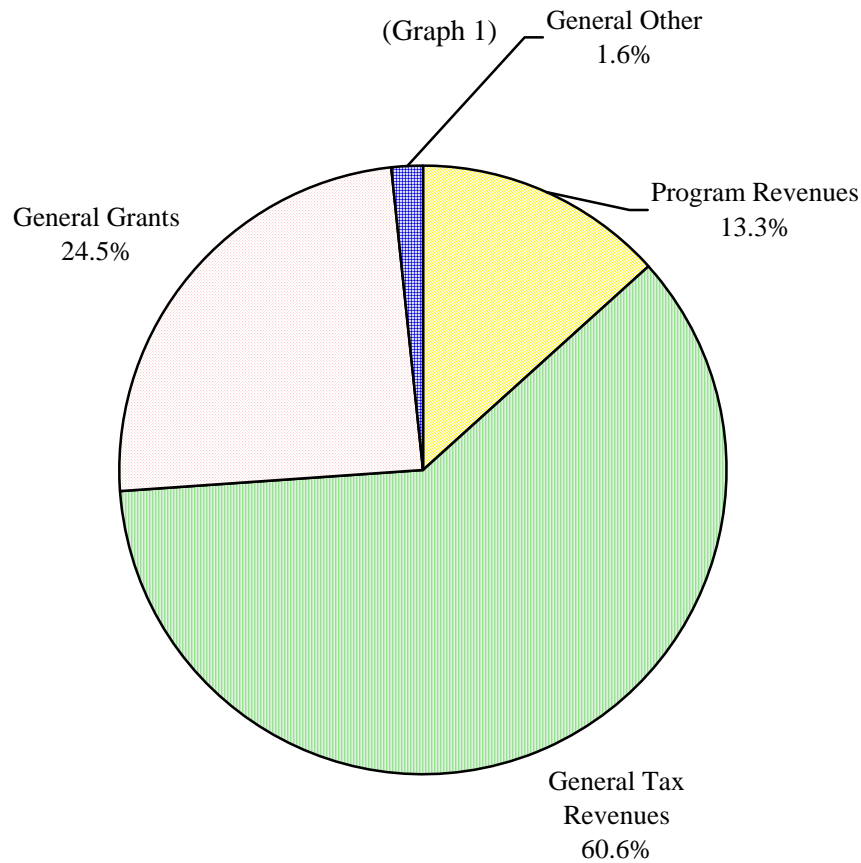
The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services. The table below reflects the cost of program services and the net cost of those services after taking into account the program revenues for the governmental activities. The net cost of program services must be supported by general revenues including tax revenue, investment earnings and unrestricted State entitlements.

(Table 3)

	Total Cost of Services		Net Cost of Services	
	2019	2018	2019	2018
Program expenses				
Instruction				
Regular	\$ 74,442,151	\$ 40,163,402	\$ 71,796,253	\$ 36,135,398
Special	30,614,915	17,805,654	18,675,204	7,539,688
Vocational	381,783	474,237	(374,917)	4,087
Other	345,331	491,746	264,791	393,035
Support services				
Pupil	13,984,080	6,354,718	12,945,324	5,613,172
Instructional staff	5,711,015	3,008,329	4,373,645	1,989,815
Board of Education	849,481	1,101,088	849,481	1,101,088
Administration	12,205,564	6,187,446	11,940,674	5,913,773
Fiscal	2,819,120	2,225,049	2,790,774	2,194,995
Business	928,944	281,468	928,944	281,468
Operations and maintenance	12,940,763	9,425,832	10,995,695	8,564,522
Pupil transportation	8,779,408	5,865,512	8,277,689	5,365,962
Central	3,047,024	1,861,420	3,009,224	1,823,620
Other non-instructional services	1,295,384	739,334	142,673	(323,264)
Food service operations	5,419,888	3,900,171	(896,492)	(2,196,029)
Extracurricular activities	3,592,538	2,067,512	2,250,656	666,203
Interest and fiscal charges	4,669,868	3,647,362	4,669,868	3,647,362
Total expenses	\$ 182,027,257	\$ 105,600,280	\$ 152,639,486	\$ 78,714,895

WESTERVILLE CITY SCHOOL DISTRICT, OHIO
Management's Discussion & Analysis
For the Fiscal Year Ended June 30, 2019
Unaudited

The District's reliance upon tax revenues is demonstrated by the graph below indicating 60.6% of total revenues from local taxes. The other large portion of general revenue support is the State Foundation program as 24.5% of total revenues. The reliance on general revenues is indicated by the net services column reflecting the need for \$152.6 million of support as well as the graph indicating general revenues comprise 86.7% of total revenues.



WESTERVILLE CITY SCHOOL DISTRICT, OHIO
Management's Discussion & Analysis
For the Fiscal Year Ended June 30, 2019
Unaudited

The District's Funds

The District's governmental funds (as presented on the Balance Sheet on page 17) reported a combined fund balance of \$216.3 million, which represents an increase of \$54.7 million. The schedule below indicates the fund balance and the total change in fund balance as of June 30, 2019 and 2018.

(Table 4)

	Fund Balance June 30, 2019	Fund Balance June 30, 2018	Increase
General	\$ 151,551,447	\$ 138,939,426	\$ 12,612,021
Debt Service	9,187,499	8,940,652	246,847
Permanent Improvement	13,231,429	9,451,972	3,779,457
Building	37,777,491	-	37,777,491
Other Governmental	4,586,175	4,272,627	313,548
Total	<u>\$ 216,334,041</u>	<u>\$ 161,604,677</u>	<u>\$ 54,729,364</u>

General Fund

The District's general fund balance has increased in each of the last four years due to revenues that continue to increase slightly and exceed expenditures. Intergovernmental – state increased \$1.5 million due to the increase the District received in the State formula foundation payments. In 2019 other revenue has increased \$1 million due to increased investment income of \$2.7 million as rates and fund balance continued to increase. This was offset by a decrease of \$1.6 million due to a one time increase in the prior year reimbursements of special needs catastrophic costs. The tables and graphs that follow assist in illustrating the financial activities and balance of the general fund.

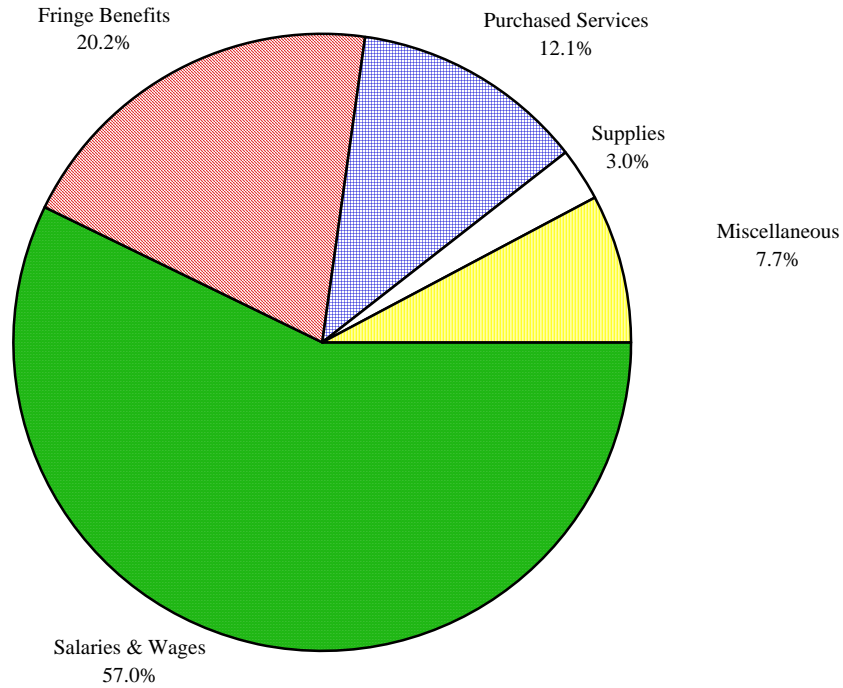
(Table 5)

Revenues by Source	2019	2018	% Change
Revenues			
Taxes	\$ 113,484,652	\$ 112,656,754	0.73%
Payment in lieu of taxes	4,248,081	3,918,615	8.41%
Intergovernmental - state	60,967,602	59,419,644	2.61%
Other revenue	<u>7,972,354</u>	<u>6,973,814</u>	<u>14.32%</u>
Total	<u>\$ 186,672,689</u>	<u>\$ 182,968,827</u>	<u>2.02%</u>

WESTERVILLE CITY SCHOOL DISTRICT, OHIO
Management's Discussion & Analysis
For the Fiscal Year Ended June 30, 2019
Unaudited

As the graph below illustrates, the largest portions of general fund expenditures is for salaries and fringe benefits. The District is a service entity and as such is labor intensive.

(Graph 2)



(Table 6)

Expenditures by Object	2019	2018	% Change
Salaries and Wages	\$ 99,354,531	\$ 93,705,667	6.03%
Fringe Benefits	35,152,821	32,609,645	7.80%
Purchased Services	20,993,502	22,031,123	-4.71%
Supplies	5,162,228	5,820,011	-11.30%
Miscellaneous	<u>13,371,984</u>	<u>11,693,098</u>	<u>14.36%</u>
Total	<u>\$ 174,035,067</u>	<u>\$ 165,859,544</u>	<u>4.93%</u>

WESTERVILLE CITY SCHOOL DISTRICT, OHIO
Management's Discussion & Analysis
For the Fiscal Year Ended June 30, 2019
Unaudited

Expenditures have increased \$8.2 million over the prior year. Salaries and wages have increased \$5.6 million due to salary increases that average 5% and 14 additional staff that were hired. Fringe benefits increased \$2.5 million due to medical insurance premiums increasing 7.8%. Purchased Services decreased \$1 million due to tuition paid to other Districts/programs (\$240K), legal fees (\$287K) and disability transportation (\$506K) from outside program to in district. Miscellaneous increased \$1.7 due to additional special education aides (\$737K), technology equipment (\$490K), disability transportation van program (\$425K).

Other Funds

The District's debt service fund balance increased by \$247 thousand. The revenues of the fund are property taxes, calculated by the county auditor, and state homestead and rollback money computed as a percentage of the tax due to the fund. The expenses of the fund include debt principal and interest payments as well as county auditor and treasurer fees.

The permanent improvement fund had an increase in fund balance of \$3.8 million. The revenues of the fund are property taxes, calculated by the county auditor, earnings on investments, and state homestead and rollback money computed as a percentage of the tax due to the fund. The expenses of the fund were \$6.3 million for District facilities acquisition and construction costs, interest and fiscal charges, and a transfer to the debt service fund of \$3 million to be used for debt repayment. The change in fund balance is mainly due to capitalized interest received on issuance of the certificates of participation that will be used for payments of the certificates.

The building fund had a fund balance of \$37.8 million. This fund was established in 2019 to account for the \$39 million in certificates of participation the District issued. The funds are for renovations at South High school and safety and security districtwide.

Nonmajor governmental funds consist of special revenue funds. The increase in fund balance of \$314 thousand is primarily due to the increase in the Food Service fund as a result of federally regulated meal prices exceeding the expenditures of the program.

General Fund Budget Information

The District's budget is prepared in accordance with Ohio law and is based on the cash basis of accounting, utilizing cash receipts, disbursements and encumbrances. The most significant budgeted fund is the General Fund. There were not any significant changes between the original budgeted revenues and the final budgeted revenues. The budget for tuition, fees, interest and miscellaneous did increase \$883K due to increased investment income. Refund of prior year expenditures increased \$772K due to refunds from Franklin and Delaware counties for surplus in their Real Estate Assessment fund.

On the expenditure side of the budget the District approved a Final Appropriations measure in June 2018 which included an estimated 100% of total expenditures for the General Fund. The decrease between original budgeted expenditures and final budgeted expenditures of \$1.1 million was primarily due to salaries and wages and benefits as result of new and replacement staff coming in under projections and purchased services as a result of lower tuition and legal fees.

The District utilizes the five-year forecast as the original document from which to form the operating budget. After updating of the forecast for changes in revenue and expenditure assumptions the operating budget begins at the school level. Each school in the district receives a per pupil allocation. The departments then receive the remainder of funds to bring the budget into balance with the five-year forecast. The building and department budgets are reviewed periodically to ensure management becomes aware of any significant variations during the year.

WESTERVILLE CITY SCHOOL DISTRICT, OHIO
Management's Discussion & Analysis
For the Fiscal Year Ended June 30, 2019
Unaudited

Capital Assets

The District has \$149.3 million invested in capital assets net of depreciation. Acquisitions totaled \$6.1 million and depreciation was \$8 million. Capital asset disposals, net of accumulated depreciation, were \$122 thousand. The acquisitions were for various land and building improvements, equipment and buses. The construction in progress relates to the \$37 million renovation that is being done at South High School through the issuance of certificates of participation.

For more detailed information regarding the District's capital assets, refer to Note 9 in the notes to the basic financial statements.

Debt

At June 30, 2019, the District had \$95.4 million in outstanding bonds and certificates of participation. The District paid \$8.9 million in principal on bonds outstanding and \$3.3 million in interest during the fiscal year.

Under current state statutes, the District's general obligation bonded debt issues are subject to a legal limitation based on 9% of the total assessed value of real and personal property. At June 30, 2019, the District's general obligation debt was below the legal limit.

For more detailed information regarding the District's debt, refer to Note 10 in the notes to the basic financial statements.

Requests for Information

This financial report is designed to provide a general overview of the Westerville City School District's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Westerville City Schools, Office of the Treasurer, 936 Eastwind Drive, Westerville, Ohio, 43081.

WESTERVILLE CITY SCHOOL DISTRICT, OHIO

STATEMENT OF NET POSITION
JUNE 30, 2019

	Governmental Activities
Assets:	
Equity in pooled cash and investments	\$ 194,326,734
Receivables:	
Property taxes	134,352,998
Payment in lieu of taxes	3,422,260
Accounts	58,228
Accrued interest	286,491
Intergovernmental	1,591,756
Prepayments	1,657,602
Materials and supplies inventory	9,653
Inventory held for resale	18,790
Net OPEB asset	11,372,836
Capital assets:	
Nondepreciable capital assets	7,758,198
Depreciable capital assets, net	141,530,321
Capital assets, net	<u>149,288,519</u>
Total assets	<u>496,385,867</u>
Deferred outflows of resources:	
Unamortized deferred charges on debt refunding	1,753,540
Pension	54,756,823
OPEB	2,432,447
Total deferred outflows of resources	<u>58,942,810</u>
Liabilities:	
Accounts payable	1,529,103
Contracts payable	335,919
Accrued wages and benefits payable	16,398,465
Intergovernmental payable	366,187
Pension and postemployment obligation payable	2,457,572
Accrued interest payable	332,307
Unearned revenue	1,655,344
Claims payable	1,695,000
Matured bonds payable	30,791
Long-term liabilities:	
Due within one year	9,711,570
Due in more than one year:	
Net pension liability (See Note 14)	187,113,069
Other amounts due in more than one year	108,076,695
Net OPEB liability (See Note 15)	15,491,086
Total liabilities	<u>345,193,108</u>
Deferred inflows of resources:	
Property taxes levied for the next fiscal year	81,214,352
Payment in lieu of taxes levied for the next fiscal year	3,422,260
Pension	12,942,014
OPEB	19,800,674
Total deferred inflows of resources	<u>117,379,300</u>
Net position:	
Net investment in capital assets	86,216,028
Restricted for:	
Capital projects	14,718,672
Debt service	9,054,298
Locally funded programs	42,652
State funded programs	171,205
Federally funded programs	382,679
Student activities	792,832
Other purposes	3,759,801
Unrestricted (deficit)	(22,381,898)
Total net position	<u>\$ 92,756,269</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

WESTERVILLE CITY SCHOOL DISTRICT, OHIO

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

	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental activities:					Governmental Activities
Instruction:					
Regular	\$ 74,442,151	\$ 2,522,186	\$ 123,712	\$ -	\$ (71,796,253)
Special	30,614,915	225,625	11,714,086	-	(18,675,204)
Vocational	381,783	-	756,700	-	374,917
Other	345,331	-	80,540	-	(264,791)
Support services:					
Pupil.	13,984,080	117,350	921,406	-	(12,945,324)
Instructional staff	5,711,015	-	1,337,370	-	(4,373,645)
Board of education	849,481	-	-	-	(849,481)
Administration.	12,205,564	-	264,890	-	(11,940,674)
Fiscal.	2,819,120	102	28,244	-	(2,790,774)
Business.	928,944	-	-	-	(928,944)
Operations and maintenance	12,940,763	917,518	150,094	877,456	(10,995,695)
Pupil transportation.	8,779,408	-	501,719	-	(8,277,689)
Central	3,047,024	-	37,800	-	(3,009,224)
Operation of non-instructional services:					
Other non-instructional services	1,295,384	-	1,152,711	-	(142,673)
Food service operations	5,419,888	2,435,115	3,881,265	-	896,492
Extracurricular activities.	3,592,538	1,341,882	-	-	(2,250,656)
Interest and fiscal charges	4,669,868	-	-	-	(4,669,868)
Total governmental activities	\$ 182,027,257	\$ 7,559,778	\$ 20,950,537	\$ 877,456	(152,639,486)

General revenues:

Property taxes levied for:	
General purposes	114,036,586
Debt service.	7,328,583
Capital outlay.	8,296,759
Payments in lieu of taxes.	4,248,081
Grants and entitlements not restricted to specific programs	54,045,917
Investment earnings	3,649,050
Miscellaneous	29,349
Total general revenues	191,634,325
Change in net position	38,994,839
Net position at beginning of year.	53,761,430
Net position at end of year.	\$ 92,756,269

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

WESTERVILLE CITY SCHOOL DISTRICT, OHIO

BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2019

	<u>General</u>	<u>Debt Service</u>	<u>Permanent Improvement</u>	<u>Building</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Assets:						
Equity in pooled cash and investments.	\$ 125,867,021	\$ 6,339,429	\$ 10,264,631	\$ 38,049,245	\$ 5,439,352	\$ 185,959,678
Receivables:						
Property taxes.	118,121,444	7,679,521	8,552,033	-	-	134,352,998
Payment in lieu of taxes	3,422,260	-	-	-	-	3,422,260
Accounts	56,652	-	-	-	1,576	58,228
Accrued interest	160,701	-	-	125,790	-	286,491
Interfund loans	41,140	-	-	-	-	41,140
Intergovernmental.	661,539	-	-	-	930,217	1,591,756
Prepayments.	1,567,828	-	89,774	-	-	1,657,602
Materials and supplies inventory.	-	-	-	-	9,653	9,653
Inventory held for resale.	-	-	-	-	18,790	18,790
Restricted assets:						
Equity in pooled cash and cash equivalents	-	30,791	-	-	-	30,791
Total assets	\$ 249,898,585	\$ 14,049,741	\$ 18,906,438	\$ 38,175,035	\$ 6,399,588	\$ 327,429,387
Liabilities:						
Accounts payable	\$ 819,084	\$ -	\$ 285,610	\$ -	\$ 404,044	\$ 1,508,738
Contracts payable.	-	-	-	335,919	-	335,919
Accrued wages and benefits payable	15,591,912	-	-	-	806,553	16,398,465
Compensated absences payable.	553,078	-	-	-	2,674	555,752
Intergovernmental payable	355,483	-	-	-	10,704	366,187
Pension and postemployment obligation payable	2,301,093	-	-	-	156,479	2,457,572
Interfund loans payable.	-	-	-	-	41,140	41,140
Unearned revenue.	41,448	-	-	-	-	41,448
Matured bonds payable.	-	30,791	-	-	-	30,791
Total liabilities.	19,662,098	30,791	285,610	335,919	1,421,594	21,736,012
Deferred inflows of resources:						
Property taxes levied for the next fiscal year.	71,414,880	4,632,345	5,167,127	-	-	81,214,352
Payment in lieu of taxes levied for the next fiscal year.	3,422,260	-	-	-	-	3,422,260
Delinquent property tax revenue not available.	3,082,753	199,106	222,272	-	-	3,504,131
Intergovernmental revenue not available.	661,539	-	-	-	391,819	1,053,358
Accrued interest not available.	102,845	-	-	61,625	-	164,470
Miscellaneous revenue not available.	763	-	-	-	-	763
Total deferred inflows of resources	78,685,040	4,831,451	5,389,399	61,625	391,819	89,359,334
Total liabilities and deferred inflows of resources.	98,347,138	4,862,242	5,675,009	397,544	1,813,413	111,095,346

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WESTERVILLE CITY SCHOOL DISTRICT, OHIO

BALANCE SHEET
GOVERNMENTAL FUNDS (CONTINUED)
JUNE 30, 2019

	<u>General</u>	<u>Debt Service</u>	<u>Permanent Improvement</u>	<u>Building</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Fund balances:						
Nonspendable:						
Materials and supplies inventory	-	-	-	-	28,443	28,443
Prepays.	1,567,828	-	89,774	-	-	1,657,602
Restricted:						
Debt service	-	9,187,499	-	-	-	9,187,499
Capital improvements	-	-	13,141,655	37,777,491	-	50,919,146
Food service operations	-	-	-	-	3,953,719	3,953,719
Non-public schools	-	-	-	-	137,925	137,925
Other purposes.	-	-	-	-	60,457	60,457
Extracurricular.	-	-	-	-	792,715	792,715
Assigned:						
Student instruction	1,117,223	-	-	-	-	1,117,223
Student and staff support.	1,341,772	-	-	-	-	1,341,772
Facilities acquisition and construction	169,112	-	-	-	-	169,112
Unassigned (deficit)	147,355,512	-	-	-	(387,084)	146,968,428
Total fund balances	<u>151,551,447</u>	<u>9,187,499</u>	<u>13,231,429</u>	<u>37,777,491</u>	<u>4,586,175</u>	<u>216,334,041</u>
Total liabilities, deferred inflows and fund balances.	<u>\$ 249,898,585</u>	<u>\$ 14,049,741</u>	<u>\$ 18,906,438</u>	<u>\$ 38,175,035</u>	<u>\$ 6,399,588</u>	<u>\$ 327,429,387</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

WESTERVILLE CITY SCHOOL DISTRICT, OHIO

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

Total governmental fund balances		\$	216,334,041
<i>Amounts reported for governmental activities on the statement of net position are different because:</i>			
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.			149,288,519
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred inflows in the funds.			
Property taxes receivable	\$	3,504,131	
Accounts receivable		763	
Accrued interest receivable		164,470	
Intergovernmental receivable		1,053,358	
Total			4,722,722
An internal service fund is used by management to charge the costs of insurance to individual funds. The assets and liabilities of the internal service fund are included in governmental activities on the statement of net position.			5,007,004
Unamortized premiums on bonds issued are not recognized in the funds.			(5,781,555)
Unamortized amounts on refundings are not recognized in the funds.			1,753,540
Accrued interest payable is not due and payable in the current period and therefore is not reported in the funds.			(332,307)
The net pension liability is not due and payable in the current period; therefore, the liability and related deferred inflows/outflows are not reported in governmental funds.			
Deferred outflows - Pension		54,756,823	
Deferred Inflows - Pension		(12,942,014)	
Net pension liability		(187,113,069)	
Total			(145,298,260)
The net OPEB liability/asset is not due and payable in the current period; therefore, the liability/asset and related deferred inflows/outflows are not reported in governmental funds.			
Deferred outflows - OPEB		2,432,447	
Deferred Inflows - OPEB		(19,800,674)	
Net OPEB asset		11,372,836	
Net OPEB liability		(15,491,086)	
Total			(21,486,477)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.			
General obligation bonds		(50,845,000)	
Certificates of participation		(39,000,000)	
Tax anticipation notes		(5,600,000)	
Capital lease obligations		(173,621)	
Compensated absences		(15,832,337)	
Total			(111,450,958)
Net position of governmental activities		\$	92,756,269

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

WESTERVILLE CITY SCHOOL DISTRICT, OHIO

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

	<u>General</u>	<u>Debt Service</u>	<u>Permanent Improvement</u>	<u>Building</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues:						
From local sources:						
Property taxes	\$ 113,484,652	\$ 7,302,940	\$ 8,255,941	\$ -	\$ -	\$ 129,043,533
Payment in lieu of taxes	4,248,081	-	-	-	-	4,248,081
Tuition.	2,298,739	-	-	-	-	2,298,739
Earnings on investments	3,613,676	-	38,743	777,088	84,003	4,513,510
Charges for services	-	-	-	-	2,435,115	2,435,115
Extracurricular.	514,549	-	-	-	942,495	1,457,044
Classroom materials and fees	449,072	-	-	-	-	449,072
Rental income	917,518	-	-	-	-	917,518
Contributions and donations	121,942	-	-	-	207,432	329,374
Other local revenues	29,049	-	-	-	6,981	36,030
Intergovernmental - state	60,967,602	1,160,444	1,219,006	-	1,353,671	64,700,723
Intergovernmental - federal	27,809	-	-	-	9,553,255	9,581,064
Total revenues	<u>186,672,689</u>	<u>8,463,384</u>	<u>9,513,690</u>	<u>777,088</u>	<u>14,582,952</u>	<u>220,009,803</u>
Expenditures:						
Current:						
Instruction:						
Regular.	79,197,508	-	-	-	117,926	79,315,434
Special	28,677,632	-	-	-	3,725,173	32,402,805
Vocational	367,432	-	-	-	-	367,432
Other	316,351	-	-	-	80,645	396,996
Support services:						
Pupil	15,259,140	-	-	-	721,500	15,980,640
Instructional staff	5,101,899	-	-	-	1,356,260	6,458,159
Board of education	847,806	-	-	-	-	847,806
Administration	12,935,933	-	-	-	265,236	13,201,169
Fiscal	2,667,397	106,460	115,478	-	29,410	2,918,745
Business.	990,650	-	-	-	-	990,650
Operations and maintenance	13,406,339	-	11,956	-	64,672	13,482,967
Pupil transportation	8,457,482	-	-	-	3,426	8,460,908
Central	2,932,761	-	-	-	37,800	2,970,561
Operation of non-instructional services:						
Other operation of non-instructional.	142,658	-	-	-	1,164,403	1,307,061
Food service operations.	-	-	-	-	5,626,378	5,626,378
Extracurricular activities	2,554,638	-	-	-	1,019,132	3,573,770
Facilities acquisition and construction.	338	-	5,102,024	1,999,597	65,000	7,166,959
Debt service:						
Principal retirement.	165,170	4,850,000	-	-	-	5,015,170
Interest and fiscal charges	13,933	2,152,790	1,115,033	-	-	3,281,756
COPS issuance costs.	-	-	-	426,258	-	426,258
Accreted interest on capital appreciation bonds.	-	4,045,000	-	-	-	4,045,000
Total expenditures	<u>174,035,067</u>	<u>11,154,250</u>	<u>6,344,491</u>	<u>2,425,855</u>	<u>14,276,961</u>	<u>208,236,624</u>
Excess (deficiency) of revenues over (under) expenditures.	<u>12,637,622</u>	<u>(2,690,866)</u>	<u>3,169,199</u>	<u>(1,648,767)</u>	<u>305,991</u>	<u>11,773,179</u>
Other financing sources (uses):						
Premium on COPS.	-	-	3,482,971	426,258	-	3,909,229
Sale of assets.	39,399	-	-	-	7,557	46,956
Certificates of participation.	-	-	-	39,000,000	-	39,000,000
Transfers in.	-	2,937,713	65,000	-	-	3,002,713
Transfers (out)	(65,000)	-	(2,937,713)	-	-	(3,002,713)
Total other financing sources (uses)	<u>(25,601)</u>	<u>2,937,713</u>	<u>610,258</u>	<u>39,426,258</u>	<u>7,557</u>	<u>42,956,185</u>
Net change in fund balances	12,612,021	246,847	3,779,457	37,777,491	313,548	54,729,364
Fund balances at beginning of year.	<u>138,939,426</u>	<u>8,940,652</u>	<u>9,451,972</u>	<u>-</u>	<u>4,272,627</u>	<u>161,604,677</u>
Fund balances at end of year.	<u>\$ 151,551,447</u>	<u>\$ 9,187,499</u>	<u>\$ 13,231,429</u>	<u>\$ 37,777,491</u>	<u>\$ 4,586,175</u>	<u>\$ 216,334,041</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

WESTERVILLE CITY SCHOOL DISTRICT, OHIO

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

Net change in fund balances - total governmental funds	\$	54,729,364
<i>Amounts reported for governmental activities in the statement of activities are different because:</i>		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.		
Capital asset additions	\$ 7,656,573	
Current year depreciation	(7,963,089)	
Total		(306,516)
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, disposals, trade-ins, and donations) is to decrease net position.		
		(122,139)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Property taxes	618,395	
Earnings on investments	87,897	
Rental income	763	
Intergovernmental	685,150	
Total		1,392,205
Repayment of bond, note and lease principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities on the statement of net position.		
		5,015,170
Issuance of certificates of participation are recorded as other financing sources in the funds; however, in the statement of activities, they are not reported as other financing sources as they increase liabilities on the statement of net position.		
		(39,000,000)
Premiums on certificates of participation related to the issuance are amortized over the life of the issuance in the statement of activities.		
		(3,909,229)
In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due.		
Increase in accrued interest payable	(141,372)	
Accreted interest on capital appreciation bonds	(1,020,144)	
Payment of accreted interest on capital appreciation bonds	4,045,000	
Amortization of bond premiums	627,965	
Amortization of deferred charges	(428,303)	
Total		3,083,146
Contractually required pension contributions are reported as expenditures in governmental funds; however, the statement of activities reports these amounts as deferred outflows.		
		14,667,861
Except for amounts reported as deferred inflows/outflows, changes in the net pension liability are reported as pension expense in the statement of activities.		
		(20,176,260)
Contractually required OPEB contributions are reported as expenditures in governmental funds; however, the statement of activities reports these amounts as deferred outflows.		
		452,650
Except for amounts reported as deferred inflows/outflows, changes in the net OPEB liability/asset are reported as pension expense in the statement of activities.		
		23,936,500
Some expenses reported in the statement of activities, such as compensated absences, do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.		
		(1,072,892)
An internal service fund used by management to charge the costs of insurance to individual funds is not reported in the district-wide statement of activities. Governmental fund expenditures and the related internal service fund revenues are eliminated. The net revenue of the internal service fund is allocated among the governmental activities.		
		304,979
Change in net position of governmental activities	\$	38,994,839

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

WESTERVILLE CITY SCHOOL DISTRICT, OHIO

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

	<u>Budgeted Amounts</u>			Variance with
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	Final Budget Positive (Negative)
Revenues:				
Real estate taxes.	\$ 105,768,518	\$ 106,946,518	\$ 106,946,557	\$ 39
Personal property taxes.	4,263,655	3,647,205	3,647,599	394
State revenue.	46,574,737	46,906,484	46,906,248	(236)
Homestead/Rollback.	14,361,792	13,986,792	13,986,506	(286)
Tuition, fees, interest and miscellaneous.	11,020,000	11,903,500	11,903,088	(412)
Refund of prior year expenditures.	755,000	1,527,625	1,528,051	426
Total revenues	<u>182,743,702</u>	<u>184,918,124</u>	<u>184,918,049</u>	<u>(75)</u>
Expenditures:				
Salaries and wages	99,368,616	99,142,723	99,066,100	76,623
Benefits and insurance	35,481,315	35,247,736	35,050,738	196,998
Purchased services	23,781,435	23,303,528	22,308,343	995,185
Supplies and materials	5,816,562	5,579,321	5,383,631	195,690
New and replacement equipment	3,047,439	3,229,482	3,189,719	39,763
Other expenditures	11,354,527	11,238,305	11,202,649	35,656
Total expenditures	<u>178,849,894</u>	<u>177,741,095</u>	<u>176,201,180</u>	<u>1,539,915</u>
Excess of revenues over expenditures.	<u>3,893,808</u>	<u>7,177,029</u>	<u>8,716,869</u>	<u>1,539,840</u>
Net change in fund balance	3,893,808	7,177,029	8,716,869	1,539,840
Fund balance at beginning of year	110,431,225	110,431,225	110,431,225	-
Prior year encumbrances appropriated	<u>2,951,094</u>	<u>2,951,094</u>	<u>2,951,094</u>	-
Fund balance at end of year	<u>\$ 117,276,127</u>	<u>\$ 120,559,348</u>	<u>\$ 122,099,188</u>	<u>\$ 1,539,840</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

WESTERVILLE CITY SCHOOL DISTRICT, OHIO

STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2019

	Governmental Activities - Internal Service Funds
Assets:	
Current assets:	
Equity in pooled cash and investments.	\$ 8,336,265
Total assets.	<u>8,336,265</u>
Liabilities:	
Current liabilities:	
Accounts payable.	20,365
Claims payable	1,695,000
Unearned revenue.	<u>1,613,896</u>
Total liabilities	<u>3,329,261</u>
Net position:	
Unrestricted.	<u>5,007,004</u>
Total net position.	<u>\$ 5,007,004</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

WESTERVILLE CITY SCHOOL DISTRICT, OHIO

STATEMENT OF REVENUES, EXPENSES AND
 CHANGES IN NET POSITION
 PROPRIETARY FUNDS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	Governmental Activities - Internal Service Funds
Operating revenues:	
Charges for services.	\$ 23,886,467
Total operating revenues	<u>23,886,467</u>
Operating expenses:	
Purchased services.	2,391,883
Claims	21,198,707
Total operating expenses.	<u>23,590,590</u>
Operating income.	<u>295,877</u>
Nonoperating revenues:	
Interest revenue	9,102
Total nonoperating revenues.	<u>9,102</u>
Change in net position	304,979
Net position at beginning of year.	<u>4,702,025</u>
Net position at end of year	<u>\$ 5,007,004</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

WESTERVILLE CITY SCHOOL DISTRICT, OHIO

STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	<u>Governmental Activities - Internal Service Funds</u>
Cash flows from operating activities:	
Cash received from charges for services	\$ 23,739,545
Cash payments for purchased services	(2,372,303)
Cash payments for claims	<u>(20,856,707)</u>
Net cash provided by operating activities	<u>510,535</u>
Cash flows from investing activities:	
Interest received	<u>9,102</u>
Net cash provided by investing activities	<u>9,102</u>
Net increase in cash and investments.	519,637
Cash and investments at beginning of year . . .	<u>7,816,628</u>
Cash and investments at end of year	<u><u>\$ 8,336,265</u></u>
Reconciliation of operating income to net cash provided by operating activities:	
Operating income.	\$ 295,877
Changes in assets and liabilities:	
Increase in accounts payable.	19,580
Decrease in unearned revenue.	(146,922)
Increase in claims payable	<u>342,000</u>
Net cash provided by operating activities.	<u><u>\$ 510,535</u></u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

WESTERVILLE CITY SCHOOL DISTRICT, OHIO

STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2019

	Private Purpose Trust	
	Scholarship	Agency
Assets:		
Current assets:		
Equity in pooled cash and investments.	\$ 36,928	\$ 509,794
Total assets.	36,928	\$ 509,794
Liabilities:		
Accounts payable.	-	\$ 1,180
Due to students.	-	352,634
Due to primary government	-	155,980
Total liabilities	-	\$ 509,794
Net position:		
Held in trust for scholarships	36,928	
Total net position.	\$ 36,928	

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

WESTERVILLE CITY SCHOOL DISTRICT, OHIO

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

	Private Purpose Trust	
	<hr/>	
	Scholarship	
	<hr/>	
Additions:		
Interest	\$	6
Gifts and contributions		25,728
Total additions		<hr/> 25,734 <hr/>
 Deductions:		
Scholarships awarded		<hr/> 24,259 <hr/>
 Change in net position		1,475
Net position at beginning of year		<hr/> 35,453 <hr/>
Net position at end of year	\$	<hr/> <hr/> 36,928 <hr/> <hr/>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

WESTERVILLE CITY SCHOOL DISTRICT, OHIO
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

NOTE 1 - DESCRIPTION OF THE SCHOOL DISTRICT

The Westerville City School District (the "District") was organized in the early 1850's and is a fiscally independent political subdivision of the State of Ohio. The District is a city district as defined by Section 3311.02 of the Ohio Revised Code. The District operates under a locally elected five-member board and is responsible for the provision of public education to residents of the District. The District encompasses 52 square miles and provides services to approximately 15,385 students.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the District have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The District's significant accounting policies are described below.

A. Reporting Entity

The accompanying basic financial statements comply with GASB Statement No. 14, "The Financial Reporting Entity" as amended by GASB Statement No. 39, "Determining Whether Certain Organizations Are Component Units" and GASB Statement No. 61, "The Financial Reporting Entity: Omnibus on Amendment of GASB Statements No. 14 and 34". The reporting entity is composed of the primary government and component units. The primary government consists of all funds, departments, boards and agencies that are not legally separate from the District. For the District, this includes general operations, food service and student related activities of the District.

Component units are legally separate organizations for which the District is financially accountable. The District is financially accountable for an organization if the District appoints a voting majority of the organization's Governing Board and (1) the District is able to significantly influence the programs or services performed or provided by the organization; or (2) the District is legally entitled to or can otherwise access the organization's resources; or (3) the District is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or (4) the District is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the District in that the District approves the budget, the issuance of debt or the levying of taxes. Certain organizations are also included as component units if the nature and significance of the relationship between the primary government and the organization is such that exclusion by the primary government would render the primary governments financial statements incomplete or misleading. Based upon the application of these criteria, the District has no component units. The basic financial statements of the reporting entity include only those of the District (the primary government).

B. Fund Accounting

The District uses funds to report on its financial position and the results of its operations. A fund is a separate accounting entity with a self-balancing set of accounts. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain school district activities or functions.

WESTERVILLE CITY SCHOOL DISTRICT, OHIO
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

GOVERNMENTAL FUNDS

Governmental funds are those through which most governmental functions of the 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 plus deferred outflows of resources and liabilities plus deferred inflows of resources is reported as fund balance.

The following are the District's major governmental funds:

General Fund - The general fund is used to account and report all financial resources not accounted for and reported in another fund. The general fund balance is available for any purpose provided it is expended or transferred according to the general laws of Ohio.

Debt Service fund - The debt service fund is used to account for the accumulation of resources and payment of general obligation bond and principal and interest from governmental resources when the government is obligated in some manner for payment. It is also used to account for the accumulation of resources and payment of general obligation notes payable.

Permanent Improvement fund - The permanent improvement fund is used to account for and report financial resources that are restricted to expenditures related to repair, improvement and replacement of District vehicles and facilities.

Building fund - The building fund is used to account for the receipts and expenditures related to special bond funds in the District. All proceeds from the sale of notes and bonds, except premium and accrued interest, are reported in this fund. Expenditures represent the costs of acquiring capital facilities including real property.

Other governmental funds of the District are used to account for (a) financial resources that are restricted, committed, or assigned to expenditures for capital outlays including the acquisition or construction of capital facilities and other capital assets and (b) specific revenue sources that are restricted or committed to an expenditure for specified purposes other than debt service or capital projects.

PROPRIETARY FUNDS

Proprietary fund reporting focuses on the determination of operating income, changes in net position, financial position and cash flows. The District has no enterprise funds.

Internal Service Funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the District on a cost reimbursement basis. Charges are intended only to recoup the total costs of such services. The following is a description of the District's internal service funds:

Self Insurance Fund - The Self Insurance Fund is used to account for monies received from other funds as payment for providing medical and dental employee benefits.

WESTERVILLE CITY SCHOOL DISTRICT, OHIO
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

Worker's Compensation Fund - The Worker's Compensation Fund is used to account for monies received from other funds as payment for providing Worker's Compensation benefits to employees.

FIDUCIARY FUNDS

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 fund, investment trust funds, private-purpose trust funds and agency funds. Trust funds are used to account for assets held by the District under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the District's own programs. The District's only trust fund is a private-purpose trust which accounts for scholarship programs for students.

Agency Funds - Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The District's agency fund accounts for student activities.

C. Basis of Presentation and Measurement Focus

The District's basic financial statements consist of government-wide statements, including a statement of net position and a statement of activities, and fund financial statements which provide a more detailed level of financial information.

Government-Wide Financial Statements - The statement of net position and the statement of activities display information about the District as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. Internal Service fund activity is eliminated to avoid overstatement of revenues and expenses. Interfund services provided and used are not eliminated in the process of consolidation.

The government-wide statements are prepared using the economic resources measurement focus. All assets plus deferred outflows of resources and liabilities plus deferred inflows of resources associated with the operation of the District are included on the statement of net position. This is the same approach used in the preparation of proprietary fund financial statements, but differs from the manner in which governmental fund financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the governmental activities in the government-wide statements and the statements for governmental funds.

The government-wide statement of activities presents a comparison between direct expenses and program revenues for each function or program of the governmental activities of the District. 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 amounts paid by the recipient of goods and services offered by the program and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues not classified as program revenues are presented as general revenues of the District. 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 District.

WESTERVILLE CITY SCHOOL DISTRICT, OHIO
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

Fund Financial Statements - Fund financial statements report detailed information about the District. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is reported in a separate column, and all nonmajor funds are aggregated into one column. Internal Service funds are combined and the totals are presented in a single column on the face of the proprietary fund statements. Fiduciary funds are reported by fund type.

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets plus deferred outflows of resources and current liabilities plus deferred inflows of resources generally are included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in fund balance.

All proprietary funds are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operations of these funds are included on the statement of net position. Proprietary fund's operating statements present increases (e.g., revenues) and decreases (e.g., expenses) in net position.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operation. The principal operating revenues of the District's Internal Service funds are charges for services. Operating expenses for internal service funds include the cost of services and claims. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

The private purpose trust fund is accounted for using a flow of economic resources measurement focus. Agency funds do not report a measurement focus as they do not report operations.

D. Basis of Accounting

The government-wide financial statements are reported using the *economic resources measurement focus* and *accrual basis of accounting*, as are the proprietary fund and private purpose trust fund of the fiduciary fund financial statements. The agency funds of the fiduciary funds do not have a measurement focus, but are reported using the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing related to cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and other similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Government fund financial statements are reported using the *current economic financial resources measurement focus* and *the modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available when they are collected within 60 days of the current fiscal period. Expenditures are generally recorded when a liability is incurred, as under accrual accounting. However, debt service principal expenditures, as well as expenditures related to compensated absences, pension liabilities, OPEB liabilities and claims and judgements, are recorded only when payment is due.

WESTERVILLE CITY SCHOOL DISTRICT, OHIO
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

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

Deferred Outflows of Resources and Deferred Inflows of Resources - In addition to assets, the government-wide statement of net position will report a separate section for deferred outflows of resources. Deferred outflows of resources, represents a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. For the District, see Note 14 and Note 15 for deferred outflows of resources related to the District's net pension liability and net OPEB liability/asset, respectively. In addition, deferred outflows of resources include a deferred charge on debt refunding. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

In addition to liabilities, both the government-wide statement of net position and the governmental fund financial statements report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. For the District, deferred inflows of resources include property taxes, payments in lieu of taxes and unavailable revenue. Property taxes and payments in lieu of taxes represent amounts for which there is an enforceable legal claim as of June 30, 2019, but which were levied to finance fiscal year 2020 operations. These amounts have been recorded as a deferred inflow 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 funds balance sheet, and represents receivables which will not be collected within the available period. For the District unavailable revenue includes, but is not limited to, delinquent property taxes and intergovernmental grants. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available.

For the District, see Notes 14 and 15 for deferred inflows of resources related to the District's net pension liability and net OPEB liability/asset, respectively. These deferred inflow of resources are only reported on the government-wide statement of net position.

E. Budgetary Data

The District is required by state statute to adopt an annual appropriated cash basis budget for all funds other than agency funds. The specific timetable for the fiscal year 2019 was as follows:

1. Prior to January 15 of the preceding year, the Superintendent and Treasurer submit to the Board of Education a proposed operating budget for the fiscal year commencing the following July 1. The budget includes proposed expenditures and the means of financing for all funds. Public hearings are publicized and conducted to obtain taxpayers' comments. The purpose of this budget document is to reflect the need for existing (or increased) tax rates.
2. By no later than January 20, the Board-adopted budget is filed with the Franklin County Budget Commission for a tax rate determination. The original budget revenue amounts reported in the budgetary statement for the General Fund reflects the amounts set forth in this tax budget.

WESTERVILLE CITY SCHOOL DISTRICT, OHIO
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

3. Prior to March 15, the Board of Education accepts by formal resolution, the tax rates as determined by the Budget Commission and receives the Commission's Certificate of Estimated Resources (the Certificate), which states the projected revenue for each fund. Prior to June 30, the District must revise its budget so that total contemplated expenditures from any fund during the ensuing year will not exceed the amount stated in the certificate. On or about July 1, the Certificate is amended to include any unencumbered balances from the preceding year as reported by the District Treasurer. The Certificate may be further amended during the year if projected increases or decreases in revenue are identified by the District Treasurer. The final budget amounts reported in the budgetary statement reflect the amounts set forth in the final amended Certificate issued for fiscal year 2019.
4. By July 1, the annual appropriation resolution is legally enacted by the Board of Education at the fund level for all funds, which is the legal level of budgetary control. This appropriation then serves as a basis for the original budget expenditure amounts reported in the budgetary statements for all funds. State statute permits a temporary appropriation to be effective until no later than October 1 of each year. Resolution appropriations by fund must be within the estimated resources as certified by the County Budget Commission and the total of expenditures and encumbrances may not exceed the appropriation totals.
5. Any revisions that alter the total of any fund appropriations must be approved by the Board of Education.
6. Formal budgetary integration is employed as a management control device during the year for all funds consistent with the general obligation bond indenture and other statutory provisions. All funds completed the year within the amount of their legally authorized appropriation.
7. Appropriation amounts are as originally adopted, or as amended by the Board of Education through the year by supplemental appropriations which either reallocated, decreased or increased the originally appropriated amounts. All supplemental appropriations were legally adopted by the Board during fiscal year 2019.
8. Unencumbered appropriations lapse at year-end. Encumbered appropriations are carried forward to the succeeding fiscal year and need not be reappropriated. Expenditures plus encumbrances may not legally exceed budgeted appropriations at the fund level for all funds.

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of funds are recorded in order to reserve that portion of the applicable appropriation, is employed in governmental funds.

9. The District prepares its budget on a basis of accounting that differs from GAAP. The actual results of operations are presented in the Statement of Revenues, Expenditures, and Changes in Fund Balances—Budget and Actual—General Fund in accordance with the budget basis of accounting. The major differences between the budgetary basis of accounting and GAAP are outlined.

	<u>Budget Basis</u>	<u>GAAP Basis</u>
Revenues are recorded	when received in cash	when susceptible to accrual
Expenditures are recorded	when paid in cash	when the liability is incurred
Encumbrances are recorded	as the equivalent of an expenditure	as an assignment or commitment of the fund balance

WESTERVILLE CITY SCHOOL DISTRICT, OHIO
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

F. Cash and Investments

To improve cash management, cash received by the District is pooled. Monies for all funds are maintained in this pool. Individual fund integrity is maintained through the District records. Each fund's interest in the pool is presented as "Equity in Pooled Cash and Investments".

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

The State Treasury Asset Reserve of Ohio (STAR Ohio) is an investment pool managed by the State Treasurer's Office, which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but has adopted Governmental Accounting Standards Board (GASB) Statement No. 79, "Certain External Investment Pools and Pool Participants."

STAR Ohio maintains a stable net asset value (NAV) per share by using the amortized cost method of portfolio valuation. For the fiscal year ended June 30, 2019, there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, notice must be given to Public Fund Administrators, the co-administrator for STAR Ohio, 24 hours in advance of all deposits and withdrawals exceeding \$25 million. STAR Ohio reserves the right to limit the transaction to \$100 million, requiring the excess amount to be transacted the following business day(s), but only to the \$100 million limit. All accounts of the participant will be combined for these purposes.

Interim deposits are used by the District to purchase legal investments. The Ohio Revised Code authorizes the District to invest in United States and State of Ohio bonds, notes and other obligations: bank certificates of deposits; banker's acceptances; commercial paper notes rated prime and issued by United States corporations and STAR Ohio. During fiscal year 2019, investments were limited to federal agency securities, STAR Ohio, negotiable CDs, commercial paper, U.S. Treasury Notes and U.S. Government money market accounts.

Under existing statutes, all investment earnings accrue to the General Fund except earnings specifically related to the Food Service, Worker's Compensation, Building Fund, Permanent Improvement Fund, Private Purpose Trust and Agency Funds. Interest credited to the General Fund during fiscal year 2019 was \$3,613,676 which includes \$582,127 assigned from other funds.

Restricted assets in the debt service fund represent cash equivalents for which use is limited by legal requirements. Restricted assets include matured bonds for which payment has not been requested.

G. Inventory

Inventories are presented at cost on a first-in, first-out basis and are expensed when used. Inventories are accounted for using the consumption method on the government-wide statements and the fund financial statements. Donated commodities are presented at their entitlement value. Inventories consist of donated and purchased food held for resale and expendable supplies held for consumption.

H. Capital assets and Depreciation

General capital assets are those assets not specifically related to activities reported in the proprietary funds. These assets are reported in the government-wide statement of net position but are not reported in the fund financial statements.

WESTERVILLE CITY SCHOOL DISTRICT, OHIO
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

All capital assets are capitalized at cost (or estimated historical cost) and updated for the cost of additions and retirements during the year. Donated capital assets are recorded at their acquisition value. The District follows the policy of not capitalizing assets with a cost of less than \$2,500 and a useful life of less than 2 years. The District does not maintain any infrastructure.

All reported capital assets, with the exception of 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	Governmental Activities Estimated Lives
Land improvements	20 years
Buildings and improvements	10 - 50 years
Furniture, fixtures and equipment	5 - 15 years
Vehicles	7 - 10 years

I. Interfund Transactions

On fund financial statements, receivables and payables resulting from short-term interfund loans are classified as “due to/from other funds”. These amounts are eliminated in the governmental type activities columns of the statement net position.

J. Compensated Absences

The District follows GASB Statement No. 16, *Accounting for Compensated Absences*, which requires that a liability be accrued for sick leave if it is probable that the employee will be compensated through cash payment. Upon retirement, District employees are paid their accumulated balances up to a fixed number of days. This number is determined by negotiated agreements or board policy depending on the employee's classification.

The entire compensated absence liability is reported in the government-wide financial statements and is calculated using the vesting method. For governmental fund financial statements, the amount of accumulated vacation and sick leave of employees has been recorded as a current liability to the extent payments come due each period upon the occurrence of employee resignations or retirements. The balance of the liability is not recorded. For proprietary funds, the entire amount of compensated absences is recorded as an expense and liability of the fund.

K. Accrued Liabilities and Long-Term Debt

All accrued liabilities and long-term debt are reported in the entity-wide financial statements as well as the proprietary fund financial statements.

WESTERVILLE CITY SCHOOL DISTRICT, OHIO
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

For governmental fund financial statements, the accrued liabilities are generally reported as a governmental fund liability if due for payment as of the balance sheet date regardless of whether they will be liquidated with current financial resources. However, claims and judgments and compensated absences paid from governmental funds are reported as a liability in the fund financial statements only for the portion due for payment during the current year. Long-term debt paid from governmental funds is not recognized as a liability in the fund financial statements until due. Net pension/OPEB liability should be recognized in the governmental funds to the extent that benefit payments are due and payable and the pension/OPEB plan's fiduciary net position is not sufficient for payment of those benefits.

L. Fund Balances

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

Nonspendable - The nonspendable fund balance classification includes amounts that cannot be spent because they are not in spendable form or legally required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash. It also includes the long-term amount of loans receivable.

Restricted - Fund balance is reported as restricted when constraints are placed on the use of resources that are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation.

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

Assigned - Amounts in the assigned fund balance classification are intended to be used by the District for specific purposes but do not meet the criteria to be classified as restricted nor committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the general fund, assigned amounts represent intended uses established by the fund balance policy of the District Board of Education, which includes giving the Treasurer the authority to constrain monies for intended purposes.

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 only used to report a deficit fund balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

WESTERVILLE CITY SCHOOL DISTRICT, OHIO
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

The District applies restricted resources first when expenditures are incurred for purposes for which restricted and unrestricted (committed, assigned, and unassigned) fund balance is available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

M. Estimates

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

N. Net Position

Net position represents the difference between assets and deferred outflows and liabilities and deferred inflows. The net position component "net investment in capital assets" consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction or improvement of those assets or related debt also should be included in this component of net position. Net position is reported as restricted when there are limitations imposed on its use either through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

The amount restricted for other purposes represents amounts restricted for food service operations.

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

O. Interfund Activity

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after nonoperating revenues/expenses in proprietary funds. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements.

P. Issuance costs, Premiums and Accounting Gain or Loss on Debt Refunding

On the governmental fund financial statements, issuance costs, bond premiums, and deferred charges from debt refunding are recognized in the current period.

On the government-wide financial statements, issuance costs are recognized in the current period and are not amortized. Bond premiums are amortized over the term of the bonds using the straight-line method. Unamortized bond premiums are presented as an addition to the face amount of the bonds reported on the statement of net position. The reconciliation between the bonds face value and the amount reported on the statement of net position is presented in Note 10.

WESTERVILLE CITY SCHOOL DISTRICT, OHIO
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

For advance refunding 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 accounting gain or loss is amortized over the remaining life of the old debt or the life of the new debt, whichever is shorter, and is presented as a deferred inflow or outflow of resources.

Q. Pensions/Other Postemployment Benefits (OPEB)

For purposes of measuring the net pension/OPEB liability, net OPEB asset, deferred outflows of resources and deferred inflows of resources related to pensions/OPEB, and 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 plan. 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 plans report investments at fair value.

R. Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the Board of Education and that are either unusual in nature or infrequent in occurrence. For the fiscal year 2019, the District reported no extraordinary or special items.

S. Fair Value

The 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.

T. Statement of Cash Flows

For purposes of the statement of cash flows, the proprietary funds consider all highly liquid investments, with a maturity of three months or less when purchased, to be cash equivalents. Investments not part of the cash management pool, with an initial maturity of more than three months, are reported as investments.

U. Prepaid Asset

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

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE

A. Change in Accounting Principles

For fiscal year 2019, the District has implemented GASB Statement No. 83, "Certain Asset Retirement Obligations" and GASB Statement No. 88, "Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements".

WESTERVILLE CITY SCHOOL DISTRICT, OHIO
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE - (Continued)

GASB Statement No. 83 addresses accounting and financial reporting for certain asset retirement obligations (AROs). An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset. A government that has legal obligations to perform future asset retirement activities related to its tangible capital assets should recognize a liability. The implementation of GASB Statement No. 83 did not have an effect on the financial statements of the District.

GASB Statement No. 88 improves the information that is disclosed in notes to the basic financial statements related to debt, including direct borrowings and direct placements. It also clarifies which liabilities governments should include when disclosing information related to debt. The implementation of GASB Statement No. 88 did not have an effect on the financial statements of the District.

B. Deficit Fund Balances

Fund balances at June 30, 2019 included the following individual fund deficits:

<u>Nonmajor funds</u>	<u>Deficits</u>
IDEA Part B	\$ 177,445
Title III	15,841
Title I	179,045
Preschool Handicapped	1,577
Title II-A	13,176

The general fund is liable for any deficit in these funds and provides transfers when cash is required, not when accruals occur. The deficit fund balances resulted from adjustments for accrued liabilities.

NOTE 4 - DEPOSITS AND INVESTMENTS

State statutes classify monies held by the District into three categories.

Active deposits are public deposits necessary to meet current demands on the treasury. Such monies must be maintained either as cash in the 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 that 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.

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.

Interim monies may be deposited or invested in the following securities:

1. United States Treasury Notes, Bills, Bonds, 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;

WESTERVILLE CITY SCHOOL DISTRICT, OHIO
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

2. Bonds, notes, debentures, or any other obligations or securities 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, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided that 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 that the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio, and with certain limitations including a requirement for maturity within ten years from the date of settlement, bonds and other obligations of political subdivisions of the State of Ohio, if training requirements have been met;
5. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
6. No-load money market mutual funds consisting exclusively of obligations described in items (1) and (2) above and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
7. The State Treasurer's investment pool, the State Treasury Asset Reserve of Ohio (STAR Ohio);
8. Certain banker's acceptance and commercial paper notes for a period not to exceed one hundred eighty days and two hundred seventy days, respectively, from the purchase date in an amount not to exceed forty percent of the interim monies available for investment at any one time; and rated in either of the two highest classifications by at least two nationally recognized rating agencies.

Protection of the District's deposits is provided by the Federal Deposit Insurance Corporation (FDIC), by eligible securities pledged by the financial institution as security for repayment, by surety company bonds deposited with the Treasurer by the financial institution or by a single collateral pool established by the financial institution to secure the repayment of all public monies deposited with the institution.

Investments in stripped principal or interest obligations, reverse repurchase agreements and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage and short selling are also prohibited. Except as noted above, an investment must mature within five years from the date of purchase unless matched to a specific obligation or debt of the District, and must be purchased with the expectation that it will be held to maturity. Investments may only be made through specified dealers and institutions. Payment for investments may be made only upon delivery of the securities representing the investments to the Treasurer or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

A. Deposits with Financial Institutions

At June 30, 2019, the carrying amount of all District deposits was \$74,491,111. Based on the criteria described in GASB Statement No. 40, "Deposits and Investment Risk Disclosures", as of June 30, 2019, \$74,891,413 of the District's bank balance of \$75,141,413 was exposed to custodial risk as discussed below, while \$250,000 was covered by the FDIC.

WESTERVILLE CITY SCHOOL DISTRICT, OHIO
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

Custodial credit risk is the risk that, in the event of bank failure, the District will not be able to recover deposits or collateral securities that are in the possession of an outside party. The District has no deposit policy for custodial credit risk beyond the requirements of State statute. Ohio law requires that deposits either be insured or protected by (1) eligible securities pledged to the District and deposited with a qualified trustee by the financial institution as security for repayment whose fair value at all times shall be at least 105 percent of the deposits being secured, or (2) 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. OPCS requires the total fair value of the securities pledged to be 102 percent of the deposits being secured or a rate set by the Treasurer of State. For 2019, the District's financial institutions were approved for a reduced collateral rate of 102 percent through the OPCS. Although all statutory requirements for the deposit of money had been followed, noncompliance with Federal requirements could potentially subject the District to a successful claim by the FDIC.

B. Investments

As of June 30, 2019, the District had the following investments and maturities:

Measurement/ Investment type	Measurement value	Investment Maturities				
		6 months or less	7 to 12 months	13 to 18 months	19 to 24 months	Greater than 24 months
Fair value:						
FHLB	\$ 21,636,505	\$ 1,999,100	\$ -	\$ 1,754,966	\$ 9,377,181	\$ 8,505,258
FFCB	10,164,351	998,890	994,700	1,983,360	1,986,960	4,200,441
FHLMC	17,592,869	-	997,470	4,231,283	2,000,360	10,363,756
FNMA	13,829,009	7,471,265	5,368,684	-	989,060	-
Negotiable CDs	11,885,310	736,394	3,198,045	1,971,554	3,975,142	2,004,175
US Treasury Notes	1,004,490	1,004,490	-	-	-	-
Commercial Paper	20,216,177	20,216,177	-	-	-	-
US Government						
Money Market	22,222,231	22,222,231	-	-	-	-
Amortized cost:						
STAR Ohio	1,831,403	1,831,403	-	-	-	-
	<u>\$ 120,382,345</u>	<u>\$ 56,479,950</u>	<u>\$ 10,558,899</u>	<u>\$ 9,941,163</u>	<u>\$ 18,328,703</u>	<u>\$ 25,073,630</u>

The weighted average of maturity of investments is 1.25 years.

The District's investments in U.S. Government money market funds are valued using quoted market prices in active markets (Level 1 inputs). The District's investments in federal agency securities (FHLB, FFCB, FHLMC, and FNMA), treasury notes, commercial paper and negotiable CDs are valued using quoted prices in markets that are not considered to be active, dealer quotations or alternative pricing sources for similar assets or liabilities for which all significant inputs are observable, either directly or indirectly (Level 2 inputs).

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

WESTERVILLE CITY SCHOOL DISTRICT, OHIO
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

Credit Risk: The District's investments in federal agency securities and US Treasury notes were rated AA+ and Aaa by Standard & Poor's and Moody's Investor Services, respectively. The commercial paper was rated P1 by Moody's. Standard & Poor's has assigned STAR Ohio and the U.S. Government money market a AAAm money market rating. Ohio law requires that STAR Ohio maintain the highest rating provided by at least one nationally recognized standard rating service. The negotiable CD's were not rated. The District's investment policy does not specifically address credit risk beyond requiring the District to only invest in securities authorized by State statute.

Custodial Credit Risk: For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Federal Agency Securities are exposed to custodial credit risk in that they are uninsured, unregistered and held by the counter party's trust department or agent but not in the District's name. The District has no investment policy dealing with investment custodial risk beyond the requirement in State statute that prohibits payment for investments prior to the delivery of the securities representing such investments to the Treasurer or qualified trustee.

Concentration of Credit Risk: The District places no limit on the amount that may be invested in any one issuer. The following table includes the percentage of each investment type held by the District at June 30, 2019:

<u>Measurement/ Investment Type</u>	<u>Measurement Value</u>	<u>% to Total</u>
Fair value:		
FHLB	\$ 21,636,505	17.98
FFCB	10,164,351	8.44
FHLMC	17,592,869	14.61
FNMA	13,829,009	11.49
Negotiable CDs	11,885,310	9.87
US Treasury Notes	1,004,490	0.83
Commercial Paper	20,216,177	16.80
US Government		
Money Market	22,222,231	18.46
Amortized cost:		
STAR Ohio	<u>1,831,403</u>	<u>1.52</u>
Total	<u>\$ 120,382,345</u>	<u>100.00</u>

C. Reconciliation of Cash and Investments to the Statement of Net Position

<u>Cash and investments per note disclosure</u>	
Carrying amount of deposits	\$ 74,491,111
Investments	<u>120,382,345</u>
Total	<u>\$ 194,873,456</u>

WESTERVILLE CITY SCHOOL DISTRICT, OHIO
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

<u>Cash and investments per financials</u>	
Governmental activities	\$ 194,326,734
Private-purpose trust fund	36,928
Agency funds	<u>509,794</u>
Total	<u>\$ 194,873,456</u>

NOTE 5 - PROPERTY TAXES

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

Property taxes include amounts levied against all real property and public utility property. Real property tax revenues received in calendar year 2019 represent the collection of calendar year 2018 taxes. Real property taxes received in calendar year 2019 were levied after April 1, 2018, on the assessed values as of January 1, 2018, the lien date. Assessed values for real property taxes are established by State statute at 35 percent of appraised market value. Real property taxes are payable annually or semiannually. If paid annually, payment is due December 31; if paid semiannually, the first payment is due December 31, with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established. Public utility property tax revenues received in calendar year 2019 represent the collection of calendar year 2018 taxes. Public utility real and personal property taxes received in calendar year 2019 became a lien on December 31, 2017, were levied after April 1, 2018, and are collected with real property taxes. Public utility real property is assessed at 35 percent of true value; public utility tangible personal property is currently assessed at varying percentages of true value.

The District receives property taxes from Franklin and Delaware Counties. The County Auditor periodically advances to the District its portion of the taxes collected. Second-half real property tax payments collected by the County by June 30, 2019, are available to finance fiscal year 2019 operations. The amount available as an advance at June 30, 2019 was \$43,623,811 in the general fund, \$2,848,070 in the debt service fund and \$3,162,634 in the permanent improvement fund. This amount is recorded as revenue. The amount available for advance at June 30, 2018 was \$41,776,879 in the general fund, \$2,885,792 in the debt service fund and \$3,009,961 in the permanent improvement fund. The amount of second-half real property taxes available for advance at fiscal year-end can vary based on the date the tax bills are sent.

Accrued property taxes receivable includes real property, public utility property and delinquent tangible personal property taxes which are measurable as of June 30, 2019 and for which there is 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 reported 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.

WESTERVILLE CITY SCHOOL DISTRICT, OHIO
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

NOTE 5 - PROPERTY TAXES - (Continued)

On the accrual basis of accounting, collectible delinquent property taxes have been recorded as a receivable and revenue, while on a modified accrual basis of accounting the revenue has been reported as a deferred inflow.

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

	2018 Second Half Collections		2019 First Half Collections	
	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
Agricultural/residential and other real estate	\$ 2,565,358,330	97.77	\$ 2,596,457,820	98.03
Public utility personal	<u>58,463,770</u>	<u>2.23</u>	<u>52,295,150</u>	<u>1.97</u>
Total	<u>\$ 2,623,822,100</u>	<u>100.00</u>	<u>\$ 2,648,752,970</u>	<u>100.00</u>

NOTE 6 - TAX ABATEMENTS ENTERED INTO BY OTHER GOVERNMENTS

The City of Westerville provides tax abatements through Community Reinvestment Areas (CRAs).

Under the authority of Ohio Revised Code (ORC) Section 3735.67, the CRA program is an economic development tool administered by municipal and county governments that provides real property tax exemptions for property owners who renovate existing or construct new buildings. CRA's are areas of land in which property owners can receive tax incentives for investing in real property improvements. Under the CRA program, local governments petition to the Ohio Development Services Agency (ODSA) for confirmation of a geographical area in which investment in housing is desired. Once an area is confirmed by the ODSA, local governments may offer real property tax exemptions to taxpayers that invest in that area. Property owners in the CRA can receive temporary tax abatements for renovation of existing structures and new construction in these areas. Property owners apply to the local legislative authority for approval to renovate or construct in the CRA. Upon approval and certification of completion, the amount of the abatement is deducted from the individual or entity's property tax bill.

The CRA agreements entered into by the City of Westerville affect the property tax receipts collected and distributed to the District. There were 31 parcels that have taxes abated through CRA agreements that affected the District. Under these agreements, the District property taxes were reduced by \$3,208,415.

NOTE 7 - RECEIVABLES

Receivables and due from other governments at June 30, 2019 consisted of taxes, accounts, payments in lieu of taxes, accrued interest and intergovernmental grants and entitlements. 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.

WESTERVILLE CITY SCHOOL DISTRICT, OHIO
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

NOTE 7 - RECEIVABLES - (Continued)

A summary of the principal items is as follows:

Governmental Activities:

Taxes - Current & Delinquent	\$ 134,352,998
Payment in Lieu of Taxes	3,422,260
Accounts	58,228
Accrued Interest	286,491
Intergovernmental	<u>1,591,756</u>
Total	<u>\$ 139,711,733</u>

NOTE 8 - INTERFUND TRANSACTIONS

- A.** Interfund balances at June 30, 2019 as reported on the fund statements, consist of the following amounts receivable/payable from other funds:

<u>Receivable fund</u>	<u>Payable fund</u>	<u>Amount</u>
General fund	Nonmajor governmental funds	<u>\$ 41,140</u>

The primary purpose of the interfund balances is to cover negative cash balances in specific funds where revenues were not received by June 30. These interfund balances will be repaid once the anticipated revenues are received. All interfund balances are expected to be repaid within one year.

Interfund balances between governmental funds are eliminated on the government-wide financial statements; therefore, no internal balances at June 30, 2019 are reported on the statement of net position.

- B.** Interfund transfers for the fiscal year ended June 30, 2019, consisted of the following, as reported on the fund statements.

<u>Transfers from:</u>	<u>Transfer to:</u>	<u>Amount</u>
General	Permanent Improvement	\$ 65,000
Permanent Improvement	Debt Service	<u>2,937,713</u>
Total		<u>\$ 3,002,713</u>

Transfers are used to move revenues from the fund that statute or budget required to collect them to the fund that statute or budget requires to expend them and to use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations. Transfers consisted of \$65,000 from the general fund to the permanent improvement fund to establish funds for the repairs and improvements and \$2,937,713 from the permanent improvement fund to the debt service fund in order to cover a debt payment.

Interfund transfers between governmental funds are eliminated on the government-wide financial statements.

All transfers were made in compliance with Ohio Revised Code Sections 5705.14, 5705.15 and 5705.16.

WESTERVILLE CITY SCHOOL DISTRICT, OHIO
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

NOTE 9 - CAPITAL ASSETS

A summary of the changes in the capital assets for the fiscal year follows:

	<u>Balance</u> <u>June 30, 2018</u>	<u>Additions</u>	<u>Disposals</u>	<u>Balance</u> <u>June 30, 2019</u>
Governmental activities:				
<i>Capital assets, not being depreciated:</i>				
Land	\$ 6,062,796	\$ -	\$ -	\$ 6,062,796
Construction in progress	<u>109,130</u>	<u>1,586,272</u>	<u>-</u>	<u>1,695,402</u>
Total capital assets, not being depreciated	<u>6,171,926</u>	<u>1,586,272</u>	<u>-</u>	<u>7,758,198</u>
<i>Capital assets, being depreciated:</i>				
Land improvements	9,622,663	664,332	-	10,286,995
Buildings and improvements	227,830,621	2,580,364	(110,873)	230,300,112
Furniture, fixtures and equipment	17,842,190	1,747,098	(2,443,229)	17,146,059
Vehicles	<u>10,725,316</u>	<u>1,078,507</u>	<u>(390,781)</u>	<u>11,413,042</u>
Total capital assets, being depreciated	<u>266,020,790</u>	<u>6,070,301</u>	<u>(2,944,883)</u>	<u>269,146,208</u>
<i>Less: accumulated depreciation:</i>				
Land improvements	(6,676,588)	(427,014)	-	(7,103,602)
Buildings and improvements	(98,707,170)	(5,358,399)	102,525	(103,963,044)
Furniture, fixtures and equipment	(10,337,268)	(1,186,862)	2,341,612	(9,182,518)
Vehicles	<u>(6,754,516)</u>	<u>(990,814)</u>	<u>378,607</u>	<u>(7,366,723)</u>
Total accumulated depreciation	<u>(122,475,542)</u>	<u>(7,963,089)</u>	<u>2,822,744</u>	<u>(127,615,887)</u>
Governmental activities capital assets, net	<u>\$ 149,717,174</u>	<u>\$ (306,516)</u>	<u>\$ (122,139)</u>	<u>\$ 149,288,519</u>

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WESTERVILLE CITY SCHOOL DISTRICT, OHIO
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

NOTE 9 - CAPITAL ASSETS - (Continued)

Depreciation expense was charged to governmental functions as follows:

Instruction:

Regular	\$ 3,689,743
Special	1,167,377
Vocational	14,351
Other	14,263

Support services:

Pupil	2,723
Staff	11,703
General Administration	556,255
Board of Education	3,772
Business Services	32,584
Operations & Maintenance	717,259
Student Transportation	1,012,984
Central Services	230,202
Food Service Operations	90,663
Community Services	38,858
Extracurricular Activities	<u>380,352</u>

Total depreciation expense \$ 7,963,089

NOTE 10 - LONG-TERM OBLIGATIONS

All current obligation bonds outstanding were issued to provide funds for the acquisition and construction of equipment and facilities. The tax anticipation notes are related to various long-term capital projects and are accounted for as long-term obligations. All bonds and notes are general obligations of the District for which the full faith and credit of the District is pledged for repayment. Payments of principal and interest relating to these liabilities are recorded as expenditures in the Debt Service Fund with the exception of the Certificates of Participation. Long-term obligations currently outstanding are reported as follows:

<u>Purpose</u>	<u>Date Issued</u>	<u>Interest Rate</u>	<u>Final Maturity</u>	<u>Original Amount</u>	<u>Balance at June 30, 2019</u>
Advance bond refunding (1)	12/14/06	4.0-5.0%	12/01/27	\$ 48,365,000	\$ 22,365,000
Tax anticipation notes (2)	03/23/10	2.82%	12/01/20	24,415,000	5,600,000
Advance bond refunding (3)	08/15/12	0.45-3.04%	12/01/22	27,320,000	5,645,000
Advance bond refunding (4)	09/01/16	2.67%	12/01/23	23,040,000	22,835,000
Certificates of Participation	10/25/18	3.5-5.0%	12/01/42	39,000,000	<u>39,000,000</u>
					<u><u>\$ 95,445,000</u></u>

- (1) Refunded portions of bonds previously issued on 3/15/01.
- (2) Notes issued in anticipation of the collection of proceeds of the 3.95 mill permanent improvement levy approved by the electors of the school district at the election held May 5, 2009. Proceeds to be used for the acquisition and construction of various long-term permanent improvements projects.
- (3) Refunded portions of bonds previously issued on 04/07/04.
- (4) Refunded portions of bonds previously issued on 12/14/06.

WESTERVILLE CITY SCHOOL DISTRICT, OHIO
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

NOTE 10 - LONG-TERM OBLIGATIONS - (Continued)

In December 2006, the District issued \$48,365,000 of general obligation refunding bonds, Series 2006 with interest rates ranging from 4% to 5% (maturing from December 2009 through December 2027) to advance refund a portion of the District's outstanding general obligation bonds. The District defeased these general obligation bonds by placing the proceeds of the new bonds in an irrevocable trust to provide for all the future debt service payments on the old bonds. The advance refunding represents both legal and in-substance defeasance and was accounted for in accordance with GASB Statement No. 7, *Advance Refundings Resulting in Defeasance of Debt*. Accordingly, the trust accounts assets and the liability for the defeased bonds are not included in the District's financial statements. At June 30, 2012, all of these bonds had matured.

In August 2012, the District issued \$27,320,000 of general obligation refunding bonds, Series 2012 with interest rates ranging from .45% to 3.04% (maturing from December 2012 through December 2022) to advance refund a portion of the District's outstanding general obligation bonds. This issue included an additional \$120,000 in capital appreciation bonds, with a stated interest of 65.58% (matured December 2018). The accreted value at maturity for the capital appreciation bonds is \$4,165,000. The District defeased these general obligation bonds by placing the proceeds of the new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. The advance refunding represents both legal and in-substance defeasance and was accounted for in accordance with GASB Statement No. 7, *Advance Refundings Resulting in Defeasance of Debt*. Accordingly, the trust accounts assets and the liability for the defeased bonds are not included in the District's financial statements. The balance of the refunded bonds was \$5,645,000 at June 30, 2019.

The reacquisition price exceeded the net carrying amount of the old debt by \$3,090,736. This amount is being netted against the new debt and amortized over the remaining life of the refunded debt, which is equal to the life of the new debt issued.

In September 2016, the District issued \$23,040,000 of general obligation refunding bonds, Series 2016 with an interest rate of 2.665% (maturing from December 2017 through December 2023) to advance refund a portion of the District's outstanding general obligation bonds. The District defeased these general obligation bonds by placing the proceeds of the new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. The advance refunding represents both legal and in-substance defeasance and was accounted for in accordance with GASB Statement No. 7, *Advance Refundings Resulting in Defeasance of Debt*. Accordingly, the trust accounts assets and the liability for the defeased bonds are not included in the District's financial statements. The balance of the refunded bonds was \$22,365,000 at June 30, 2019.

The reacquisition price exceeded the net carrying amount of the old debt by \$448,774. This amount is being netted against the new debt and amortized over the remaining life of the refunded debt, which is equal to the life of the new debt issued.

WESTERVILLE CITY SCHOOL DISTRICT, OHIO
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

NOTE 10 - LONG-TERM OBLIGATIONS - (Continued)

The following is a summary of the District's future annual debt service requirements to maturity for general obligation bonds and notes.

Year ending June 30,	Principal	Interest	Total
2020	\$ 8,465,000	\$ 2,001,132	\$ 10,466,132
2021	8,705,000	1,724,583	10,429,583
2022	5,990,000	1,495,488	7,485,488
2023	6,140,000	1,330,209	7,470,209
2024	4,780,000	1,181,944	5,961,944
2025 - 2028	22,365,000	2,306,875	24,671,875
Total	<u>\$ 56,445,000</u>	<u>\$ 10,040,231</u>	<u>\$ 66,485,231</u>

On October 25, 2018, the District issued \$39,000,000 in certificates of participation (“COPs”) to finance the acquisition, construction and overall improvement of District facilities. As part of the official agreement, the District’s buildings are being ground leased to Buckeye Leasing Services. The District makes rental payments which will pay for the debt service requirements on the COPs. The COPs bear an interest rate ranging from 3.5% to 5.0%. Principal on the COPs is due each December 1, beginning December 1, 2021, through and including December 1, 2042. Huntington National Bank, (the “Trustee”), is serving as the trustee for the COPs. Principal and interest payments in fiscal year 2019 totaled \$0 and \$1,115,033, respectively. These amounts are reported as debt service expenditures in the permanent improvement fund.

At June 30, 2019, \$36,910,064 of the \$39,000,000 COPs issuance was unspent.

The obligation of the District under the lease and any subsequent lease renewal is subject to the annual appropriation of the rental payments. Legal title to the facilities remains with the Trustee until all payments required under the lease have been made. In the event that sufficient monies are not appropriated or certified, the lease will terminate at the end of the current lease term and the District will have no further obligation to make rental payments. The Trustee, as assignee under the lease assignment, will have certain remedies under the ground lease and the lease, including the right to take possession of the project for the remainder of the term of the ground lease (through December 1, 2042).

The COPs are not a general obligation of the District and are payable only from appropriations by the District for annual lease payments. The following is a summary of the future debt service requirements to maturity for the COPs:

WESTERVILLE CITY SCHOOL DISTRICT, OHIO
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

NOTE 10 - LONG-TERM OBLIGATIONS - (Continued)

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ -	\$ 1,858,388	\$ 1,858,388
2021	-	1,858,388	1,858,388
2022	1,040,000	1,837,588	2,877,588
2023	1,080,000	1,795,188	2,875,188
2024	1,130,000	1,745,338	2,875,338
2025 - 2029	6,475,000	7,906,531	14,381,531
2030-2034	8,225,000	6,155,750	14,380,750
2035-2039	10,525,000	3,839,436	14,364,436
2040-2043	<u>10,525,000</u>	<u>985,000</u>	<u>11,510,000</u>
Total	<u>\$ 39,000,000</u>	<u>\$ 27,981,607</u>	<u>\$ 66,981,607</u>

The ORC provides that voted net general obligation debt of the District shall never exceed 9% of the total assessed valuation of the District. The ORC further provides that unvoted indebtedness shall not exceed 1/10 of 1% of the property valuation of the District.

The total voted and non-voted non-exempt debt of the District that could be issued subject to the 9% limitation described above is \$238,387,767. The total District debt (including the Notes) subject to this limitation is \$56,445,000. The total District unvoted debt that could be issued subject to the 1/10 of 1% limitation is \$2,648,753. The District has no debt subject to such limitation, leaving \$2,648,753, available for unvoted debt. Including the balance in the Debt Service Fund at June 30, 2019 of \$9,187,499, the effects of these debt limitations at June 30, 2019 are a voted debt margin of \$191,130,266 and an unvoted debt margin of \$2,648,753.

The aggregate amount of the District's unvoted debt is also subject to overlapping debt restrictions with the Westerville Public Library (the Library). As of June 30, 2019, the District and the Library have complied with the requirement that unvoted overlapping debt must not exceed 1% (10 mills) of the assessed property value. In the opinion of management, the District has complied with all bond covenants.

Payments of compensated absences are recorded as expenditures in the general fund, except for those of food service employees, which are recorded in the Food Service fund (a nonmajor governmental fund).

See Note 14 for details on the net pension liability. The District pays obligations related to employee compensation from the fund benefitting from their service, which is primarily the general fund and the food service fund.

See Note 15 for details on the net OPEB liability/asset. The District pays obligations related to employee compensation from the fund benefitting from their service, which is primarily the general fund and the food service fund.

See Note 11 for details on the capital lease obligation.

WESTERVILLE CITY SCHOOL DISTRICT, OHIO
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

NOTE 10 - LONG-TERM OBLIGATIONS - (Continued)

The following changes occurred in long-term liabilities during the year:

	<u>Balance</u> <u>June 30, 2018</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>June 30, 2019</u>	<u>Amounts</u> <u>Due in</u> <u>One Year</u>
Governmental Activities:					
Net pension liability	\$ 204,119,758	\$ -	\$ (17,006,689)	\$ 187,113,069	\$ -
Net OPEB liability	43,456,784	-	(27,965,698)	15,491,086	-
Certificates of participation	-	39,000,000	-	39,000,000	-
General obligation bonds	56,094,856	1,020,144	(6,270,000)	50,845,000	5,720,000
Tax anticipation notes	8,225,000	-	(2,625,000)	5,600,000	2,745,000
Capital lease obligations	338,791	-	(165,170)	173,621	173,621
Compensated absences	<u>14,905,077</u>	<u>2,532,932</u>	<u>(1,049,920)</u>	<u>16,388,089</u>	<u>1,072,949</u>
Total governmental activities	<u>\$ 327,140,266</u>	<u>\$ 42,553,076</u>	<u>\$ (55,082,477)</u>	314,610,865	<u>\$ 9,711,570</u>
Add: Unamortized premiums on bonds				<u>5,781,555</u>	
Total on statement of net position				<u>\$ 320,392,420</u>	

NOTE 11 - CAPITAL LEASE OBLIGATION

In a prior year, the District entered into capital lease agreements for the acquisition of copiers. These leases meet the criteria of a capital lease, which defines a capital lease generally as one which transfers benefits and risks of ownership to the lessee at the conclusion of the lease term.

Capital lease payments have been reclassified and are reflected as debt service expenditures in the financial statements for the governmental funds. These expenditures are reflected as purchased services expenditures on the budgetary statements. Capital assets acquired by lease have been capitalized in the amount of \$750,440, which is equal to the present value of the future minimum lease payments as of the date of their inception. Accumulated depreciation as of June 30, 2019 was \$587,850, leaving a current book value of \$162,590. A corresponding liability was recorded in the statement of net position. Principal payments in the 2019 fiscal year totaled \$165,170. This amount is reflected as debt service principal retirement in the general fund and as a reduction to the long-term liability on the statement of net position.

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

<u>Year Ending June 30</u>	<u>Amount</u>
2020	<u>\$ 179,103</u>
Total minimum lease payment	179,103
Less: amount representing interest	<u>(5,482)</u>
Present value of minimum lease payments	<u>\$ 173,621</u>

WESTERVILLE CITY SCHOOL DISTRICT, OHIO
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

NOTE 12 - SET-ASIDE CALCULATIONS

The District is required by State law to annually set-aside certain general fund revenue amounts, as defined by statutory formula, for the acquisition and construction of capital improvements. Amounts not spent by the end of the fiscal year or offset by similarly restricted resources received during the year must be held in cash at fiscal year-end. This amount must be carried forward to be used for the same purpose in future years. Expenditures exceeding the set-aside requirement may not be carried forward to the next fiscal year. The following cash-basis information describes the change in the fiscal year-end set-aside amount for capital improvements. Disclosure of this information is required by State Statute.

	<u>Capital Improvements</u>
Set-aside balance July 1, 2018	\$ -
Current year set-aside requirement	2,618,506
Contributions in excess of the current fiscal year set-aside requirement	-
Current year qualifying expenditures	(706,775)
Excess qualified expenditures from prior years	-
Current year offsets	(9,117,215)
Waiver granted by ODE	-
Prior year offset from bond proceeds	<u>-</u>
Total	<u>\$ (7,205,484)</u>
Balance carried forward to fiscal year 2020	<u>\$ -</u>
Set-aside balance June 30, 2019	<u>\$ -</u>

NOTE 13 - BUDGET BASIS OF ACCOUNTING

While reporting financial position, results of operations, and changes in fund balance 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 and disbursements.

The statement of revenue, expenditures and changes in fund balance - budget and actual (non-GAAP budgetary basis) presented 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 that:

- (a) Revenues and other financing sources are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis);
- (b) Expenditures and other financing uses are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis);

WESTERVILLE CITY SCHOOL DISTRICT, OHIO
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

NOTE 13 - BUDGET BASIS OF ACCOUNTING - (Continued)

- (c) In order to determine compliance with Ohio law, and to reserve that portion of the applicable appropriation, total outstanding encumbrances (budget basis) are recorded as the equivalent of an expenditure, as opposed to assigned or committed fund balance for that portion of outstanding encumbrances not already recognized as an account payable (GAAP basis);
- (d) Some funds are included in the general fund (GAAP basis), but have separate legally adopted budgets (budget basis).

The adjustments necessary to convert the results of operations for the year on the budget basis to the GAAP basis for the general fund is as follows:

	<u>General fund</u>
Budget basis	\$ 8,716,869
Net adjustment for revenue accruals	1,383,994
Net adjustment for expenditure accruals	(533,820)
Net adjustment for other financing sources (uses)	(25,601)
Funds budgeted elsewhere	1,265
Adjustment for encumbrances	3,069,314
GAAP basis	<u>\$ 12,612,021</u>

Certain funds that are legally budgeted in separate special revenue funds are considered part of the general fund on a GAAP basis. This includes the uniform school supplies and the public school support fund.

NOTE 14 - DEFINED BENEFIT PENSION PLANS

Net Pension Liability

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

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

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

WESTERVILLE CITY SCHOOL DISTRICT, OHIO
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

NOTE 14 - DEFINED BENEFIT PENSION PLANS - (Continued)

GASB 68 assumes the liability is solely the obligation of the employer, because (1) they benefit from employee services; and (2) State statute requires all funding to come from these employers. All contributions to date have come solely from these employers (which also includes costs paid in the form of withholdings from employees). State statute requires the pension plans to amortize unfunded liabilities within 30 years. If the amortization period exceeds 30 years, each pension plan’s board must propose corrective action to the State legislature. Any resulting legislative change to benefits or funding could significantly affect the net pension liability. Resulting adjustments to the net pension liability would be effective when the changes are legally enforceable.

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

Plan Description - School Employees Retirement System (SERS)

Plan Description - The District non-teaching employees participate in SERS, a cost-sharing multiple-employer defined benefit pension plan administered by SERS. SERS provides retirement, disability and survivor benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by Ohio Revised Code Chapter 3309. SERS issues a publicly available, stand-alone financial report that includes financial statements, required supplementary information and detailed information about SERS’ fiduciary net position. That report can be obtained by visiting the SERS website at www.ohsers.org under Employers/Audit Resources.

Age and service requirements for retirement are as follows:

	Eligible to Retire on or before August 1, 2017 *	Eligible to Retire after August 1, 2017
Full benefits	Age 65 with 5 years of services credit; or Any age with 30 years of service credit	Age 67 with 10 years of service credit; or Age 57 with 30 years of service credit
Actuarially reduced benefits	Age 60 with 5 years of service credit; or Age 55 with 25 years of service credit	Age 62 with 10 years of service credit; or Age 60 with 25 years of service credit

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

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

Effective January 1, 2018, SERS cost-of-living adjustment (COLA) changed from a fixed 3% annual increase to one based on the Consumer Price Index (CPI-W) with a cap of 2.5% and a floor of 0%. SERS also has the authority to award or suspend the COLA, or to adjust the COLA above or below CPI-W. SERS suspended the COLA increases for 2018, 2019 and 2020 for current retirees, and confirmed their intent to implement a four-year waiting period for the state of a COLA for future retirees.

WESTERVILLE CITY SCHOOL DISTRICT, OHIO
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

NOTE 14 - DEFINED BENEFIT PENSION PLANS - (Continued)

Funding Policy - Plan members are required to contribute 10% of their annual covered salary and the District is required to contribute 14% of annual covered payroll. The contribution requirements of plan members and employers are established and may be amended by the SERS' Retirement Board up to statutory maximum amounts of 10% for plan members and 14% for employers. The Retirement Board, acting with the advice of the actuary, allocates the employer contribution rate among four of the System's funds (Pension Trust Fund, Death Benefit Fund, Medicare B Fund, and Health Care Fund). For the fiscal year ended June 30, 2019, the allocation to pension, death benefits, and Medicare B was 13.5%. The remaining 0.5% of the employer contribution rate was allocated to the Health Care Fund.

The District's contractually required contribution to SERS was \$2,573,909 for fiscal year 2019. Of this amount, \$76,107 is reported as pension and postemployment obligation payable.

Plan Description - State Teachers Retirement System (STRS)

Plan Description - Licensed teachers participate in STRS Ohio, a cost-sharing multiple-employer public employee retirement system administered by STRS. STRS provides retirement and disability benefits to members and death and survivor benefits to beneficiaries. STRS issues a stand-alone financial report that includes financial statements, required supplementary information and detailed information about STRS' fiduciary net position. That report can be obtained by writing to STRS, 275 E. Broad St., Columbus, OH 43215-3771, by calling (888) 227-7877, or by visiting the STRS website at www.strsoh.org.

New members have a choice of three retirement plans; a Defined Benefit (DB) Plan, a Defined Contribution (DC) Plan and a Combined Plan. Benefits are established by Ohio Revised Code Chapter 3307. The DB Plan offers an annual retirement allowance based on final average salary multiplied by a percentage that varies based on years of service. Effective August 1, 2015, the calculation will be 2.2% of final average salary for the five highest years of earnings multiplied by all years of service. Effective July 1, 2017, the cost-of-living adjustment was reduced to zero. Members are eligible to retire at age 60 with five years of qualifying service credit, or age 55 with 26 years of service, or 31 years of service regardless of age. Eligibility changes will be phased in until August 1, 2026, when retirement eligibility for unreduced benefits will be five years of service credit and age 65, or 35 years of service credit and at least age 60.

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

The Combined Plan offers features of both the DB Plan and the DC Plan. In the Combined Plan, 12% of the 14% member rate goes to the DC Plan and the remaining 2% is applied to the DB Plan. Member contributions to the DC Plan are allocated among investment choices by the member, and contributions to the DB Plan from the employer and the member are used to fund the defined benefit payment at a reduced level from the regular DB Plan. The defined benefit portion of the Combined Plan payment is payable to a member on or after age 60 with five years of 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 50 or later.

WESTERVILLE CITY SCHOOL DISTRICT, OHIO
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

NOTE 14 - DEFINED BENEFIT PENSION PLANS - (Continued)

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

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

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

The District's contractually required contribution to STRS was \$12,093,952 for fiscal year 2019. Of this amount, \$2,021,358 is reported as pension and postemployment obligation payable.

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

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

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

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Proportion of the net pension liability prior measurement date	0.56954510%	0.71601415%	
Proportion of the net pension liability current measurement date	<u>0.54991240%</u>	<u>0.70775106%</u>	
Change in proportionate share	<u>-0.01963270%</u>	<u>-0.00826309%</u>	
Proportionate share of the net pension liability	\$ 31,494,502	\$ 155,618,567	\$ 187,113,069
Pension expense	\$ 2,459,887	\$ 17,716,373	\$ 20,176,260

WESTERVILLE CITY SCHOOL DISTRICT, OHIO
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

NOTE 14 - DEFINED BENEFIT PENSION PLANS - (Continued)

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

	SERS	STRS	Total
Deferred outflows of resources			
Differences between expected and actual experience	\$ 1,727,272	\$ 3,592,154	\$ 5,319,426
Changes of assumptions	711,215	27,578,545	28,289,760
Difference between employer contributions and proportionate share of contributions/change in proportionate share	417,366	6,062,410	6,479,776
Contributions subsequent to the measurement date	2,573,909	12,093,952	14,667,861
Total deferred outflows of resources	\$ 5,429,762	\$ 49,327,061	\$ 54,756,823
	SERS	STRS	Total
Deferred inflows of resources			
Differences between expected and actual experience	\$ -	\$ 1,016,283	\$ 1,016,283
Net difference between projected and actual earnings on pension plan investments	872,619	9,436,537	10,309,156
Difference between employer contributions and proportionate share of contributions/change in proportionate share	589,484	1,027,091	1,616,575
Total deferred inflows of resources	\$ 1,462,103	\$ 11,479,911	\$ 12,942,014

\$14,667,861 reported as deferred outflows of resources related to pension resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2020.

WESTERVILLE CITY SCHOOL DISTRICT, OHIO
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

NOTE 14 - DEFINED BENEFIT PENSION PLANS - (Continued)

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Fiscal Year Ending June 30:	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
2020	\$ 2,220,486	\$ 16,114,223	\$ 18,334,709
2021	474,452	10,851,143	11,325,595
2022	(1,033,565)	1,063,459	29,894
2023	<u>(267,623)</u>	<u>(2,275,627)</u>	<u>(2,543,250)</u>
Total	<u>\$ 1,393,750</u>	<u>\$ 25,753,198</u>	<u>\$ 27,146,948</u>

Actuarial Assumptions - SERS

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

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

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

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

Wage inflation	3.00%
Future salary increases, including inflation	3.50% to 18.20%
COLA or ad hoc COLA	2.50%, on and after April 1, 2018, COLA's for future retirees will be delayed for three years following commencement
Investment rate of return	7.50% net of investments expense, including inflation
Actuarial cost method	Entry age normal (level percent of payroll)

For 2018, the mortality rates were based on the RP-2014 Blue Collar Mortality Table with fully generational projection and a five-year age set-back for both males and females. Mortality among service retired members, and beneficiaries were based upon the RP-2014 Blue Collar Mortality Table with fully generational projection with Scale BB, 120% of male rates, and 110% of female rates. Mortality among disabled members was based upon the RP-2000 Disabled Mortality Table, 90% for male rates and 100% for female rates, set back five years is used for the period after disability retirement.

WESTERVILLE CITY SCHOOL DISTRICT, OHIO
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

NOTE 14 - DEFINED BENEFIT PENSION PLANS - (Continued)

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

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

The target allocation and best estimates of arithmetic real rates of return for each major assets class are summarized in the following table:

Asset Class	Target Allocation	Long Term Expected Real Rate of Return
Cash	1.00 %	0.50 %
US Equity	22.50	4.75
International Equity	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 7.50%. The projection of cash flows used to determine the discount rate assumed the contributions from employers and from the members would be computed based on contribution requirements as stipulated by State statute. Projected inflows from investment earning were calculated using the long-term assumed investment rate of return (7.50%). 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 District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate - Net pension liability is sensitive to changes in the discount rate, and to illustrate the potential impact the following table presents the net pension liability calculated using the discount rate of 7.50%, as well as what each plan's net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.50%), or one percentage point higher (8.50%) than the current rate.

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
District's proportionate share of the net pension liability	\$ 44,362,380	\$ 31,494,502	\$ 20,705,646

WESTERVILLE CITY SCHOOL DISTRICT, OHIO
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

NOTE 14- 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, 2018, actuarial valuation are presented below:

	<u>July 1, 2018</u>
Inflation	2.50%
Projected salary increases	12.50% at age 20 to 2.50% at age 65
Investment rate of return	7.45%, net of investment expenses, including inflation
Payroll increases	3.00%
Cost-of-living adjustments (COLA)	0.0%, effective July 1, 2017

For the July 1, 2018, actuarial valuation, post-retirement mortality rates for healthy retirees are based on the RP-2014 Annuitant Mortality Table with 50% of rates through age 69, 70% of rates between ages 70 and 79, 90% of rates between ages 80 and 84, and 100% of rates thereafter, projected forward generationally using mortality improvement scale MP-2016. Post-retirement disabled mortality rates are based on the RP-2014 Disabled Mortality Table with 90% of rates for males and 100% of rates for females, projected forward generationally using mortality improvement scale MP-2016. Pre-retirement mortality rates are based on RP-2014 Employee Mortality Table, projected forward generationally using mortality improvement scale MP-2016.

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

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

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

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

**The Target Allocation percentage is effective as of July 1, 2017. Target weights will be phased in over a 24-month period concluding on July 1, 2019.

WESTERVILLE CITY SCHOOL DISTRICT, OHIO
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

NOTE 14 - DEFINED BENEFIT PENSION PLANS - (Continued)

Discount Rate - The discount rate used to measure the total pension liability was 7.45% as of June 30, 2018. The projection of cash flows used to determine the discount rate assumes member and employer contributions will be made at the statutory contribution rates in accordance with rate increases described above. For this purpose, only employer contributions that are intended to fund benefits of current plan members and their beneficiaries are included. Projected employer contributions that are intended to fund the service costs of future plan members and their beneficiaries, as well as projected contributions from future plan members, are not included. Based on those assumptions, STRS' fiduciary net position was projected to be available to make all projected future benefit payments to current plan members as of June 30, 2018. Therefore, the long-term expected rate of return on pension plan investments of 7.45% was applied to all periods of projected benefit payment to determine the total pension liability as of June 30, 2018.

Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate - The following table presents the District's proportionate share of the net pension liability calculated using the current period discount rate assumption of 7.45%, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one-percentage-point lower (6.45%) or one-percentage-point higher (8.45%) than the current rate:

	1% Decrease (6.45%)	Current Discount Rate (7.45%)	1% Increase (8.45%)
District's proportionate share of the net pension liability	\$ 227,260,431	\$ 155,618,567	\$ 94,983,449

NOTE 15- DEFINED BENEFIT OPEB PLANS

Net OPEB Liability/Asset

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

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

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

WESTERVILLE CITY SCHOOL DISTRICT, OHIO
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

NOTE 15 - DEFINED BENEFIT OPEB PLANS - (Continued)

GASB 75 assumes the liability is solely the obligation of the employer, because they benefit from employee services. OPEB contributions come from these employers and health care plan enrollees which pay a portion of the health care costs in the form of a monthly premium. The Ohio Revised Code permits, but does not require the retirement systems to provide healthcare to eligible benefit recipients. Any change to benefits or funding could significantly affect the net OPEB liability/asset. Resulting adjustments to the net OPEB liability/asset would be effective when the changes are legally enforceable. The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits.

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

Plan Description - School Employees Retirement System (SERS)

Health Care Plan Description - The District contributes to the SERS Health Care Fund, administered by SERS for non-certificated retirees and their beneficiaries. For GASB 75 purposes, this plan is considered a cost-sharing other postemployment benefit (OPEB) plan. SERS' Health Care Plan provides healthcare benefits to eligible individuals receiving retirement, disability, and survivor benefits, and to their eligible dependents. Members who retire after June 1, 1986, need 10 years of service credit, exclusive of most types of purchased credit, to qualify to participate in SERS' health care coverage. In addition to age and service retirees, disability benefit recipients and beneficiaries who are receiving monthly benefits due to the death of a member or retiree, are eligible for SERS' health care coverage. Most retirees and dependents choosing SERS' health care coverage are over the age of 65 and therefore enrolled in a fully insured Medicare Advantage plan; however, SERS maintains a traditional, self-insured preferred provider organization for its non-Medicare retiree population. For both groups, SERS offers a self-insured prescription drug program. Health care is a benefit that is permitted, not mandated, by statute. The financial report of the Plan is included in the SERS Comprehensive Annual Financial Report which can be obtained on SERS' website at www.ohsers.org under Employers/Audit Resources.

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

Funding Policy - State statute permits SERS to fund the health care benefits through employer contributions. Each year, after the allocation for statutorily required pensions and benefits, the Retirement Board may allocate the remainder of the employer contribution of 14% of covered payroll to the Health Care Fund in accordance with the funding policy. For fiscal year 2019, 0.5% of covered payroll was made to health care. An additional health care surcharge on employers is collected for employees earning less than an actuarially determined minimum compensation amount, pro-rated if less than a full year of service credit was earned. For fiscal year 2019, this amount was \$21,600. Statutes provide that no employer shall pay a health care surcharge greater than 2% of that employer's SERS-covered payroll; nor may SERS collect in aggregate more than 1.5% of the total statewide SERS-covered payroll for the health care surcharge. For fiscal year 2019, the District's surcharge obligation was \$357,320

WESTERVILLE CITY SCHOOL DISTRICT, OHIO
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

NOTE 15 - DEFINED BENEFIT OPEB PLANS - (Continued)

The surcharge added to the allocated portion of the 14% employer contribution rate is the total amount assigned to the Health Care Fund. The District's contractually required contribution to SERS was \$452,650 for fiscal year 2019. Of this amount, \$360,139 is reported as pension and postemployment obligation payable.

Plan Description - State Teachers Retirement System (STRS)

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

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

OPEB Liabilities/Assets, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

The net OPEB liability/asset was measured as of June 30, 2018, and the total OPEB liability/asset used to calculate the net OPEB liability/asset was determined by an actuarial valuation as of that date. The District's proportion of the net OPEB liability/asset was based on the 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	0.57831870%	0.71601415%	
Proportion of the net OPEB liability/asset current measurement date	<u>0.55838420%</u>	<u>0.70775106%</u>	
Change in proportionate share	<u>-0.01993450%</u>	<u>-0.00826309%</u>	
Proportionate share of the net OPEB liability	\$ 15,491,086	\$ -	\$ 15,491,086
Proportionate share of the net OPEB asset	\$ -	\$ (11,372,836)	\$ (11,372,836)
OPEB expense	\$ 728,797	\$ (24,665,297)	\$ (23,936,500)

WESTERVILLE CITY SCHOOL DISTRICT, OHIO
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

NOTE 15 - DEFINED BENEFIT OPEB PLANS - (Continued)

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

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Deferred outflows of resources			
Differences between expected and actual experience	\$ 252,869	\$ 1,328,367	\$ 1,581,236
Difference between employer contributions and proportionate share of contributions/ change in proportionate share	142,671	255,890	398,561
Contributions subsequent to the measurement date	<u>452,650</u>	<u>-</u>	<u>452,650</u>
Total deferred outflows of resources	<u>\$ 848,190</u>	<u>\$ 1,584,257</u>	<u>\$ 2,432,447</u>
	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Deferred inflows of resources			
Differences between expected and actual experience	\$ -	\$ 662,619	\$ 662,619
Net difference between projected and actual earnings on pension plan investments	23,243	1,299,250	1,322,493
Changes of assumptions	1,391,758	15,496,395	16,888,153
Difference between employer contributions and proportionate share of contributions/ change in proportionate share	<u>632,951</u>	<u>294,458</u>	<u>927,409</u>
Total deferred inflows of resources	<u>\$ 2,047,952</u>	<u>\$ 17,752,722</u>	<u>\$ 19,800,674</u>

\$452,650 reported as deferred outflows of resources related to OPEB resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability/asset in the year ending June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Fiscal Year Ending June 30:			
2020	\$ (602,349)	\$ (2,885,761)	\$ (3,488,110)
2021	(498,149)	(2,885,761)	(3,383,910)
2022	(168,176)	(2,885,761)	(3,053,937)
2023	(158,287)	(2,590,691)	(2,748,978)
2024	(159,893)	(2,487,184)	(2,647,077)
Thereafter	<u>(65,558)</u>	<u>(2,433,307)</u>	<u>(2,498,865)</u>
Total	<u>\$ (1,652,412)</u>	<u>\$ (16,168,465)</u>	<u>\$ (17,820,877)</u>

WESTERVILLE CITY SCHOOL DISTRICT, OHIO
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

NOTE 15 - DEFINED BENEFIT OPEB PLANS - (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 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 OPEB liability in the latest actuarial valuation date of June 30, 2018, are presented below:

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

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

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

WESTERVILLE CITY SCHOOL DISTRICT, OHIO
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

NOTE 15 - DEFINED BENEFIT OPEB PLANS - (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, 7.50%, by weighting the expected future real rates of return by the target asset allocation percentage and then adding expected inflation. The capital market assumptions developed by the investment consultant are intended for use over a 10-year horizon and may not be useful in setting the long-term rate of return for funding pension plans which covers a longer timeframe. The assumption is intended to be a long-term assumption and is not expected to change absent a significant change in the asset allocation, a change in the inflation assumption, or a fundamental change in the market that alters expected returns in future years.

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	1.00 %	0.50 %
US Equity	22.50	4.75
International Equity	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 discount rate used to measure the total OPEB liability at June 30, 2018 was 3.70%. The discount rate used to measure total OPEB liability prior to June 30, 2018 was 3.63%. The projection of cash flows used to determine the discount rate assumed that contributions will be made from members and the System at the state statute contribution rate of 2.00% of projected covered employee payroll each year, which includes a 1.50% payroll surcharge and 0.50% of contributions from 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, 2026. 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, 2025 and the Fidelity General Obligation 20-year Municipal Bond Index rate of 3.62%, as of June 30, 2018 (i.e. municipal bond rate), was used to present value the projected benefit payments for the remaining years in the projection. A municipal bond rate of 3.56% was used as of June 30, 2017. 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.

WESTERVILLE CITY SCHOOL DISTRICT, OHIO
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

NOTE 15 - DEFINED BENEFIT OPEB PLANS - (Continued)

Sensitivity of the District's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate and Changes in the Health Care Cost Trend Rates - The net OPEB liability is sensitive to changes in the discount rate and the health care cost trend rate. The following table presents the net OPEB liability of SERS, what SERS' net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (2.70%) and higher (4.70%) than the current discount rate (3.70%). Also shown is what SERS' net OPEB liability would be based on health care cost trend rates that are 1 percentage point lower (6.25% decreasing to 3.75%) and higher (8.25% decreasing to 5.75%) than the current rate.

	1% Decrease (2.70%)	Current Discount Rate (3.70%)	1% Increase (4.70%)
District's proportionate share of the net OPEB liability	\$ 18,797,215	\$ 15,491,086	\$ 12,873,251
	1% Decrease (6.25 % decreasing to 3.75 %)	Trend Rate (7.25 % decreasing to 4.75 %)	1% Increase (8.25 % decreasing to 5.75 %)
District's proportionate share of the net OPEB liability	\$ 12,498,465	\$ 15,491,086	\$ 19,453,854

Actuarial Assumptions - STRS

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results used in the July 1, 2018, actuarial valuation, compared with July 1, 2017, are presented below:

	July 1, 2018		July 1, 2017
Inflation	2.50%		2.50%
Projected salary increases	12.50% at age 20 to 2.50% at age 65		12.50% at age 20 to 2.50% at age 65
Investment rate of return	7.45%, net of investment expenses, including inflation		7.45%, net of investment expenses, including inflation
Payroll increases	3.00%		3.00%
Cost-of-living adjustments (COLA)	0.00%		0.00%, effective July 1, 2017
Discounted rate of return	7.45%		N/A
Blended discount rate of return	N/A		4.13%
Health care cost trends	Initial	Ultimate	6 to 11% initial, 4.50% ultimate
Medical			
Pre-Medicare	6.00%	4.00%	
Medicare	5.00%	4.00%	
Prescription Drug			
Pre-Medicare	8.00%	4.00%	
Medicare	-5.23%	4.00%	

WESTERVILLE CITY SCHOOL DISTRICT, OHIO
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

NOTE 15 - DEFINED BENEFIT OPEB PLANS - (Continued)

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

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

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

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

Benefit Term Changes Since the Prior Measurement Date - The subsidy multiplier for non-Medicare benefit recipients was increased from 1.90% to 1.944% per year of service effective January 1, 2019. The non-Medicare frozen subsidy base premium was increased effective January 1, 2019 and all remaining Medicare Part B premium reimbursements will be discontinued beginning January 1, 2020.

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

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

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

** The Target Allocation percentage is effective as of July 1, 2017. Target weights will be phased in over a 24-month period concluding on July 1, 2019.

WESTERVILLE CITY SCHOOL DISTRICT, OHIO
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

NOTE 15 - DEFINED BENEFIT OPEB PLANS - (Continued)

Discount Rate - The discount rate used to measure the total OPEB asset was 7.45% as of June 30, 2018. A discount rate used to measure the total OPEB liability was 4.13% as of June 30, 2017. The projection of cash flows used to determine the discount rate assumes STRS Ohio continues to allocate no employer contributions to the health care fund. Based on these assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments to current plan members. Therefore, the long-term expected rate of return on health care plan investments of 7.45% was used to measure the total OPEB asset as of June 30, 2018.

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

	1% Decrease (6.45%)	Current Discount Rate (7.45%)	1% Increase (8.45%)
District's proportionate share of the net OPEB asset	\$ 9,747,586	\$ 11,372,836	\$ 12,738,783
	1% Decrease	Current Trend Rate	1% Increase
District's proportionate share of the net OPEB asset	\$ 12,661,674	\$ 11,372,836	\$ 10,063,923

NOTE 16 - CONTINGENCIES

A. Grants

The District receives significant financial assistance from numerous federal, State and local agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the District. However, in the opinion of management, any such disallowed claims will not have a material effect on the financial position of the District.

B. Litigation

There are currently a few matters in litigation with the District as a defendant. It is the opinion of management that the potential claims against the District not covered by insurance would not materially affect the financial statements.

WESTERVILLE CITY SCHOOL DISTRICT, OHIO
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

NOTE 16 - CONTINGENCIES - (Continued)

C. Foundation Funding

School District foundation funding is based on the annualized full-time equivalent (FTE) enrollment of each student. The Ohio Department of Education (ODE) is legislatively required to adjust/reconcile funding as enrollment information is updated by schools throughout the State, which can extend past the fiscal year end. As of the date of this report, additional ODE adjustments for fiscal year 2019 financial statements is not determinable, at this time. Management believes this may result in either an additional receivable to, or a liability of, the District.

NOTE 17 - JOINTLY GOVERNED ORGANIZATIONS

Meta Solutions

The District is a participant in Meta Solutions which is a computer consortium. Meta Solutions develops, implements and supports the technology and instructional needs of schools in a cost-effective manner. Meta Solutions provides instructional, core, technology and purchasing services for its member districts. The Board of Directors consists of the Superintendents from eight of the member districts. Financial information can be obtained from Ashley Widby, who serves as Interim Chief Financial Officer, 100 Executive Drive, Marion, Ohio 43302.

NOTE 18 - RELATED ORGANIZATION

The Westerville School District Library is a political subdivision of the State of Ohio created under Chapter 3375 of the Ohio Revised Code. The Library is governed by Board of Trustees appointed by the Westerville City School District Board of Education. The Board of Trustees possesses its own contracting and budgetary authority, hires and fires personnel and does not depend on the District for operating subsidies. Although the District does serve as the taxing authority and may issue tax related debt on behalf of the Library, its role is limited to a ministerial function. The determination to request approval of a tax, the tax rate and purpose are discretionary decisions made solely by the Board of Trustees. Financial information may be obtained from the Westerville School District Library at 126 South State Street, Westerville, Ohio 43081.

NOTE 19 - RISK MANAGEMENT

For fiscal year 2019, the District was enrolled in the retrospective rating plan for worker's compensation. The retrospective rating plan allows an employer to assume a portion of the risk in return for a possible reduction in premiums. The greater the assumed risk, the greater the potential reduction in premiums.

Employers who have a consistent claims history and proven safety practices will benefit most from the retrospective rating. The employer can customize the retrospective rating plan to control the amount of risk assumed and the potential savings by selecting the maximum premium and claims costs they are willing to pay. Employers may benefit from retrospective rating because of lower initial premiums and realized cash flow advantages, which increase as premiums are saved.

The District's Workers' Compensation program is accounted for in the workers' compensation internal service fund which pays for all claims, claim reserves and administrative costs of the program. The general fund generates revenues by charging each fund a percentage rate determined by the Bureau for the payroll during the reporting period.

WESTERVILLE CITY SCHOOL DISTRICT, OHIO
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

NOTE 19 - RISK MANAGEMENT - (Continued)

The 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. The District contracts with an insurance carrier for property insurance and general liability insurance. Professional liability is protected by a \$1,000,000 single occurrence limit, \$2,000,000 general aggregate limit, \$2,000,000 umbrella aggregate limit and no deductible. Vehicles are also covered and have a \$500 deductible for comprehensive and a \$2,000 deductible for collision. Automotive liability has a \$1,000,000 combined single limit of liability. Settlements have not exceeded coverage in any of the last three years, and there has been no reduction in coverage from the prior years.

Post employment health care is provided to plan participants or their beneficiaries through the respective retirement systems discussed in Note 15. As such, no funding is required by the District.

The District provides life insurance and accidental death and dismemberment insurance to all employees in an amount related to the employee's position, ranging from \$30,000 to \$429,000.

The District has established a limited risk management program for hospital/medical and dental benefits. Premiums are paid into the Self-Insurance Fund by all other funds and are available to pay claims, claim reserves and administrative costs of the program. During fiscal year 2019, a total expense of \$1,953,179 was incurred in administrative costs. An excess coverage insurance policy covers individual claims in excess of \$150,000. The liability for unpaid claims of \$1,695,000 reported at June 30, 2019 is based on the requirements of GASB Statement No. 10, "Accounting and Financial Reporting for Risk Financing and Related Insurance Issues", as amended by GASB Statement No. 30, "Risk Financing Omnibus", which requires that a liability for unpaid claims costs, including estimates of costs relating to incurred, but not reported claims, be accrued at the estimated ultimate cost of settling claims. The District anticipates that these claims will be paid in the next fiscal year and has reported the entire liability as due within one year on the Statement of Net Position.

Changes in the fund's claims liability amount in 2019 was:

<u>Fiscal Year</u>	<u>Beginning Balance</u>	<u>Claims Incurred</u>	<u>Claims Payments</u>	<u>Ending Balance</u>
2019	\$ 1,353,000	\$ 21,198,707	\$ (20,856,707)	\$ 1,695,000
2018	1,293,000	18,965,718	(18,905,718)	1,353,000

NOTE 20 - CONTRACTUAL COMMITMENTS

The District had the following outstanding contractual commitments at fiscal year end:

<u>Vendor</u>	<u>Purpose</u>	<u>Amount</u>
Garland/DBS	Renovations	\$ 1,572,722
Triad Facilities Solutions	Renovations	567,351
C.D. Whitfield Company	Renovations	169,222
Adena Corporation	Renovations	5,000,000
Regal Plumbing	Renovations	<u>534,587</u>
Total		<u>\$ 7,843,882</u>

WESTERVILLE CITY SCHOOL DISTRICT, OHIO
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

NOTE 21 - OTHER COMMITMENTS

The District utilizes encumbrance accounting as part of its budgetary controls. Encumbrances outstanding at year-end may be reported as part of restricted, committed, or assigned classifications of fund balance. At year end, the District's commitments for encumbrances in the governmental funds were as follows:

<u>Fund</u>	<u>Year-End Encumbrances</u>
General fund	\$ 2,314,337
Permanent improvement fund	1,900,877
Building fund	7,308,688
Nonmajor governmental funds	<u>673,167</u>
 Total	 <u>\$ 12,197,069</u>

NOTE 22 – SUBSEQUENT EVENTS

On November 5, 2019, the District passed two new levies. The first levy, a permanent operating levy, will generate approximately \$15.6 million a year for the District. The second levy, a thirty-seven year bond levy, will generate approximately \$103 million over the course of the levy for building renovation projects.

REQUIRED SUPPLEMENTARY INFORMATION

WESTERVILLE CITY SCHOOL DISTRICT, OHIO

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF
THE NET PENSION LIABILITY
SCHOOL EMPLOYEES RETIREMENT SYSTEM (SERS) OF OHIO

LAST SIX FISCAL YEARS

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
District's proportion of the net pension liability	0.54991240%	0.56954510%	0.55818750%	0.54732270%
District's proportionate share of the net pension liability	\$ 31,494,502	\$ 34,029,062	\$ 40,854,175	\$ 31,230,764
District's covered payroll	\$ 18,410,081	\$ 18,382,814	\$ 17,335,229	\$ 16,476,768
District's proportionate share of the net pension liability as a percentage of its covered payroll	171.07%	185.11%	235.67%	189.54%
Plan fiduciary net position as a percentage of the total pension liability	71.36%	69.50%	62.98%	69.16%

Note: Information prior to 2014 was unavailable. Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

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

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

<u>2015</u>	<u>2014</u>
0.53978500%	0.53978500%
\$ 27,318,212	\$ 32,099,282
\$ 15,685,072	\$ 15,546,734
174.17%	206.47%
71.70%	65.52%

WESTERVILLE CITY SCHOOL DISTRICT, OHIO

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF
THE NET PENSION LIABILITY
STATE TEACHERS RETIREMENT SYSTEM (STRS) OF OHIO

	LAST SIX FISCAL YEARS			
	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
District's proportion of the net pension liability	0.70775106%	0.71601415%	0.70931549%	0.67587545%
District's proportionate share of the net pension liability	\$ 155,618,567	\$ 170,090,696	\$ 237,429,275	\$ 186,792,205
District's covered payroll	\$ 84,424,179	\$ 79,654,393	\$ 77,713,993	\$ 71,475,893
District's proportionate share of the net pension liability as a percentage of its covered payroll	184.33%	213.54%	305.52%	261.34%
Plan fiduciary net position as a percentage of the total pension liability	77.31%	75.30%	66.80%	72.10%

Note: Information prior to 2014 was unavailable. Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

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

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

<u>2015</u>	<u>2014</u>
0.66078200%	0.66078200%
\$ 160,725,065	\$ 191,454,646
\$ 67,515,746	\$ 69,241,000
238.06%	276.50%
74.70%	69.30%

WESTERVILLE CITY SCHOOL DISTRICT, OHIO

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF DISTRICT PENSION CONTRIBUTIONS
SCHOOL EMPLOYEES RETIREMENT SYSTEM (SERS) OF OHIO

	LAST TEN FISCAL YEARS			
	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Contractually required contribution	\$ 2,573,909	\$ 2,485,361	\$ 2,573,594	\$ 2,426,932
Contributions in relation to the contractually required contribution	<u>(2,573,909)</u>	<u>(2,485,361)</u>	<u>(2,573,594)</u>	<u>(2,426,932)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 19,065,993	\$ 18,410,081	\$ 18,382,814	\$ 17,335,229
Contributions as a percentage of covered payroll	13.50%	13.50%	14.00%	14.00%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
\$ 2,171,638	\$ 2,173,951	\$ 2,151,668	\$ 2,323,325	\$ 2,255,906	\$ 2,348,656
<u>(2,171,638)</u>	<u>(2,173,951)</u>	<u>(2,151,668)</u>	<u>(2,323,325)</u>	<u>(2,255,906)</u>	<u>(2,348,656)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 16,476,768	\$ 15,685,072	\$ 15,546,734	\$ 17,273,792	\$ 17,946,746	\$ 17,346,056
13.18%	13.86%	13.84%	13.45%	12.57%	13.54%

WESTERVILLE CITY SCHOOL DISTRICT, OHIO

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF DISTRICT PENSION CONTRIBUTIONS
STATE TEACHERS RETIREMENT SYSTEM (STRS) OF OHIO

	LAST TEN FISCAL YEARS			
	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Contractually required contribution	\$ 12,093,952	\$ 11,819,385	\$ 11,151,615	\$ 10,879,959
Contributions in relation to the contractually required contribution	<u>(12,093,952)</u>	<u>(11,819,385)</u>	<u>(11,151,615)</u>	<u>(10,879,959)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 86,385,371	\$ 84,424,179	\$ 79,654,393	\$ 77,713,993
Contributions as a percentage of covered payroll	14.00%	14.00%	14.00%	14.00%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
\$ 10,006,625	\$ 8,777,047	\$ 9,001,330	\$ 9,878,070	\$ 10,061,429	\$ 9,476,887
<u>(10,006,625)</u>	<u>(8,777,047)</u>	<u>(9,001,330)</u>	<u>(9,878,070)</u>	<u>(10,061,429)</u>	<u>(9,476,887)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 71,475,893	\$ 67,515,746	\$ 69,241,000	\$ 75,985,154	\$ 77,395,608	\$ 72,899,131
14.00%	13.00%	13.00%	13.00%	13.00%	13.00%

WESTERVILLE CITY SCHOOL DISTRICT, OHIO

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF
THE NET OPEB LIABILITY
SCHOOL EMPLOYEES RETIREMENT SYSTEM (SERS) OF OHIO

LAST THREE FISCAL YEARS

	<u>2019</u>	<u>2018</u>	<u>2017</u>
District's proportion of the net OPEB liability	0.55838420%	0.57831870%	0.56555143%
District's proportionate share of the net OPEB liability	\$ 15,491,086	\$ 15,520,554	\$ 16,120,308
District's covered payroll	\$ 18,410,081	\$ 18,382,814	\$ 17,335,229
District's proportionate share of the net OPEB liability as a percentage of its covered payroll	84.14%	84.43%	92.99%
Plan fiduciary net position as a percentage of the total OPEB liability	13.57%	12.46%	11.49%

Note: Information prior to 2017 was unavailable. Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

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

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

WESTERVILLE CITY SCHOOL DISTRICT, OHIO

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF
THE NET OPEB LIABILITY/ASSET
STATE TEACHERS RETIREMENT SYSTEM (STRS) OF OHIO

LAST THREE FISCAL YEARS

	<u>2019</u>	<u>2018</u>	<u>2017</u>
District's proportion of the net OPEB liability/asset	0.70775106%	0.71601415%	0.70931549%
District's proportionate share of the net OPEB liability/(asset)	\$ (11,372,836)	\$ 27,936,230	\$ 37,934,377
District's covered payroll	\$ 84,424,179	\$ 79,654,393	\$ 77,713,993
District's proportionate share of the net OPEB liability/asset as a percentage of its covered payroll	13.47%	35.07%	48.81%
Plan fiduciary net position as a percentage of the total OPEB liability/asset	176.00%	47.10%	37.30%

Note: Information prior to 2017 was unavailable. Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

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

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

WESTERVILLE CITY SCHOOL DISTRICT, OHIO

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF DISTRICT OPEB CONTRIBUTIONS
SCHOOL EMPLOYEES RETIREMENT SYSTEM (SERS) OF OHIO

	LAST TEN FISCAL YEARS			
	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Contractually required contribution	\$ 452,650	\$ 395,924	\$ 316,872	\$ 285,698
Contributions in relation to the contractually required contribution	<u>(452,650)</u>	<u>(395,924)</u>	<u>(316,872)</u>	<u>(285,698)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 19,065,993	\$ 18,410,081	\$ 18,382,814	\$ 17,335,229
Contributions as a percentage of covered payroll	2.37%	2.15%	1.72%	1.65%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
\$ 409,231	\$ 305,169	\$ 297,881	\$ 320,613	\$ 500,788	\$ 362,075
<u>(409,231)</u>	<u>(305,169)</u>	<u>(297,881)</u>	<u>(320,613)</u>	<u>(500,788)</u>	<u>(362,075)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 16,476,768	\$ 15,685,072	\$ 15,546,734	\$ 17,273,792	\$ 17,946,746	\$ 17,346,056
2.48%	1.95%	1.92%	1.86%	2.79%	2.09%

WESTERVILLE CITY SCHOOL DISTRICT, OHIO

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF DISTRICT OPEB CONTRIBUTIONS
STATE TEACHERS RETIREMENT SYSTEM (STRS) OF OHIO

	LAST TEN FISCAL YEARS			
	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Contractually required contribution	\$ -	\$ -	\$ -	\$ -
Contributions in relation to the contractually required contribution	-	-	-	-
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 86,385,371	\$ 84,424,179	\$ 79,654,393	\$ 77,713,993
Contributions as a percentage of covered payroll	0.00%	0.00%	0.00%	0.00%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
\$ -	\$ 675,157	\$ 692,410	\$ 759,852	\$ 773,956	\$ 728,991
-	(675,157)	(692,410)	(759,852)	(773,956)	(728,991)
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 71,475,893	\$ 67,515,746	\$ 69,241,000	\$ 75,985,154	\$ 77,395,608	\$ 72,899,131
0.00%	1.00%	1.00%	1.00%	1.00%	1.00%

WESTERVILLE CITY SCHOOL DISTRICT, OHIO

**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

PENSION

SCHOOL EMPLOYEES RETIREMENT SYSTEM (SERS) OF OHIO

Changes in benefit terms: There were no changes in benefit terms from the amounts reported for fiscal years 2014-2017. For fiscal year 2018, SERS changed from a fixed 3% annual increase to a Cost of Living Adjustment (COLA) based on the changes in the Consumer Price Index (CPI-W), with a cap of 2.5% and a floor of 0%. There were no changes in benefit terms from the amounts previously reported for fiscal year 2019.

Changes in assumptions: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal years 2014-2016. For fiscal year 2017, the following changes of assumptions affected the total pension liability since the prior measurement date: (a) the assumed rate of inflation was reduced from 3.25% to 3.00%, (b) payroll growth assumption was reduced from 4.00% to 3.50%, (c) assumed real wage growth was reduced from 0.75% to 0.50%, (d) Rates of withdrawal, retirement and disability were updated to reflect recent experience, (e) mortality among active members was updated to RP-2014 Blue Collar Mortality Table with fully generational projection and a five year age set-back for both males and females, (f) mortality among service retired members, and beneficiaries was updated to the following RP-2014 Blue Collar Mortality Table with fully generational projection with Scale BB, 120% of male rates, and 110% of female rates, (g) mortality among disabled members was updated to RP-2000 Disabled Mortality Table, 90% for male rates and 100% for female rates, set back five years is used for the period after disability retirement and (h) the discount rate was reduced from 7.75% to 7.50%. There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal years 2018-2019.

STATE TEACHERS RETIREMENT SYSTEM (STRS) OF OHIO

Changes in benefit terms: There were no changes in benefit terms from the amounts reported for fiscal years 2014-2017. For fiscal year 2018, STRS decreased the Cost of Living Adjustment (COLA) to zero. There were no changes in benefit terms from amounts previously reported for fiscal year 2019.

Changes in assumptions: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal years 2014-2017. For fiscal year 2018, the following changes of assumption affected the total pension liability since the prior measurement date: (a) the long term expected rate of return was reduced from 7.75% to 7.45%, (b) the inflation assumption was lowered from 2.75% to 2.50%, (c) the payroll growth assumption was lowered to 3.00%, (d) total salary increases rate was lowered by decreasing the merit component of the individual salary increases, in addition to a decrease of 0.25% due to lower inflation (e) the healthy and disabled mortality assumptions were updated to the RP-2014 mortality tables with generational improvement scale MP-2016 and (f) rates of retirement, termination and disability were modified to better reflect anticipated future experience. There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2019.

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WESTERVILLE CITY SCHOOL DISTRICT, OHIO

**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

OTHER POSTEMPLOYMENT BENEFITS (OPEB)

SCHOOL EMPLOYEES RETIREMENT SYSTEM (SERS) OF OHIO

Changes in benefit terms: There were no changes in benefit terms from the amounts previously reported for fiscal years 2017-2019.

Changes in assumptions: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2017. For fiscal year 2018, the following changes of assumptions affected the total OPEB liability since the prior measurement date: (a) assumed rate of inflation was reduced from 3.25% to 3.00%, (b) payroll growth assumption was reduced from 4.00% to 3.50%, (c) assumed real wage growth was reduced from 0.75% to 0.50%, (d) rates of withdrawal, retirement, and disability were updated to reflect recent experience, (e) mortality among active members was updated to the following: RP-2014 Blue Collar Mortality Table with fully generational projection and a five-year age set-back for both males and females, (f) mortality among service retired members, and beneficiaries was updated to the following: RP-2014 Blue Collar Mortality Table with fully generational projection with Scale BB, 120% of male rates, and 110% of female rates, (g) mortality among disabled members was updated to the following: RP-2000 Disabled Mortality Table, 90% for male rates and 100% for female rates, set back five years is used for the period after disability retirement, (h) the municipal bond index rate increased from 2.92% to 3.56% and (i) the single equivalent interest rate, net of plan investment expense, including price inflation increased from 2.98% to 3.63%. For fiscal year 2019, the following changes of assumptions affected the total OPEB liability since the prior measurement date: (a) the discount rate increased from 3.63% to 3.70%, (b) the health care cost trend rate for Medicare were changed from a range of 5.50%-5.00% to a range of 5.375%-4.75% and Pre-Medicare were changed from a range of 7.50%-5.00% to a range of 7.25%-4.75%, (c) the municipal bond index rate increased from 3.56% to 3.62% and (i) the single equivalent interest rate, net of plan investment expense, including price inflation increased from 3.63% to 3.70%.

STATE TEACHERS RETIREMENT SYSTEM (STRS) OF OHIO

Changes in benefit terms: There were no changes in benefit terms from the amounts previously reported for fiscal year 2017. For fiscal year 2018, STRS reduced the subsidy multiplier for non-Medicare benefit recipients from 2.1% to 1.9% per year of service. Medicare Part B premium reimbursements were discontinued for certain survivors and beneficiaries and all remaining Medicare Part B premium reimbursements will be discontinued beginning January 2019. For fiscal year 2019, STRS increased the subsidy multiplier for non-Medicare benefit recipients from 1.9% to 1.944% per year of service effective January 1, 2019. The non-Medicare frozen subsidy base premium was increased January 1, 2019 and all remaining Medicare Part B premium reimbursements will be discontinued beginning January 1, 2020.

Changes in assumptions: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2017. For fiscal year 2018, the following changes of assumption affected the total OPEB liability since the prior measurement date: (a) the discount rate was increased from 3.26% to 4.13% based on the methodology defined under GASB Statement No. 74, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans (OPEB), (b) the long term expected rate of return was reduced from 7.75% to 7.45%, (c) valuation year per capita health care costs were updated, and the salary scale was modified, (d) 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 and (e) the assumed mortality, disability, retirement, withdrawal and future health care cost trend rates were modified along with the portion of rebated prescription drug costs. For fiscal year 2019, the following changes of assumptions affected the total OPEB liability since the prior measurement date: (a) the discount rate was increased from the blended rate of 4.13% to the long-term expected rate of return of 7.45% based on the methodology defined under GASB Statement No. 74, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans (OPEB) and (b) decrease in trend rates from 6.00%-11.00 initial; 4.50% ultimate down to Medical Pre-Medicare 6.00% and Medicare 5.00% initial; 4.00% ultimate and Prescription Drug Pre-Medicare 8.00% and Medicare (5.23%) initial; 4.00% ultimate.

Westerville City School District

Westerville, Ohio



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COMBINING STATEMENTS AND
INDIVIDUAL FUND SCHEDULES

Westerville City School District

Westerville, Ohio



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WESTERVILLE CITY SCHOOL DISTRICT, OHIO
MAJOR FUNDS

General Fund

The General fund accounts for and reports all Financial resources not accounted for and reported in another fund. These general fund's activities include, but are not limited to, general instruction, pupil services, operation and maintenance of facilities, student transportation and administration.

Other Major Funds

Debt Service

The Debt Service Fund is used to account for the accumulation of resources and payment of general obligation bond principal and interest and certain other long-term obligations from governmental resources when the District is obligated in some manner for the payment.

Permanent Improvement

A fund provided to account for transactions related to the acquiring, constructing or improving of permanent improvements and the purchase of textbooks and computers as are authorized by Section 5705, Ohio Revised Code.

Building

A fund used to account for the receipts and expenditures related to special bond funds in the District. All proceeds from the sale of notes and bonds, except premium and accrued interest, are reported in this fund.

WESTERVILLE CITY SCHOOL DISTRICT, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget- Positive (Negative)</u>
Debt Service				
Total revenue and other sources	\$ 11,756,713	\$ 11,498,497	\$ 11,496,283	\$ (2,214)
Total expenditures and other uses	11,223,256	11,212,256	11,211,714	542
Net change in fund balance	533,457	286,241	284,569	(1,672)
Fund balance at beginning of year	6,054,860	6,054,860	6,054,860	-
Fund balance at end of year	<u>\$ 6,588,317</u>	<u>\$ 6,341,101</u>	<u>\$ 6,339,429</u>	<u>\$ (1,672)</u>
Permanent Improvement				
Total revenue and other sources	\$ 9,298,000	\$ 15,468,755	\$ 15,467,940	\$ (815)
Total expenditures and other uses	13,712,099	14,075,571	14,057,280	18,291
Net change in fund balance	(4,414,099)	1,393,184	1,410,660	17,476
Fund balance at beginning of year	2,825,411	2,825,411	2,825,411	-
Prior year encumbrances appropriated	3,842,073	3,842,073	3,842,073	-
Fund balance at end of year	<u>\$ 2,253,385</u>	<u>\$ 8,060,668</u>	<u>\$ 8,078,144</u>	<u>\$ 17,476</u>
Building				
Total revenue and other sources	\$ -	\$ 39,841,258	\$ 39,840,452	\$ (806)
Total expenditures and other uses	-	9,738,200	9,398,624	339,576
Net change in fund balance	-	30,103,058	30,441,828	338,770
Fund balance at beginning of year	-	-	-	-
Prior year encumbrances appropriated	-	-	-	-
Fund balance at end of year	<u>\$ -</u>	<u>\$ 30,103,058</u>	<u>\$ 30,441,828</u>	<u>\$ 338,770</u>

**WESTERVILLE CITY SCHOOL DISTRICT, OHIO
OTHER GOVERNMENTAL FUNDS**

Other Governmental Funds are established to account for revenues from specific sources, which legally, or otherwise, are restricted to expenditure for specific purposes. A description of the District's Other Governmental Funds follows:

Food Service

This fund is provided to account for financial transactions related to the District managed food service operation.

Other Local

This fund is used to account for proceeds of specific revenue sources except state and federal grants that are legally restricted to expenditures for specified purposes.

District Managed

This fund is provided to account for those student activity programs that have student participation in the activity, but do not have student management of the programs. This fund would usually include athletic programs but could also include band, cheerleaders, and other similar types of activities.

Auxiliary Services

This fund is provided to account for State of Ohio monies that provide services and materials to pupils attending non-public schools within the District.

Data Communications

This fund is provided to account for monies received from the State of Ohio for expenses supporting the establishment, maintenance and upgrade of data communication links from the schools to the META Solutions, data acquisition site, and further to the Ohio Department of Education.

Alternative Schools

A fund used to account for monies received from the State of Ohio for alternative educational programs for existing and new at-risk and delinquent youth. There were no revenues or expenditures on a budgetary basis for this fund.

Straight A

A fund used to account for monies received from the State of Ohio for new approaches that meet the learning needs of students, reduce the cost of running a school district or drive more dollars to the classroom.

Other State

This fund is used to account for various monies received from State of Ohio that are not classified elsewhere.

IDEA, Part B

This fund is provided to account for Federal monies which assist in providing an appropriate public education to all children with disabilities.

**WESTERVILLE CITY SCHOOL DISTRICT, OHIO
OTHER GOVERNMENTAL FUNDS**

Nonmajor Special Revenue Funds (Continued)

Title III

This fund is used to account for Federal monies to develop and carry out elementary and secondary school programs, including activities at the pre-school level, to meet the educational needs of children of limited English proficiency.

Transition Program for Refugee Children

This fund is used to account Federal monies to provide educational services to meet educational needs of refugee children who are enrolled in public elementary and secondary schools.

Title I

This fund is used to account for Federal monies to provide Local educational agencies to meet the special needs of educationally deprived children.

Preschool Handicapped

This fund is used to account for Federal monies which addresses the improvement and expansion of services for handicapped children ages three through five.

Title II-A - Improving Teacher Quality

This fund is used to account for Federal monies to hire additional classroom teachers in grades 1 through 3, so that the number of students per teacher will be reduced.

Miscellaneous Federal Grants

To account for Federal revenues received through State agencies from the Federal government or directly from the Federal government which are not classified elsewhere.

The following funds are included in the general fund (GAAP basis), but have separate legally adopted budgets (budget basis):

Uniform School Supplies

This fund is used to account for the purchase and sale of school supplies as adopted by the Board of Education for use in the schools of the District.

Public School Support

This fund is provided to account for specific extra-curricular revenue sources, other than taxes (i.e. profits from vending machines, sales of pictures, etc.), that are assigned to expenditures for specified purposes approved by board resolution. Such expenditures may include curricular and extra-curricular related purchases.

Westerville City School District

Westerville, Ohio



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WESTERVILLE CITY SCHOOL DISTRICT, OHIO

COMBINING BALANCE SHEET
OTHER GOVERNMENTAL FUNDS
JUNE 30, 2019

	<u>Special Revenue</u>			
	<u>Food Service</u>	<u>Other Local</u>	<u>District Managed</u>	<u>Auxiliary Services</u>
Assets:				
Equity in pooled cash and investments.	\$ 4,237,702	\$ 44,478	\$ 838,486	\$ 311,810
Receivables:				
Accounts	1,576	-	-	-
Intergovernmental.	6,847	-	117	728
Materials and supplies inventory.	9,653	-	-	-
Inventory held for resale.	18,790	-	-	-
Total assets	<u>\$ 4,274,568</u>	<u>\$ 44,478</u>	<u>\$ 838,603</u>	<u>\$ 312,538</u>
Liabilities:				
Accounts payable	\$ 28,032	\$ 1,826	\$ 44,963	\$ 140,119
Accrued wages and benefits payable	184,996	-	-	29,324
Compensated absences payable.	2,674	-	-	-
Intergovernmental payable	2,475	-	-	401
Pension and postemployment obligation payable	67,382	-	808	4,041
Interfund loans payable.	-	-	-	-
Total liabilities.	<u>285,559</u>	<u>1,826</u>	<u>45,771</u>	<u>173,885</u>
Deferred inflows of resources				
Intergovernmental revenue not available	6,847	-	117	728
Total deferred inflows of resources	<u>6,847</u>	<u>-</u>	<u>117</u>	<u>728</u>
Fund balances:				
Nonspendable:				
Materials and supplies inventory.	28,443	-	-	-
Restricted:				
Food service operations	3,953,719	-	-	-
Non-public schools	-	-	-	137,925
Other purposes.	-	42,652	-	-
Extracurricular.	-	-	792,715	-
Unassigned (deficit)	-	-	-	-
Total fund balances (deficit)	<u>3,982,162</u>	<u>42,652</u>	<u>792,715</u>	<u>137,925</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 4,274,568</u>	<u>\$ 44,478</u>	<u>\$ 838,603</u>	<u>\$ 312,538</u>

Special Revenue

Other State	IDEA, Part B	Title III	Transition Program for Refugee Children	Title I	Preschool Handicapped	Title II-A Improving Teacher Quality	Miscellaneous Federal Grants
\$ -	\$ 4,180	\$ -	\$ -	\$ 1,407	\$ -	\$ 1,263	\$ 26
-	-	-	-	-	-	-	-
76,679	412,420	38,389	4,019	307,137	39,551	27,583	16,747
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>\$ 76,679</u>	<u>\$ 416,600</u>	<u>\$ 38,389</u>	<u>\$ 4,019</u>	<u>\$ 308,544</u>	<u>\$ 39,551</u>	<u>\$ 28,846</u>	<u>\$ 16,773</u>
\$ 8,940	\$ 80,570	\$ 600	\$ -	\$ 61,198	\$ 31,477	\$ 6,229	\$ 90
9,948	274,741	32,092	-	241,561	5,007	18,006	10,878
-	-	-	-	-	-	-	-
142	3,551	445	-	3,245	61	247	137
1,212	41,417	2,020	-	34,346	606	3,637	1,010
37,184	-	8	3,941	-	7	-	-
<u>57,426</u>	<u>400,279</u>	<u>35,165</u>	<u>3,941</u>	<u>340,350</u>	<u>37,158</u>	<u>28,119</u>	<u>12,115</u>
5,954	193,766	19,065	78	147,239	3,970	13,903	152
<u>5,954</u>	<u>193,766</u>	<u>19,065</u>	<u>78</u>	<u>147,239</u>	<u>3,970</u>	<u>13,903</u>	<u>152</u>
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
13,299	-	-	-	-	-	-	4,506
-	-	-	-	-	-	-	-
-	(177,445)	(15,841)	-	(179,045)	(1,577)	(13,176)	-
<u>13,299</u>	<u>(177,445)</u>	<u>(15,841)</u>	<u>-</u>	<u>(179,045)</u>	<u>(1,577)</u>	<u>(13,176)</u>	<u>4,506</u>
<u>\$ 76,679</u>	<u>\$ 416,600</u>	<u>\$ 38,389</u>	<u>\$ 4,019</u>	<u>\$ 308,544</u>	<u>\$ 39,551</u>	<u>\$ 28,846</u>	<u>\$ 16,773</u>

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WESTERVILLE CITY SCHOOL DISTRICT, OHIO

COMBINING BALANCE SHEET
OTHER GOVERNMENTAL FUNDS (CONTINUED)
JUNE 30, 2019

	Total Other Governmental Funds
	<u> </u>
Assets:	
Equity in pooled cash and investments.	\$ 5,439,352
Receivables:	
Accounts	1,576
Intergovernmental.	930,217
Materials and supplies inventory.	9,653
Inventory held for resale.	18,790
Total assets	<u>\$ 6,399,588</u>
Liabilities:	
Accounts payable	\$ 404,044
Accrued wages and benefits payable	806,553
Compensated absences payable.	2,674
Intergovernmental payable	10,704
Pension and postemployment obligation payable	156,479
Interfund loans payable.	41,140
Total liabilities.	<u>1,421,594</u>
Deferred inflows of resources	
Intergovernmental revenue not available	391,819
Total deferred inflows of resources	<u>391,819</u>
Fund balances:	
Nonspendable:	
Materials and supplies inventory.	28,443
Restricted:	
Food service operations	3,953,719
Non-public schools	137,925
Other purposes.	60,457
Extracurricular.	792,715
Unassigned (deficit)	(387,084)
Total fund balances (deficit)	<u>4,586,175</u>
Total liabilities, deferred inflows and fund balances .	<u>\$ 6,399,588</u>

Westerville City School District

Westerville, Ohio



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WESTERVILLE CITY SCHOOL DISTRICT, OHIO

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

Special Revenue

	<u>Food Service</u>	<u>Other Local</u>	<u>District Managed</u>	<u>Auxiliary Services</u>
Revenues:				
From local sources:				
Earnings on investments	\$ 77,001	\$ -	\$ -	\$ 7,002
Charges for services	2,435,115	-	-	-
Extracurricular	-	-	942,495	-
Contributions and donations	2,064	100,403	104,965	-
Other local revenues	183	-	6,600	-
Intergovernmental - state	56,680	-	-	922,564
Intergovernmental - federal	3,633,784	-	-	-
Total revenues	<u>6,204,827</u>	<u>100,403</u>	<u>1,054,060</u>	<u>929,566</u>
Expenditures:				
Current:				
Instruction:				
Regular	-	71,584	-	-
Special	-	12,778	-	-
Other	-	-	-	-
Support services:				
Pupil	-	-	-	-
Instructional staff	-	5,671	-	-
Administration	-	-	-	-
Fiscal	-	2,066	110	27,234
Operations and maintenance	-	-	-	-
Pupil transportation	-	2,206	-	-
Central	-	-	-	-
Operation of non-instructional services:				
Operation of non-instructional	-	240	-	945,025
Food service operations	5,626,378	-	-	-
Extracurricular activities	-	-	1,019,132	-
Facilities construction and maintenance	-	-	-	-
Total expenditures	<u>5,626,378</u>	<u>94,545</u>	<u>1,019,242</u>	<u>972,259</u>
Excess of revenues over (under) expenditures	578,449	5,858	34,818	(42,693)
Other financing sources:				
Sale of assets	7,557	-	-	-
Total other financing sources	<u>7,557</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	586,006	5,858	34,818	(42,693)
Fund balances (deficit) at beginning of year	<u>3,396,156</u>	<u>36,794</u>	<u>757,897</u>	<u>180,618</u>
Fund balances (deficit) at end of year	<u>\$ 3,982,162</u>	<u>\$ 42,652</u>	<u>\$ 792,715</u>	<u>\$ 137,925</u>

Special Revenue

Data Commu- nications	Alternative Schools	Straight A	Other State	IDEA, Part B	Title III
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	198	-	-	-	-
37,800	-	-	336,627	-	-
-	-	-	-	3,160,884	230,631
<u>37,800</u>	<u>198</u>	<u>-</u>	<u>336,627</u>	<u>3,160,884</u>	<u>230,631</u>
-	-	-	-	-	-
-	-	-	-	2,219,814	110,911
-	-	-	-	80,645	-
-	-	-	59,818	570,268	-
-	-	190	-	105,541	149,581
-	-	-	-	265,236	-
-	-	-	-	-	-
-	-	-	64,672	-	-
-	-	-	-	1,220	-
37,800	-	-	-	-	-
-	-	-	23,014	109,729	374
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	65,000	-	-
<u>37,800</u>	<u>-</u>	<u>190</u>	<u>212,504</u>	<u>3,352,453</u>	<u>260,866</u>
-	198	(190)	124,123	(191,569)	(30,235)
-	-	-	-	-	-
-	-	-	-	-	-
-	198	(190)	124,123	(191,569)	(30,235)
-	(198)	190	(110,824)	14,124	14,394
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 13,299</u>	<u>\$ (177,445)</u>	<u>\$ (15,841)</u>

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WESTERVILLE CITY SCHOOL DISTRICT, OHIO

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

	Transition Program for Refugee Children	Title I	Preschool Handicapped	Title II-A Improving Teacher Quality
Revenues:				
From local sources:				
Earnings on investments	\$ -	\$ -	\$ -	\$ -
Charges for services	-	-	-	-
Extracurricular	-	-	-	-
Contributions and donations	-	-	-	-
Other local revenues	-	-	-	-
Intergovernmental - state	-	-	-	-
Intergovernmental - federal	38,343	1,855,458	79,816	368,674
Total revenues	38,343	1,855,458	79,816	368,674
Expenditures:				
Current:				
Instruction:				
Regular	-	-	-	-
Special	21,494	1,281,881	78,295	-
Other	-	-	-	-
Support services:				
Pupil	-	-	3,009	-
Instructional staff	-	711,840	-	348,941
Administration	-	-	-	-
Fiscal	-	-	-	-
Operations and maintenance	-	-	-	-
Pupil transportation	-	-	-	-
Central	-	-	-	-
Operation of non-instructional services:				
Operation of non-instructional	-	41,325	-	32,780
Food service operations	-	-	-	-
Extracurricular activities	-	-	-	-
Intergovernmental pass through	-	-	-	-
Total expenditures	21,494	2,035,046	81,304	381,721
Excess of revenues over (under) expenditures	16,849	(179,588)	(1,488)	(13,047)
Other financing sources:				
Sale of assets	-	-	-	-
Total other financing sources	-	-	-	-
Net change in fund balances	16,849	(179,588)	(1,488)	(13,047)
Fund balances (deficit) at beginning of year	(16,849)	543	(89)	(129)
Fund balances (deficit) at end of year	\$ -	\$ (179,045)	\$ (1,577)	\$ (13,176)

<u>Special Revenue</u>	
<u>Miscellaneous Federal Grants</u>	<u>Total Other Governmental Funds</u>
\$ -	\$ 84,003
-	2,435,115
-	942,495
-	207,432
-	6,981
-	1,353,671
185,665	9,553,255
<u>185,665</u>	<u>14,582,952</u>
46,342	117,926
-	3,725,173
-	80,645
88,405	721,500
34,496	1,356,260
-	265,236
-	29,410
-	64,672
-	3,426
-	37,800
11,916	1,164,403
-	5,626,378
-	1,019,132
-	65,000
<u>181,159</u>	<u>14,276,961</u>
4,506	305,991
-	7,557
<u>-</u>	<u>7,557</u>
4,506	313,548
-	4,272,627
<u>\$ 4,506</u>	<u>\$ 4,586,175</u>

WESTERVILLE CITY SCHOOL DISTRICT, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
OTHER GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget- Positive (Negative)</u>
Special Revenue				
Food Service				
Total revenue and other sources	\$ 5,828,500	\$ 5,897,800	\$ 5,896,423	\$ (1,377)
Total expenditures and other uses	<u>6,646,169</u>	<u>5,856,169</u>	<u>5,435,085</u>	<u>421,084</u>
Net change in fund balance	(817,669)	41,631	461,338	419,707
Fund balance at beginning of year	3,241,088	3,241,088	3,241,088	-
Prior year encumbrances appropriated	333,179	333,179	333,179	-
Fund balance at end of year	<u>\$ 2,756,598</u>	<u>\$ 3,615,898</u>	<u>\$ 4,035,605</u>	<u>\$ 419,707</u>
Uniform School Supplies				
Total revenue and other sources	\$ 195,000	\$ 164,000	\$ 163,191	\$ (809)
Total expenditures and other uses	<u>208,710</u>	<u>185,848</u>	<u>185,476</u>	<u>372</u>
Net change in fund balance	(13,710)	(21,848)	(22,285)	(437)
Fund balance at beginning of year	692	692	692	-
Prior year encumbrances appropriated	21,608	21,608	21,608	-
Fund balance at end of year	<u>\$ 8,590</u>	<u>\$ 452</u>	<u>\$ 15</u>	<u>\$ (437)</u>
Public School Support				
Total revenue and other sources	\$ 137,550	\$ 178,980	\$ 236,702	\$ 57,722
Total expenditures and other uses	<u>312,967</u>	<u>276,295</u>	<u>241,352</u>	<u>34,943</u>
Net change in fund balance	(175,417)	(97,315)	(4,650)	92,665
Fund balance at beginning of year	310,733	310,733	310,733	-
Prior year encumbrances appropriated	16,698	16,698	16,698	-
Fund balance at end of year	<u>\$ 152,014</u>	<u>\$ 230,116</u>	<u>\$ 322,781</u>	<u>\$ 92,665</u>

WESTERVILLE CITY SCHOOL DISTRICT, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
OTHER GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget- Positive (Negative)</u>
Other Local				
Total revenue and other sources	\$ 69,364	\$ 100,403	\$ 100,403	\$ -
Total expenditures and other uses	<u>101,503</u>	<u>140,600</u>	<u>103,323</u>	<u>37,277</u>
Net change in fund balance	(32,139)	(40,197)	(2,920)	37,277
Fund balance at beginning of year	33,376	33,376	33,376	-
Prior year encumbrances appropriated	6,821	6,821	6,821	-
Fund balance at end of year	<u>\$ 8,058</u>	<u>\$ -</u>	<u>\$ 37,277</u>	<u>\$ 37,277</u>
District Managed				
Total revenue and other sources	\$ 921,885	\$ 970,656	\$ 1,054,191	\$ 83,535
Total expenditures and other uses	<u>1,172,714</u>	<u>1,125,063</u>	<u>1,008,110</u>	<u>116,953</u>
Net change in fund balance	(250,829)	(154,407)	46,081	200,488
Fund balance at beginning of year	758,933	758,933	758,933	-
Prior year encumbrances appropriated	25,400	25,400	25,400	-
Fund balance at end of year	<u>\$ 533,504</u>	<u>\$ 629,926</u>	<u>\$ 830,414</u>	<u>\$ 200,488</u>
Auxiliary Services				
Total revenue and other sources	\$ 1,016,250	\$ 929,796	\$ 929,566	\$ (230)
Total expenditures and other uses	<u>1,270,424</u>	<u>1,183,749</u>	<u>1,132,405</u>	<u>51,344</u>
Net change in fund balance	(254,174)	(253,953)	(202,839)	51,114
Fund balance at beginning of year	238,759	238,759	238,759	-
Prior year encumbrances appropriated	15,424	15,424	15,424	-
Fund balance at end of year	<u>\$ 9</u>	<u>\$ 230</u>	<u>\$ 51,344</u>	<u>\$ 51,114</u>

WESTERVILLE CITY SCHOOL DISTRICT, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
OTHER GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget- Positive (Negative)</u>
Data Communications				
Total revenue and other sources	\$ 37,800	\$ 37,800	\$ 37,800	\$ -
Total expenditures and other uses	<u>37,800</u>	<u>37,800</u>	<u>37,800</u>	<u>-</u>
Net change in fund balance	-	-	-	-
Fund balance at beginning of year	-	-	-	-
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Straight A				
Total revenue and other sources	\$ 14,492	\$ 12,098	\$ 12,098	\$ -
Total expenditures and other uses	<u>3,300</u>	<u>906</u>	<u>906</u>	<u>-</u>
Net change in fund balance	11,192	11,192	11,192	-
Fund balance at beginning of year	(14,492)	(14,492)	(14,492)	-
Prior year encumbrances appropriated	<u>3,300</u>	<u>3,300</u>	<u>3,300</u>	<u>-</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Other State				
Total revenue and other sources	\$ 304,615	\$ 386,146	\$ 281,581	\$ (104,565)
Total expenditures and other uses	<u>195,088</u>	<u>276,784</u>	<u>237,151</u>	<u>39,633</u>
Net change in fund balance	109,527	109,362	44,430	(64,932)
Fund balance (deficit) at beginning of year	(113,450)	(113,450)	(113,450)	-
Prior year encumbrances appropriated	<u>4,088</u>	<u>4,088</u>	<u>4,088</u>	<u>-</u>
Fund balance (deficit) at end of year	<u>\$ 165</u>	<u>\$ -</u>	<u>\$ (64,932)</u>	<u>\$ (64,932)</u>

WESTERVILLE CITY SCHOOL DISTRICT, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
OTHER GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget- Positive (Negative)</u>
IDEA, Part B				
Total revenue and other sources	\$ 3,955,954	\$ 4,963,708	\$ 3,279,964	\$ (1,683,744)
Total expenditures and other uses	<u>3,956,278</u>	<u>4,962,861</u>	<u>3,549,852</u>	<u>1,413,009</u>
Net change in fund balance	(324)	847	(269,888)	(270,735)
Fund balance (deficit) at beginning of year	(97,954)	(97,954)	(97,954)	-
Prior year encumbrances appropriated	98,325	98,325	98,325	-
Fund balance (deficit) at end of year	<u>\$ 47</u>	<u>\$ 1,218</u>	<u>\$ (269,517)</u>	<u>\$ (270,735)</u>
Title III				
Total revenue and other sources	\$ 326,705	\$ 305,641	\$ 264,146	\$ (41,495)
Total expenditures and other uses	<u>326,184</u>	<u>305,120</u>	<u>264,680</u>	<u>40,440</u>
Net change in fund balance	521	521	(534)	(1,055)
Fund balance (deficit) at beginning of year	(21,705)	(21,705)	(21,705)	-
Prior year encumbrances appropriated	21,184	21,184	21,184	-
Fund balance (deficit) at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (1,055)</u>	<u>\$ (1,055)</u>
Transition Program for Refugee Children				
Total revenue and other sources	\$ 50,461	\$ 40,197	\$ 36,243	\$ (3,954)
Total expenditures and other uses	<u>36,001</u>	<u>25,724</u>	<u>25,726</u>	<u>(2)</u>
Net change in fund balance	14,460	14,473	10,517	(3,956)
Fund balance at beginning of year	(14,960)	(14,960)	(14,960)	-
Prior year encumbrances appropriated	502	502	502	-
Fund balance (deficit) at end of year	<u>\$ 2</u>	<u>\$ 15</u>	<u>\$ (3,941)</u>	<u>\$ (3,956)</u>

WESTERVILLE CITY SCHOOL DISTRICT, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
OTHER GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget- Positive (Negative)</u>
Title I				
Total revenue and other sources.	\$ 2,595,858	\$ 2,621,237	\$ 1,972,839	\$ (648,398)
Total expenditures and other uses	<u>2,596,360</u>	<u>2,621,741</u>	<u>2,147,750</u>	<u>473,991</u>
Net change in fund balance	(502)	(504)	(174,911)	(174,407)
Fund balance (deficit) at beginning of year.	(23,856)	(23,856)	(23,856)	-
Prior year encumbrances appropriated.	24,361	24,361	24,361	-
Fund balance (deficit) at end of year.	<u>\$ 3</u>	<u>\$ 1</u>	<u>\$ (174,406)</u>	<u>\$ (174,407)</u>
Preschool Handicapped				
Total revenue and other sources.	\$ 93,984	\$ 142,718	\$ 48,939	\$ (93,779)
Total expenditures and other uses	<u>94,000</u>	<u>142,735</u>	<u>100,185</u>	<u>42,550</u>
Net change in fund balance	(16)	(17)	(51,246)	(51,229)
Fund balance at beginning of year.	17	17	17	-
Prior year encumbrances appropriated.	-	-	-	-
Fund balance (deficit) at end of year.	<u>\$ 1</u>	<u>\$ -</u>	<u>\$ (51,229)</u>	<u>\$ (51,229)</u>
Title II-A - Improving Teacher Quality				
Total revenue and other sources.	\$ 626,285	\$ 625,220	\$ 396,984	\$ (228,236)
Total expenditures and other uses	<u>625,963</u>	<u>624,901</u>	<u>414,588</u>	<u>210,313</u>
Net change in fund balance	322	319	(17,604)	(17,923)
Fund balance (deficit) at beginning of year.	(21,283)	(21,283)	(21,283)	-
Prior year encumbrances appropriated.	20,964	20,964	20,964	-
Fund balance (deficit) at end of year.	<u>\$ 3</u>	<u>\$ -</u>	<u>\$ (17,923)</u>	<u>\$ (17,923)</u>

WESTERVILLE CITY SCHOOL DISTRICT, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
OTHER GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget- Positive (Negative)</u>
Miscellaneous Federal Grants				
Total revenue and other sources	\$ 221,143	\$ 217,546	\$ 171,213	\$ (46,333)
Total expenditures and other uses	<u>219,000</u>	<u>215,403</u>	<u>176,734</u>	<u>38,669</u>
Net change in fund balance	2,143	2,143	(5,521)	(7,664)
Fund balance (deficit) at beginning of year	(6,143)	(6,143)	(6,143)	-
Prior year encumbrances appropriated	4,000	4,000	4,000	-
Fund balance (deficit) at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (7,664)</u>	<u>\$ (7,664)</u>

WESTERVILLE CITY SCHOOL DISTRICT, OHIO
INTERNAL SERVICE FUNDS

Internal Service Funds are established to account for the financing of goods or services provided by one department or agency of the District to other departments or agencies on a cost reimbursement basis. Charges are intended only to recoup the total cost of such services. A description of the District's Internal Service Funds follows:

Self Insurance

A fund provided to account for monies received from other funds as payment for providing medical and dental employee benefits. The Self Insurance Fund may make payments for services provided to employees, for reimbursement to employees who have paid providers, to third party administrators for claim payment administration, for stop-loss coverage, or any other reinsurance or similar purposes.

Worker's Compensation

This fund is used to account for monies received from other funds as payment for providing Worker's Compensation benefits to employees.

WESTERVILLE CITY SCHOOL DISTRICT, OHIO

COMBINING STATEMENT OF NET POSITION

INTERNAL SERVICE FUNDS

JUNE 30, 2019

	Self Insurance	Worker's Compensation	Total
Assets:			
Equity in pooled cash and investments.	\$ 7,867,287	\$ 468,978	\$ 8,336,265
Total assets	7,867,287	468,978	8,336,265
Liabilities:			
Accounts payable.	\$ -	\$ 20,365	\$ 20,365
Unearned revenue.	1,613,896	-	1,613,896
Claims payable	1,695,000	-	1,695,000
Total liabilities	3,308,896	20,365	3,329,261
Net Position:			
Unrestricted	4,558,391	448,613	5,007,004
Total net position	\$ 4,558,391	\$ 448,613	\$ 5,007,004

WESTERVILLE CITY SCHOOL DISTRICT, OHIO

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

	<u>Self Insurance</u>	<u>Worker's Compensation</u>	<u>Total</u>
Operating revenues:			
Charges for services	\$ 23,330,667	\$ 555,800	\$ 23,886,467
Total operating revenues	<u>23,330,667</u>	<u>555,800</u>	<u>23,886,467</u>
Operating expenses:			
Purchased services.	1,953,179	438,704	2,391,883
Claims.	<u>21,198,707</u>	-	<u>21,198,707</u>
Total operating expenses.	<u>23,151,886</u>	<u>438,704</u>	<u>23,590,590</u>
Operating income	<u>178,781</u>	<u>117,096</u>	<u>295,877</u>
Nonoperating revenues:			
Interest revenue.	-	9,102	9,102
Total nonoperating revenues.	<u>-</u>	<u>9,102</u>	<u>9,102</u>
Change in net position.	178,781	126,198	304,979
Net position at beginning of year.	<u>4,379,610</u>	<u>322,415</u>	<u>4,702,025</u>
Net position at end of year.	<u>\$ 4,558,391</u>	<u>\$ 448,613</u>	<u>\$ 5,007,004</u>

WESTERVILLE CITY SCHOOL DISTRICT, OHIO

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

	Self Insurance	Worker's Compensation	Total
Cash flows from operating activities:			
Cash received from charges for services.	\$ 23,183,745	\$ 555,800	\$ 23,739,545
Cash payments for contractual services	(1,953,964)	(418,339)	(2,372,303)
Cash payments for claims.	(20,856,707)	-	(20,856,707)
	373,074	137,461	510,535
Net cash provided by operating activities.			
Cash flows from investing activities:			
Interest received	-	9,102	9,102
	-	9,102	9,102
Net cash provided by investing activities.			
Net increase in cash and investments.	373,074	146,563	519,637
Cash and investments at beginning of year	7,494,213	322,415	7,816,628
Cash and investments at end of year.	\$ 7,867,287	\$ 468,978	\$ 8,336,265
Reconciliation of operating income to net cash provided by operating activities:			
Operating income	\$ 178,781	\$ 117,096	\$ 295,877
Changes in assets and liabilities:			
Increase (decrease) in accounts payable.	(785)	20,365	19,580
Decrease in unearned revenue.	(146,922)	-	(146,922)
Increase in claims payable.	342,000	-	342,000
	373,074	137,461	510,535
Net cash provided by operating activities			
	\$ 373,074	\$ 137,461	\$ 510,535

WESTERVILLE CITY SCHOOL DISTRICT, OHIO
AGENCY FUNDS

Agency funds are established to account for assets held by the District on behalf of other individuals, staff or students. In an agency fund, assets equal liabilities, and the fund balance is zero. A description of the Agency Funds follows:

District Agency

A fund used to account for those assets held by the district as an agency for individuals or staff.

Student Managed Activity

This fund is used to account for those student activity programs which have student participation in the activity and have students involved in the management of the program. This typically includes those student activities which consist of student body, student president, student treasurer and faculty advisor.

Section 125 Cafeteria Plan

This fund is used to account for deposits made by employees through payroll deductions who elect to use the plan as a medical spending account or for dependent childcare. Employees have until the end of March of the following year to spend the monies in their account. Any monies not spent become the property of the District. The District has determined it to be the best practice to retain the unspent monies from the prior years within this fund, to continue to finance the plan and to properly account for its intended use.

WESTERVILLE CITY SCHOOL DISTRICT, OHIO

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

	Beginning Balance June 30, 2018	Additions	Deductions	Ending Balance June 30, 2019
District Agency				
Assets:				
Equity in cash and investments.	\$ 83,415	\$ 88,057	\$ 83,415	\$ 88,057
Total assets	<u>\$ 83,415</u>	<u>\$ 88,057</u>	<u>\$ 83,415</u>	<u>\$ 88,057</u>
Liabilities:				
Accounts payable	\$ 98	\$ 365	\$ 98	\$ 365
Due to primary government.	83,317	87,692	83,317	87,692
Total liabilities	<u>\$ 83,415</u>	<u>\$ 88,057</u>	<u>\$ 83,415</u>	<u>\$ 88,057</u>
Student Managed Activity				
Assets:				
Equity in cash and investments.	\$ 328,968	\$ 353,449	\$ 328,968	\$ 353,449
Total assets	<u>\$ 328,968</u>	<u>\$ 353,449</u>	<u>\$ 328,968</u>	<u>\$ 353,449</u>
Liabilities:				
Accounts payable	\$ 7,359	\$ 815	\$ 7,359	\$ 815
Due to students	321,609	352,634	321,609	352,634
Total liabilities	<u>\$ 328,968</u>	<u>\$ 353,449</u>	<u>\$ 328,968</u>	<u>\$ 353,449</u>
Section 125 Cafeteria Plan				
Assets:				
Equity in cash and investments.	\$ 14,627	\$ 68,288	\$ 14,627	\$ 68,288
Total assets	<u>\$ 14,627</u>	<u>\$ 68,288</u>	<u>\$ 14,627</u>	<u>\$ 68,288</u>
Liabilities:				
Due to primary government.	\$ 14,627	\$ 68,288	\$ 14,627	\$ 68,288
Total liabilities	<u>\$ 14,627</u>	<u>\$ 68,288</u>	<u>\$ 14,627</u>	<u>\$ 68,288</u>
Total Agency Funds				
Assets:				
Equity in cash and investments.	\$ 427,010	\$ 509,794	\$ 427,010	\$ 509,794
Total assets	<u>\$ 427,010</u>	<u>\$ 509,794</u>	<u>\$ 427,010</u>	<u>\$ 509,794</u>
Liabilities:				
Accounts payable	\$ 7,457	\$ 1,180	\$ 7,457	\$ 1,180
Due to students	321,609	352,634	321,609	352,634
Due to primary government.	97,944	155,980	97,944	155,980
Total liabilities	<u>\$ 427,010</u>	<u>\$ 509,794</u>	<u>\$ 427,010</u>	<u>\$ 509,794</u>

Westerville City School District

Westerville, Ohio



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Statistical Section



Board of Education
Westerville City School District
Westerville, Ohio

Westerville City School District

Westerville, Ohio



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STATISTICAL SECTION

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

<u>Contents</u>	<u>Page</u>
Financial Trends	132
These schedules contain trend information to help the reader understand how the District’s financial performance and well-being have changed over time.	
Revenue Capacity	138
These schedules contain information to help the reader assess the affordability of the District’s most significant local revenue source, the property tax.	
Debt Capacity	142
These schedules present information to help the reader assess the affordability of the District’s current levels of outstanding debt and the District’s ability to issue additional debt in the future.	
Demographic and Economic Information	146
These schedules offer demographic and economic indicators to help the reader understand the environment within which the District’s financial activities take place.	
Operating Information	148
These schedules contain service data to help the reader understand how the information in the District’s financial report relates to the services the District provides and the activities it performs.	

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

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

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Governmental activities											
Net investment in capital assets	\$86,216,028	\$87,764,935	\$81,138,315	\$71,795,686	\$63,530,757	\$54,584,950	\$52,021,416	\$48,788,494	\$46,260,204	\$50,782,100	\$47,774,042
Restricted	28,922,139	19,636,223	18,597,612	17,174,078	19,876,123	20,473,399	18,279,391	18,891,453	17,535,881	12,385,358	14,277,668
Unrestricted	(22,381,898)	(63,639,728)	(153,413,905) ^	(98,792,292)	(117,935,097)	(142,253,007) *	39,829,105	17,335,546	19,853,427	14,916,055	6,060,190
Total net position	\$92,756,269	\$53,761,430	(\$53,677,978)	(\$9,822,528)	(\$34,528,217)	(\$67,194,658)	\$110,129,912	\$85,015,493	\$83,649,512	\$78,083,513	\$68,111,900

Source: School district financial records

* - Restated due to implementation GASB 68

^ - Restated due to implementation GASB 75

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

	2019	2018	2017	2016	2015
Expenses:					
Governmental activities:					
Instruction					
Regular	\$74,442,151	\$40,163,402	\$84,233,891	\$73,908,072	\$68,584,408
Special	30,614,915	17,805,654	31,521,679	28,042,044	25,107,853
Vocational	381,783	474,237	444,595	405,855	366,088
Other	345,331	491,746	583,781	501,539	476,725
Support services					
Pupil	13,984,080	6,354,718	16,292,308	13,872,815	12,969,840
Instructional Staff	5,711,015	3,008,329	6,628,390	5,737,536	4,740,756
Board of education	849,481	1,101,088	1,177,092	1,022,775	1,011,234
Administration	12,205,564	6,187,446	12,900,657	12,301,803	11,317,560
Fiscal	2,819,120	2,225,049	3,102,165	2,937,632	3,284,545
Business	928,944	281,468	1,481,475	1,116,402	1,183,128
Operation and maintenance	12,940,763	9,425,832	13,981,402	12,956,102	12,843,328
Pupil transportation	8,779,408	5,865,512	9,111,824	8,373,304	8,230,115
Central	3,047,024	1,861,420	2,882,809	2,722,004	2,440,728
Other non-instructional	1,295,384	739,334	1,551,059	1,564,744	7,654,093
Food service operations	5,419,888	3,900,171	5,697,364	5,167,219	5,410,307
Extracurricular activities	3,592,538	2,067,512	3,568,071	3,471,963	3,192,138
Interest and fiscal charges	4,669,868	3,647,362	3,031,487	3,306,935	3,318,675
Total governmental activities	\$182,027,257	\$105,600,280	\$198,190,049	\$177,408,744	\$172,131,521
Program revenues					
Governmental activities:					
Charges for services and sales					
Instruction					
Regular	\$2,522,186	\$3,950,764	\$2,441,220	\$1,901,613	\$1,541,558
Special	225,625	385,230	222,364	328,004	461,720
Pupil	117,350	136,547	154,985	210,009	188,009
Fiscal	102	-	-	-	-
Operations and maintenance	917,518	860,671	845,038	761,658	582,277
Food service operations	2,435,115	2,425,914	2,354,167	2,219,353	2,043,230
Extracurricular activities	1,341,882	1,336,478	1,181,367	1,303,030	1,440,257
Operating grants and contributions	20,950,537	17,789,781	18,488,351	17,269,656	26,095,560
Capital grants and contributions	877,456	-	176,247	-	-
Total governmental activities	29,387,771	26,885,385	25,863,739	23,993,323	32,352,611
Net (expense)/revenue					
Governmental activities	(\$152,639,486)	(\$78,714,895)	(\$172,326,310)	(\$153,415,421)	(\$139,778,910)
General revenues and other changes					
in net assets					
Governmental activities:					
Property taxes levied for:					
General purposes	\$114,036,586	\$111,510,991	\$110,181,415	\$108,123,915	\$105,839,968
Debt service	7,328,583	7,645,939	7,611,818	7,749,164	7,562,574
Capital outlay	8,296,759	8,023,667	8,156,537	7,890,629	7,707,332
Payments in lieu of taxes	4,248,081	3,918,615	3,435,072	3,204,684	3,213,638
Grants and entitlements not					
restricted to specific programs	54,045,917	54,044,147	52,312,476	49,942,547	47,812,297
Investment earnings	3,649,050	959,858	304,147	969,058	300,812
Miscellaneous	29,349	51,086	207,208	241,113	8,730
Extraordinary item	-	-	-	-	-
Total governmental activities	191,634,325	186,154,303	182,208,673	178,121,110	172,445,351
Change in net position					
Governmental activities	\$38,994,839	\$107,439,408	\$9,882,363	\$24,705,689	\$32,666,441

Source: School district financial records

	2014	2013	2012	2011	2010
Expenses:					
Governmental activities:					
Instruction					
Regular	\$66,313,068	\$65,111,562	\$77,038,152	\$69,983,172	\$69,463,578
Special	25,480,559	19,263,846	22,144,035	23,747,901	21,153,825
Vocational	445,614	374,107	252,328	915,477	548,891
Other	1,112,390	703,618	855,741	4,970,334	4,568,165
Support services					
Pupil	12,572,832	11,905,444	12,320,476	12,816,822	11,340,996
Instructional Staff	5,024,415	8,150,793	9,133,132	6,401,728	5,242,394
Board of education	976,576	1,095,184	1,424,003	1,728,752	1,651,416
Administration	11,184,393	11,536,433	12,508,555	11,888,608	11,245,165
Fiscal	2,419,301	2,969,256	2,628,335	2,804,650	2,625,949
Business	771,179	749,427	818,150	1,204,083	952,097
Operation and maintenance	12,264,013	11,913,251	12,980,201	16,024,992	14,131,404
Pupil transportation	8,033,390	7,540,459	8,816,149	8,815,697	8,473,897
Central	3,114,022	3,095,770	2,392,018	2,731,958	3,553,586
Other non-instructional	996,307	1,104,465	1,081,274	1,048,002	985,404
Food service operations	4,234,420	4,422,324	4,540,831	4,498,897	4,262,060
Extracurricular activities	3,191,362	3,035,404	3,333,926	3,320,713	3,156,520
Interest and fiscal charges	3,415,848	4,518,402	4,592,392	5,627,155	5,665,429
Total governmental activities	<u>\$161,549,689</u>	<u>\$157,489,745</u>	<u>\$176,859,698</u>	<u>\$178,528,941</u>	<u>\$169,020,776</u>
Program revenues					
Governmental activities:					
Charges for services and sales					
Instruction					
Regular	\$1,302,069	\$1,254,691	\$1,330,006	\$1,377,360	\$1,283,750
Special	403,803	353,219	384,891	302,016	405,395
Pupil	269,086	282,575	285,892	-	-
Fiscal	-	-	-	-	-
Operations and maintenance	585,468	659,830	620,748	-	-
Food service operations	2,008,596	2,192,185	2,286,224	2,755,355	2,757,264
Extracurricular activities	1,402,184	1,395,942	1,216,395	1,488,255	1,410,889
Operating grants and contributions	13,277,875	11,268,684	13,775,709	10,502,282	9,498,432
Capital grants and contributions	-	-	3,800	-	-
Total governmental activities	<u>19,249,081</u>	<u>17,407,126</u>	<u>19,903,665</u>	<u>16,425,268</u>	<u>15,355,730</u>
Net (expense)/revenue					
Governmental activities	<u>(\$142,300,608)</u>	<u>(\$140,082,619)</u>	<u>(\$156,956,033)</u>	<u>(\$162,103,673)</u>	<u>(\$153,665,046)</u>
General revenues and other changes in net assets					
Governmental activities:					
Property taxes levied for:					
General purposes	\$111,221,456	\$103,584,589	\$93,253,033	\$97,182,551	\$92,703,533
Debt service	6,848,950	6,577,946	8,098,833	8,092,890	10,695,455
Capital outlay	8,176,677	7,592,955	8,102,942	7,539,296	5,273,876
Payments in lieu of taxes	3,124,487	2,878,328	2,385,150	1,279,078	1,117,132
Grants and entitlements not restricted to specific programs	48,084,282	44,384,373	45,138,161	52,556,276	52,929,017
Investment earnings	74,676	26,670	35,235	87,739	54,648
Miscellaneous	48,440	152,177	374,973	931,842	862,998
Extraordinary item	-	-	933,687	-	-
Total governmental activities	<u>177,578,968</u>	<u>165,197,038</u>	<u>158,322,014</u>	<u>167,669,672</u>	<u>163,636,659</u>
Change in net position					
Governmental activities	<u>\$35,278,360</u>	<u>\$25,114,419</u>	<u>\$1,365,981</u>	<u>\$5,565,999</u>	<u>\$9,971,613</u>

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

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
General fund										
Nonspendable	\$1,567,828	\$1,148,446	\$813,460	\$526,976	\$416,379	\$399,060	\$439,078	\$422,187	\$98,661	N/A
Committed	N/A	N/A	N/A	1,560,834	29,500	175,524	N/A	N/A	N/A	N/A
Assigned	2,628,107	328,855	1,787,308	1,661,076	1,224,286	1,679,597	1,547,118	2,344,056	790,544	N/A
Unassigned	147,355,512	137,462,125	119,255,039	104,799,855	89,120,393	68,882,461	37,536,050	17,381,879	23,564,136	N/A
Reserved	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$30,427,754
Unreserved	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	(8,480,367)
Total General fund	\$151,551,447	\$138,939,426	\$121,855,807	\$108,548,741	\$90,790,558	\$71,136,642	\$39,522,246	\$20,148,122	\$24,453,341	\$21,947,387
All other governmental funds										
Nonspendable	\$118,217	\$235,024	\$340,265	\$467,418	\$649,121	\$341,486	\$146,804	\$28,811	\$30,463	N/A
Restricted:										
Debt service	9,187,499	8,940,652	8,497,852	8,462,043	8,418,185	8,293,123	8,094,220	8,447,429	7,964,302	N/A
Capital improvements	13,141,655	9,254,993	7,825,164	6,077,590	8,354,384	9,284,691	7,544,471	7,818,103	11,866,584	N/A
Building	37,777,491	-	-	-	-	-	-	-	-	N/A
Other purposes	4,944,816	4,362,671	3,487,468	2,967,954	2,296,490	2,657,314	2,309,525	2,103,186	157,646	N/A
Committed	-	-	-	-	-	-	-	-	1,024,033	N/A
Unassigned	(387,084)	(128,089)	(4,036)	(3,936)	(28,024)	(367,746)	(231,827)	(1,119)	998,493	N/A
Reserved	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$17,667,994
Unreserved, reported in:										
Debt Service	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	7,876,475
Permanent Improvement	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	13,069,634
Special Revenue	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	792,859
Total all other governmental funds	\$64,782,594	\$22,665,251	\$20,146,713	\$17,971,069	\$19,690,156	\$20,208,868	\$17,863,193	\$18,396,410	\$22,041,521	\$39,406,962

Source: School district financial records

Note: The Enterprise funds were reclassified to the Other Governmental Special Revenue fund as of July 1, 2010. This has been reflected since 2011.

Note: Governmental Accounting Standards Board Statement No 54, Fund Balance Reporting, was implemented July 1, 2010. This has been reflected since 2011.

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

	2019	2018	2017	2016	2015
Revenues:					
From local sources:					
Property taxes	\$129,043,533	\$128,498,851	\$126,134,736	\$124,023,549	\$121,276,452
Payment in lieu of taxes	4,248,081	3,918,615	3,435,072	3,204,684	3,213,638
Tuition	2,298,739	3,872,256	2,257,514	1,833,293	1,587,327
Earnings on investments	4,513,510	994,142	346,537	980,944	221,523
Charges for services	2,435,115	2,425,914	2,329,261	2,212,531	2,043,230
Extracurricular	1,457,044	1,461,110	1,332,772	1,489,064	1,621,420
Intergovernmental - state	64,700,723	62,568,303	61,276,337	59,041,825	65,223,827
Intergovernmental - federal	9,581,064	8,948,790	9,472,408	8,531,467	8,050,706
Other revenue	1,731,994	1,624,015	1,687,781	1,497,505	1,357,722
Total revenues	220,009,803	214,311,996	208,272,418	202,814,862	204,595,845
Expenditures:					
Instructional					
Regular	79,315,434	75,360,710	74,669,748	69,643,637	67,900,858
Special	32,402,805	29,506,804	28,510,975	26,807,474	25,022,103
Vocational	367,432	455,678	426,686	382,066	350,658
Other	396,996	736,852	507,204	508,207	478,046
Support Services					
Pupil	15,980,640	15,373,490	14,835,096	13,943,880	13,408,955
Instructional staff	6,458,159	6,482,858	6,050,835	5,656,216	4,918,021
Board of education	847,806	1,097,316	1,173,196	1,018,812	1,007,703
Administration	13,201,169	12,222,088	11,667,051	11,558,474	11,089,546
Fiscal	2,918,745	2,896,080	3,019,062	2,925,189	3,290,270
Business	990,650	1,017,821	1,261,554	1,118,033	1,195,351
Operation and maintenance	13,482,967	13,103,627	12,710,150	12,369,949	12,571,794
Pupil transportation	8,460,908	8,173,935	7,835,080	7,534,851	7,604,653
Central	2,970,561	2,363,241	2,190,204	1,876,133	1,888,561
Other non-instructional	1,307,061	1,133,775	1,448,465	1,555,573	7,655,236
Food service operations	5,626,378	5,342,974	5,413,295	5,146,018	5,383,345
Extracurricular activities	3,573,770	3,256,042	3,020,629	3,171,892	2,928,280
Facilities acquisition and construction	7,166,959	4,949,607	6,432,272	10,242,003	7,539,276
Capital Outlay	-	-	-	750,440	-
Debt Service:					
Principal retirement	5,015,170	8,857,131	8,624,483	8,440,035	7,915,000
Interest and fiscal charges	3,281,756	2,423,991	2,454,738	3,081,141	3,312,985
Bond issuance costs	-	-	108,000	-	-
COPS issuance costs	426,258	-	-	-	-
Accreted interest on capital appreciation bonds	4,045,000	-	-	-	-
Total expenditures	208,236,624	194,754,020	192,358,723	187,730,023	185,460,641
Excess (deficiency) of revenues over (under) expenditures	11,773,179	19,557,976	15,913,695	15,084,839	19,135,204
Other financing sources (uses):					
Sale of refunding bonds	-	-	23,040,000	-	-
Premium on refunding bonds	-	-	-	-	-
Payment to bond escrow agent	-	-	(23,488,774)	-	-
Tax Anticipation Notes issued	-	-	-	-	-
Premium on tax anticipation notes	-	-	-	-	-
Certificates of participation	39,000,000	-	-	-	-
Premium on certificates of participation	3,909,229	-	-	-	-
Capital lease transaction	-	-	-	750,440	-
Proceeds on sale of assets	46,956	44,181	17,789	203,817	-
Transfers in	3,002,713	3,000,375	3,027,500	3,023,094	3,077,013
Transfers out	(3,002,713)	(3,000,375)	(3,027,500)	(3,023,094)	(3,077,013)
Total other financing sources (uses)	42,956,185	44,181	(430,985)	954,257	-
Net change in fund balances	\$54,729,364	\$19,602,157	\$15,482,710	\$16,039,096	\$19,135,204
Debt service as a percentage of noncapital expenditures	6.15%	5.96%	6.00%	6.40%	6.32%

Source: School district financial records

Note: The Enterprise funds were reclassified to the Other Governmental Special Revenue fund as of July 1, 2010.

This has been reflected since 2011.

	2014	2013	2012	2011	2010
Revenues:					
From local sources:					
Property taxes	\$127,136,099	\$118,280,521	\$108,880,413	\$112,396,958	\$108,538,581
Payment in lieu of taxes	3,124,487	2,878,328	2,385,150	1,279,078	1,117,132
Tuition	1,142,678	1,079,589	1,145,130	1,679,376	1,448,710
Earnings on investments	58,323	27,589	35,657	87,187	53,787
Charges for services	2,008,596	2,192,185	2,283,149	2,755,355	N/A
Extracurricular	1,671,270	1,678,517	1,480,081	1,488,255	1,410,889
Intergovernmental - state	52,698,298	47,565,426	48,531,131	51,597,664	51,330,484
Intergovernmental - federal	8,257,359	7,515,865	9,819,993	11,952,761	8,627,884
Other revenue	1,416,984	1,594,091	1,814,913	1,048,321	896,921
Total revenues	197,514,094	182,812,111	176,375,617	184,284,955	173,424,388
Expenditures:					
Instructional					
Regular	61,455,256	62,252,644	71,201,427	66,458,161	66,266,194
Special	23,681,609	18,337,328	20,784,931	22,876,833	20,453,616
Vocational	415,886	347,695	212,194	888,488	523,561
Other	1,081,547	727,505	840,636	4,807,010	4,401,401
Support Services					
Pupil	12,550,934	12,198,691	12,299,051	12,869,176	11,270,648
Instrucational staff	4,935,081	8,261,218	9,085,119	6,349,461	5,298,758
Board of education	663,021	472,039	1,424,110	1,728,431	1,651,416
Administration	10,420,192	10,930,851	11,299,484	11,323,936	10,825,911
Fiscal	2,423,238	2,989,204	2,620,580	2,793,321	2,948,045
Business	765,024	705,323	860,314	1,174,471	903,218
Operation and maintenance	12,111,834	11,972,843	12,927,669	15,635,931	13,878,489
Pupil transportation	7,379,932	7,104,390	8,183,791	8,331,020	7,947,634
Central	2,090,354	2,281,970	2,322,652	2,384,339	2,422,504
Other non-instructional	988,442	1,112,708	978,110	1,055,554	982,797
Food service operations	4,212,936	4,389,180	4,498,250	4,455,617	600
Extracurricular activities	2,823,848	2,803,033	3,152,392	3,194,118	2,998,384
Facilities acquisition and construction	5,342,023	6,266,301	10,212,668	20,716,089	1,947,983
Capital Outlay	-	-	-	-	-
Debt Service:					
Principal retirement	6,975,000	7,165,000	6,535,000	7,660,000	7,095,000
Interest and fiscal charges	3,516,394	3,718,539	4,887,569	5,178,619	4,420,045
Bond/COPS issuance costs	-	366,527	-	-	-
COPS issuance costs	-	-	-	-	-
Accreted interest on capital appreciation bonds	-	-	-	-	-
Total expenditures	163,832,551	164,402,989	184,325,947	199,880,575	166,236,204
Excess (deficiency) of revenues over (under) expenditures	33,681,543	18,409,122	(7,950,330)	(15,595,620)	7,188,184
Other financing sources (uses):					
Sale of refunding bonds	-	27,320,000	-	-	-
Premium on refunding bonds	-	3,492,263	-	-	-
Payment to bond escrow agent	-	(30,445,736)	-	-	-
Tax Anticipation Notes issued	-	-	-	-	24,415,000
Premium on tax anticipation notes	-	-	-	-	1,488,342
Certificates of participation	-	-	-	-	-
Premium on certificates of participation	-	-	-	-	-
Capital lease transaction	-	-	-	-	-
Proceeds on sale of assets	278,528	65,258	-	-	-
Transfers in	3,072,463	2,979,300	2,980,338	467,959	2,687,736
Transfers out	(3,072,463)	(2,979,300)	(2,980,338)	(467,959)	(2,726,719)
Total other financing sources (uses)	278,528	431,785	-	-	25,864,359
Net change in fund balances	\$33,960,071	\$18,840,907	(\$7,950,330)	(\$15,595,620)	\$33,052,543
Debt service as a percentage of noncapital expenditures	6.50%	6.77%	6.38%	7.17%	7.01%

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

Collection Year	Real Property (a)		Tangible Personal Property		Tangible Personal Property		Tangible Personal Property		Total		(d) Total Direct Voted Rate
	Assessed Value	Est. Actual Value	General Business (b)		Public Utility (c)		Assessed Value	Est. Actual Value	Assessed Value	Est. Actual Value	
			Assessed Value	Est. Actual Value	Assessed Value	Est. Actual Value					
2019	\$2,596,457,820	\$7,418,450,914	\$0	\$0	\$52,295,150	\$149,414,714	\$2,648,752,970	\$7,567,865,629			78.95
2018	\$2,565,358,330	\$7,329,595,229	\$0	\$0	\$58,463,770	\$167,039,343	\$2,623,822,100	\$7,496,634,571			79.20
2017	\$2,294,410,060	\$6,555,457,314	\$0	\$0	\$48,206,100	\$137,731,714	\$2,342,616,160	\$6,693,189,029			80.35
2016	\$2,284,046,520	\$6,525,847,200	\$0	\$0	\$38,809,570	\$110,884,486	\$2,322,856,090	\$6,636,731,686			80.50
2015	\$2,282,514,080	\$6,521,468,800	\$0	\$0	\$37,466,650	\$107,047,571	\$2,319,980,730	\$6,628,516,371			80.60
2014	\$2,268,657,130	\$6,481,877,514	\$0	\$0	\$36,496,620	\$104,276,057	\$2,305,153,750	\$6,586,153,571			80.05
2013	\$2,263,716,500	\$6,467,761,429	\$0	\$0	\$36,724,810	\$104,928,029	\$2,300,441,310	\$6,572,689,457			80.10
2012	\$2,261,818,730	\$6,462,339,229	\$0	\$0	\$36,661,360	\$104,746,743	\$2,298,480,090	\$6,567,085,971			73.20
2011	\$2,421,002,290	\$6,917,149,400	\$0	\$0	\$44,873,240	\$128,209,257	\$2,465,875,530	\$7,045,358,657			72.95
2010	\$2,433,460,260	\$6,952,743,600	\$2,114,706	\$42,294,120	\$39,065,550	\$111,615,800	\$2,474,640,496	\$7,106,653,520			73.00

Source: Franklin County Auditor

- (a) The assessed value of real property is fixed at 35% of true value and is determined pursuant to the rules of the State Tax Commissioner.
- (b) General business tangible personal property was assessed in previous years at 25% for machinery and equipment and 23% for inventories. House Bill 66 phased out general business tangible personal property tax beginning in 2006. The listing percentage is 18.75% for 2006, 12.5% for 2007, 6.25% for 2008 and 0% for 2009. Additionally, telephone property was reclassified to general business and assessed at 10% for 2009, 5% for 2010 and eliminated in 2011.
- (c) Assumes public utilities are assessed at true value which is 35%.
- (d) Tax rates are per \$1,000 of assessed value.

Westerville City School District
 Property Tax Rates Direct and Overlapping Governments
 Last Ten Collection Years
 (per \$1,000 of Assessed Valuation)

Tax Year/ Collection Year	Westerville City School District														
	Voted Gen. Fd.	Bond	Permanent Improvement	Unvoted	Total Direct	Franklin County	Delaware County	City of Westerville	City of Columbus	Blendon Township	Genoa Township	Plain Township	Sharon Township	Minerva Park Corp.	Westerville Corp. (Genoa)
2018/2019	68.10	3.10	3.95	3.80	78.95	18.92	7.90	23.00	3.14	37.15	13.30	15.25	27.50	15.10	23.00
Res/Agr	42.95	3.10	3.40	3.80	53.25	16.84	7.25	14.65	3.14	24.01	12.15	11.22	18.90	13.59	14.65
Comm/Ind	46.87	3.10	3.63	3.80	57.40	17.64	7.71	17.49	3.14	26.83	13.27	9.77	25.10	15.10	17.49
2017/2018	68.15	3.30	3.95	3.80	79.20	18.92	7.09	23.06	3.14	37.20	13.30	15.25	27.50	15.10	79.20
2016/2017	68.95	3.65	3.95	3.80	80.35	18.47	7.48	23.10	3.14	37.11	13.30	15.25	23.50	15.10	23.10
2015/2016	68.95	3.80	3.95	3.80	80.50	18.47	6.75	20.30	3.14	32.51	13.30	15.25	23.50	15.10	20.30
2014/2015	69.05	3.80	3.95	3.80	80.60	18.47	7.51	20.30	3.14	32.51	11.70	15.35	23.50	15.70	20.30
2013/2014	69.05	3.25	3.95	3.80	80.05	18.47	7.51	20.30	3.14	30.65	11.30	15.35	23.50	15.85	20.30
2012/2013	69.10	3.25	3.95	3.80	80.10	18.47	6.65	20.30	3.14	30.65	11.30	15.35	23.50	16.05	20.30
2011/2012	61.60	3.85	3.95	3.80	73.20	18.07	6.65	20.30	3.14	29.10	11.30	15.35	23.50	16.05	20.30
2010/2011	61.60	3.60	3.95	3.80	72.95	18.07	6.65	20.30	3.14	29.10	11.30	15.35	23.50	16.05	23.30
2009/2010	61.60	4.90	2.70	3.80	73.00	18.07	6.64	17.70	3.14	26.56	9.40	15.35	23.50	15.95	17.70

Source: Franklin County Auditor - Data is presented on a Collection Year basis because that is the manner in which the information is maintained by the County Auditor

Figures for residential/agricultural (upper) and commercial/industrial (lower) for the current collection year only reflect "effective" millage. All other figures reflect voted millage.

Ohio Revised Code Sections 5705.02 and 5705.07 requires any millage exceeding the "unvoted" or "inside" millage can only be done by a vote of the people.

Westerville City School District
Principal Taxpayers
Current Year and Ten Years Ago

Name of Taxpayer	June 30, 2018	
	Assessed Valuation	% of Total Assessed Valuation
<u>Public Utilities</u>		
1. Ohio Power Company	\$5,146,740	0.43%
2. Columbia Gas of Ohio, Inc.	\$3,893,450	0.33%
<u>Real Estate</u>		
1. Banc One Management Corp.	\$9,275,010.00	0.78%
2. NRI Brooksedge, LLC	\$7,641,960.00	0.64%
3. St. Ann's Hospital of Columbus, Inc.	\$6,074,960.00	0.51%
4. GC Net Least	\$5,799,990.00	0.49%
5. Maxtown Communities, LLC	\$5,398,190.00	0.45%
6. Meijer Stores Limited Partnership	\$4,768,580.00	0.40%
7. Westerville Senior Development, LTD	\$4,233,290.00	0.35%
8. Lexington MLP Westerville	\$3,790,510.00	0.32%
9. St. Investment Properties, LLC	\$3,638,990.00	0.30%
10. Westerville Plaza, LP	\$2,710,480.00	0.27%
<u>Tangible Personal Property *</u>		
All Others	\$1,131,280,210	94.77%
Total Assessed Valuation	\$1,193,652,360	100.00%

Name of Taxpayer	June 30, 2009	
	Assessed Valuation	% of Total Assessed Valuation
<u>Public Utilities</u>		
1. Columbus Southern Power Co.	\$4,668,670	0.44%
2. Columbia Gas of Ohio, Inc.	\$384,150	0.04%
3. Ohio Power Company	\$48,480	0.00%
4. American Municipal Power Ohio, Inc.	\$950	0.00%
<u>Real Estate</u>		
1. Banc One Management Corp	\$13,955,000	1.30%
2. NRI Brooksedge, LLC	\$9,857,150	0.92%
3. Maxtown Communities, LLC	\$5,250,000	0.49%
4. Meijer Stores Limited Partnership	\$4,930,670	0.46%
5. Westerville Plaza, LP	\$3,672,510	0.34%
6. Altair Realty, LTD	\$3,596,950	0.34%
7. Westerville Square, Inc.	\$3,205,100	0.30%
8. HCRA Properties, LLC	\$2,775,520	0.26%
9. Brooksedge Associates, LLC	\$2,670,520	0.25%
10. Spectrum Equities, LLC	\$2,590,000	0.24%
<u>Tangible Personal Property</u>		
1. Sprint Nextel Corporation	\$1,050,750	0.10%
2. Ohio Bell Telephone Company	\$1,008,570	0.09%
3. Time Warner Telecom of Ohio, LLC	\$86,160	0.01%
4. Cincinnati SMSA Ltd. Partnership	\$53,370	0.01%
5. T-Mobile Central, LLC	\$43,350	0.00%
6. Sprintcom, Inc.	\$42,250	0.00%
7. Ameritech Advanced Data Services of Ohio, LLC	\$33,370	0.00%
8. Fiber Technologies Networks, LLC	\$10,000	0.00%
9. X O Communications Services, Inc.	\$6,560	0.00%
10. Dieca Communications, Inc.	\$6,200	0.00%
All Others	\$1,011,099,950	94.40%
Total Assessed Valuation	\$1,071,046,200	100.00%

Source: Franklin County Auditor

Assessed Values are for the valuation year of 2017 and 2008, respectively.

* - Due to the phase out of personal property tax, values are not available.

Westerville City School District
Property Tax Levies and Collections - Real, Public Utility
Tax and Tangible Personal Property
Last Ten Calendar Years

Tax Year/ Collection Year	Current Levy	Delinquent Levy	Total Levy	Current Collection (1)	Percent of Current Levy Collected	Delinquent Collection (2)	Total Collection	Total Collection As a Percent of Total Levy	Delinquent Taxes Receivable
2018/19	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
2017/18	\$91,096,987	\$2,475,621	\$93,572,608	\$88,452,008	97.10%	\$1,437,333	\$89,889,341	96.06%	\$2,866,709
2016/17	\$88,415,821	\$3,178,602	\$91,594,423	\$87,121,547	98.54%	\$2,043,833	\$89,165,380	97.35%	\$2,413,371
2015/16	\$87,702,741	\$3,553,808	\$91,256,549	\$85,339,264	97.31%	\$2,187,801	\$87,527,065	95.91%	\$3,201,392
2014/15	\$88,741,731	\$4,226,422	\$92,968,153	\$84,652,852	95.39%	\$2,161,142	\$86,813,994	93.38%	\$3,480,011
2013/14	\$88,688,995	\$4,520,784	\$93,209,779	\$83,920,172	94.62%	\$2,366,103	\$86,286,275	92.57%	\$4,394,802
2012/13	\$88,969,623	\$4,901,003	\$93,870,626	\$84,426,794	94.89%	\$2,942,903	\$87,369,697	93.07%	\$4,467,594
2011/12	\$78,951,976	\$5,417,100	\$84,369,076	\$75,028,801	95.03%	\$2,493,415	\$77,522,216	91.88%	\$4,613,790
2010/11	\$82,234,952	\$4,869,838	\$87,104,790	\$78,558,229	95.53%	\$1,968,273	\$80,526,502	92.45%	\$5,264,973
2009/10	\$82,048,998	\$4,371,915	\$86,420,913	\$79,289,214	96.64%	\$2,345,092	\$81,634,306	94.46%	\$4,685,629

Source: Franklin County Auditor - Data is presented on a Calendar Year basis because that is the manner in which the information is maintained by the County Auditor. Data is for Franklin County only.

(1) Includes Homestead/Rollback on real estate and reimbursement on personal property taxes assessed locally, but distributed through the State and reported as Intergovernmental Revenues.

(2) Delinquent only pertains to real estate tax as personal property information is unavailable.

n/a - The information was not available at the time of this document's preparation.

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

Year	Governmental Activities			Total Debt	(b) Percentage of Personal Income	(b) Per Capita	(b) Per ADM
	(a) General Obligation Bonds	(a) Tax Anticipation Notes	(a) Capital Lease Obligations				
2019	\$56,626,555	\$5,600,000	\$173,621	\$62,400,176	1.62%	\$635	\$4,056
2018	\$58,595,147	\$8,225,000	\$338,791	\$67,158,938	1.80%	\$697	\$4,383
2017	\$63,981,612	\$10,725,000	\$495,922	\$75,202,534	2.04%	\$783	\$4,987
2016	\$70,569,887	\$13,150,000	\$645,405	\$84,365,292	2.34%	\$894	\$5,666
2015	\$76,728,042	\$15,490,000	\$750,440	\$92,968,482	2.65%	\$991	\$6,315
2014	\$77,147,267	\$17,785,000	\$0	\$94,932,267	2.75%	\$1,014	\$6,469
2013	\$81,729,434	\$20,035,000	\$0	\$101,764,434	2.93%	\$1,090	\$6,920
2012	\$87,259,340	\$23,428,908	\$0	\$110,688,248	3.32%	\$1,191	\$7,367
2011	\$91,512,640	\$25,734,212	\$0	\$117,246,852	3.62%	\$1,264	\$7,904
2010	\$98,652,552	\$25,869,516	\$0	\$124,522,068	4.37%	\$1,543	\$8,516

(a) School district records - Debt outstanding end of fiscal year including unamortized premiums

(b) See Schedule "Demographic and Economic Statistics, Last Ten Years" for personal income, population and enrollment information

Westerville City School District
Ratios of General Bonded Debt Outstanding
Last Ten Years

Year	(a) Estimated Actual Value	(b) General Obligation Debt	(c) Less Debt Service	Net General Bonded Debt	% of Net Bonded Debt to Assessed Valuation	(d) Net Bonded Debt Per Capita
2019	\$7,567,865,629	\$62,400,176	\$9,187,499	\$53,212,677	0.70%	\$541
2018	\$7,496,634,571	\$67,158,938	\$8,940,652	\$58,218,286	0.78%	\$604
2017	\$6,693,189,029	\$75,202,534	\$8,497,852	\$66,704,682	1.00%	\$695
2016	\$6,636,731,685	\$84,365,292	\$8,462,043	\$75,903,249	1.14%	\$804
2015	\$6,628,516,371	\$92,968,482	\$8,418,185	\$84,550,297	1.28%	\$901
2014	\$6,586,153,571	\$94,932,267	\$8,293,123	\$86,639,144	1.32%	\$926
2013	\$6,572,689,457	\$101,764,434	\$8,094,220	\$93,670,214	1.43%	\$1,003
2012	\$6,567,085,971	\$110,688,248	\$8,447,429	\$102,240,819	1.56%	\$1,100
2011	\$7,045,358,657	\$117,246,852	\$7,964,302	\$109,282,550	1.55%	\$1,178
2010	\$7,106,653,520	\$124,522,068	\$11,116,291	\$113,405,777	1.60%	\$1,405

Sources:

- (a) County auditor, Franklin County, Ohio
- (b) School district records - General obligation debt outstanding end of fiscal year
- (c) Balance of general obligation bond retirement fund at end of fiscal year
- (d) See Schedule "Demographic and Economic Statistics, Last Ten Years" for personal income, population and enrollment information

Westerville City Schools
 Legal Debt Margin Information
 as of June 30, 2019

Assessed Valuation	<u>\$2,648,752,970</u>									
Voted and Unvoted Debt Limit - 9% of Assessed Valuation	<u>\$238,387,767</u>									
Balance in Debt Service Fund	<u>\$9,187,499</u>									
Total Debt Outstanding	<u>\$56,445,000</u>									
Less: Exempted Debt	<u>\$0</u>									
Net subject to 9% limit	<u>\$56,445,000</u>									
Total Legal Voted Debt Margin	<u>\$191,130,266</u>									
	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Debt Limit	\$247,575,266	\$245,084,641	\$219,333,306	\$217,519,091	\$217,216,451	\$215,756,961	\$215,133,938	\$215,310,637	\$229,893,100	\$233,833,936
Total Net Debt Applicable to Limit	<u>\$56,445,000</u>	<u>\$61,295,000</u>	<u>\$69,995,000</u>	<u>\$78,470,000</u>	<u>\$86,805,000</u>	<u>\$94,720,000</u>	<u>\$101,695,000</u>	<u>\$108,895,000</u>	<u>\$113,719,969</u>	<u>\$118,622,212</u>
Legal Debt Margin	<u>\$191,130,266</u>	<u>\$183,789,641</u>	<u>\$149,338,306</u>	<u>\$139,049,091</u>	<u>\$130,411,451</u>	<u>\$121,036,961</u>	<u>\$113,438,938</u>	<u>\$106,415,637</u>	<u>\$116,173,131</u>	<u>\$115,211,724</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	22.80%	25.01%	31.91%	36.07%	39.96%	43.90%	47.27%	50.58%	49.47%	50.73%

Source: Franklin County Auditor and School District financial records

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

Voted debt margins are determined without reference to applicable monies in the school district's Debt Service fund.

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

Governmental Unit	Gross Debt Outstanding	Percent Applicable to Westerville City School District	Amount Applicable to Westerville City School District
Direct:			
Westerville City School District	<u>\$62,400,176</u>	100.00%	<u>\$62,400,176</u>
Overlapping:			
Delaware County	\$45,170,500	12.29%	\$5,551,454
Franklin County	\$189,405,000	5.44%	\$10,303,632
City of Columbus	\$1,589,265,000	3.56%	\$56,577,834
City of Westerville	\$2,030,000	97.19%	\$1,972,957
Plain Township	\$0	0.00%	\$0
New Albany Plain Local Park District Misc.	<u>\$3,604,476</u>	0.81%	<u>\$29,196</u>
Total Overlapping	<u>\$1,829,474,976</u>		<u>\$74,435,073</u>
Total Direct and Overlapping Debt	<u><u>\$1,891,875,152</u></u>		<u><u>\$136,835,249</u></u>

Source: Ohio Municipal Advisory Council

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

Overlapping governments with no outstanding debt are not reflected.

Westerville City School District
 Demographic and Economic Statistics
 Last Ten Years

Year	(a) MORPC Population	(b) Per Capita Income	Personal Income	(c) Unemployment Rate	(b) % of Population 25 Years & older with Bachelor's Degree or Higher	(d) Enrollment Membership
2019	98,331	\$39,085	\$3,843,267,135	3.2%	51.2%	15,385
2018	96,383	\$38,779	\$3,737,636,357	3.5%	52.5%	15,321
2017	96,001	\$38,363	\$3,682,886,363	3.7%	52.3%	15,079
2016	94,390	\$38,181	\$3,603,904,590	3.5%	52.6%	14,890
2015	93,829	\$37,431	\$3,512,113,299	3.7%	51.8%	14,722
2014	93,600	\$36,857	\$3,449,815,200	4.9%	51.1%	14,674
2013	93,378	\$37,143	\$3,468,339,054	5.2%	50.7%	14,705
2012	92,959	\$35,887	\$3,336,019,633	6.6%	49.9%	15,025
2011	92,789	\$34,899	\$3,238,243,311	6.8%	51.7%	14,833
2010	80,702	\$35,328	\$2,851,040,256	7.6%	50.7%	14,622

Sources:

(a) Mid Ohio Regional Planning Commission

(b) US Census Bureau 2000 and 2012-2016 American Community Survey

(c) U.S. Department of Labor, Bureau of Labor Statistics

(d) Per School District records - Educational Management Information System

Westerville City School District
 Principal Employers
 Current Year and Ten Years Ago

December 2018

Employer	<u>Employees</u>	<u>Percentage of Total Employment</u>	Type of Business
1 J. P. Morgan Chase NA	5,619	7.8%	Banking & Financial Services
2 Mount Carmel Health Systems	3,553	4.9%	Health Care
3 Otterbein College	1,824	2.5%	Private College
4 Westerville City Schools	1,750	2.4%	Public Education
5 Alliance Data Systems, Inc.	1,423	2.0%	Finance Credit Services
6 Ohio Health	1,111	1.5%	Health Care
7 Franklin Education Service Center	985	1.4%	Educational Consultancy
8 City of Westerville	897	1.2%	Municipal Government
9 Central Ohio Primary Care Physicians	790	1.1%	Health Care
10 Exel Inc.	698	1.0%	Contract Logistics Provider
Total	<u>18,650</u>	<u>26%</u>	

December 2009

Employer	<u>Employees</u>	<u>Percentage of Total Employment</u>	Type of Business
1 J. P. Morgan Chase NA	4,511	8.4%	Banking & Financial Services
2 Mount Carmel Health	2,190	4.1%	Health Care
3 Westerville City Schools	2,196	4.1%	Public Education
4 Otterbein College	1,895	3.5%	Private College
5 CMS Subsidiary	1,389	2.6%	Membership Services
6 Alliance Data Systems, Inc.	1,077	2.0%	Finance Credit Services
7 City of Westerville	847	1.6%	Municipal Government
8 Heartland Employment	747	1.4%	Financial Services
9 Inchord Communications/Gerbig Snell	720	1.3%	Marketing and Advertising
10 Cheryl's Cookies (1-800 Flowers)	685	1.3%	Retail Food
Total	<u>16,257</u>	<u>30.2%</u>	

Note: Information for total city employment only, District information was not available

Source: City of Westerville Division of Taxation, Comprehensive Annual Financial Report December 31, 2018

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

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Professional staff:										
Teaching staff:										
Elementary	436.50	430.10	427.50	434.10	433.50	422.00	414.00	410.50	415.95	433.07
Middle	210.60	210.70	213.50	211.13	206.20	210.00	205.50	195.50	208.80	232.25
High	282.08	278.10	283.60	272.40	261.40	251.20	256.00	246.83	257.35	271.65
Guidance Counselors	36.00	34.00	33.00	32.00	32.00	31.00	30.00	29.00	32.00	32.00
Mental Health/Social Workers	8.00	7.00	7.00	7.00	7.00	7.00	4.50	6.50	0.00	1.00
Psychologists	14.30	14.30	14.30	12.00	12.00	12.00	13.60	13.00	16.70	14.20
Nurses	10.20	10.20	10.20	10.20	10.20	10.00	10.00	10.00	9.84	10.00
Speech	22.60	22.60	22.60	21.30	21.30	21.30	21.30	21.30	21.30	19.10
OT/PT/APE	19.50	19.00	20.50	17.60	17.60	17.60	15.60	17.40	12.60	5.00
Media Specialist	14.00	14.00	14.00	14.00	14.00	12.00	14.50	10.00	15.00	15.00
Administrators:										
Certificated	64.00	60.00	58.00	58.00	54.00	49.00	52.00	54.50	56.50	55.50
Classified	18.00	17.00	17.00	17.00	16.00	15.00	14.00	14.00	16.00	16.00
Support staff:										
Secretarial	113.12	111.96	107.67	105.99	101.18	96.48	94.54	98.90	113.62	113.62
ESL Paraprofessionals	19.75	18.49	19.26	20.84	20.84	19.18	19.29	20.41	20.56	20.56
Educational Interpreter	0.81	0.81	0.81	0.81	0.81	2.51	1.70	1.62	1.62	-
Job Coaches	3.88	3.88	3.88	3.88	3.88	3.40	3.88	3.88	4.73	4.73
Health Aides	9.32	9.13	9.17	9.69	11.24	9.05	8.65	8.85	8.86	8.86
Recess Aides/Crossing Guards	25.32	23.74	22.52	27.67	26.96	21.44	32.05	20.79	23.10	23.10
Building/Duty monitors	7.54	7.54	7.54	7.63	7.63	7.63	7.38	6.72	13.41	12.60
Parent Liasion	2.75	2.75	1.75	1.75	2.45	0.75	0.75	1.00	0.75	0.75
Community Relations Facilitator	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
IMS	8.00	8.00	7.00	7.00	6.00	6.00	6.00	6.00	8.00	8.00
Printers	0.00	0.00	0.00	0.00	0.00	2.00	2.00	2.00	2.00	2.00
Food Service	46.87	48.04	44.73	44.27	45.90	46.27	50.62	51.03	52.10	52.10
Custodial	76.50	76.50	75.25	72.75	70.25	68.00	69.00	71.75	87.75	88.75
Maintenance	17.00	17.00	15.00	16.00	15.00	14.00	15.00	17.00	18.00	17.00
HVAC	3.00	3.00	3.00	4.00	3.00	3.00	4.00	4.00	4.00	4.00
Bus Drivers	69.57	71.34	67.17	63.38	63.02	63.49	65.54	67.70	82.23	82.23
Mechanics	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00
Warehouse	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
Total	<u>1,552.21</u>	<u>1,532.18</u>	<u>1,518.95</u>	<u>1,505.39</u>	<u>1,476.36</u>	<u>1,434.30</u>	<u>1,444.40</u>	<u>1,423.18</u>	<u>1,515.77</u>	<u>1,556.07</u>
Function:	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Governmental activities:										
Instruction	928.93	919.59	916.71	916.97	896.44	875.38	875.79	854.24	883.66	938.53
Support services:										
Pupils	184.77	179.50	178.77	172.03	171.87	162.93	162.11	153.06	158.16	145.59
Instructional staff	54.75	54.88	54.00	54.00	52.00	48.00	45.50	45.00	49.50	53.00
Administration	104.57	100.58	100.42	98.74	96.93	93.98	94.09	95.40	108.62	106.12
Fiscal services	8.50	8.50	8.50	8.50	8.00	8.00	10.00	11.00	11.00	11.00
Business services	9.50	9.50	9.50	10.00	10.00	10.00	10.00	9.50	11.50	11.50
Operation & maintenance	101.50	101.50	97.50	97.25	91.75	88.50	91.50	96.25	114.25	114.25
Student transportation	83.57	83.34	79.17	75.38	75.02	75.99	78.04	80.70	95.23	95.23
Central services	17.00	17.00	17.00	16.00	16.50	15.50	17.00	17.00	21.00	19.00
Food service operations	50.87	49.04	48.23	48.77	49.40	49.27	53.62	54.03	55.10	55.10
Community services	2.75	2.75	1.75	1.75	2.45	0.75	0.75	1.00	1.75	0.75
Extra-curricular activities	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00
Total governmental activities	<u>1,552.71</u>	<u>1,532.18</u>	<u>1,517.55</u>	<u>1,505.39</u>	<u>1,476.36</u>	<u>1,434.30</u>	<u>1,444.40</u>	<u>1,423.18</u>	<u>1,515.77</u>	<u>1,556.07</u>

Source - School District records

Westerville City School District
 Operating Indicators by Function
 Last Ten Fiscal Years

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Governmental Activities										
Instruction										
Regular and special										
Enrollment (Students)	15,385	15,321	15,079	14,890	14,722	14,674	14,705	15,025	14,833	14,622
Graduation rate (four years)	NA	90.9%	90.6%	90.5%	88.9%	90.3%	90.2%	92.1%	90.5%	93.3%
Support services - pupil										
% of students going on to higher education	73.7%	69.3%	75.0%	74.7%	76.0%	72.3%	78.0%	69.6%	70.0%	85.0%
% of students with disabilities	14.8%	13.4%	13.0%	12.8%	13.0%	13.3%	13.3%	13.6%	12.5%	11.7%
% of limited English proficient students	9.2%	8.9%	10.4%	10.2%	10.8%	10.4%	10.3%	8.2%	8.4%	8.8%
School administration										
Student attendance rate	94.8%	94.9%	94.6%	93.7%	95.3%	94.4%	94.7%	95.7%	95.8%	95.7%
Fiscal										
Purchase orders processed	7,655	7,581	7,920	7,313	7,353	7,676	7,738	8,197	9,947	9,636
Nonpayroll checks issued	8,798	8,636	8,650	9,272	9,898	9,825	10,077	10,673	11,217	10,802
Business										
Facility rentals permits issued	356	377	369	368	367	401	387	370	416	378
Maintenance										
Maintenance work orders completed	9,705	9,132	9,497	7,557	7,225	7,776	7,293	7,102	7,686	7,315
District square footage maintained by custodians and maintenance staff	2,173,542	2,173,542	2,173,542	2,157,894	2,161,396	2,165,492	2,165,492	2,167,028	2,168,660	2,112,955
District acreage maintained by grounds staff	427	427	427	427	412	412	412	412	412	403
Transportation										
Avg. public and parochial students transported daily	9,830	10,947	9,992	9,194	9,100	9,064	8,863	8,785	11,293	10,325
Avg. daily bus stops	5,272	5,358	5,129	5,104	5,150	4,339	4,170	4,313	5,384	5,564
Central										
Information technology services work orders completed	9,409	12,000	12,000	11,800	11,164	8,545	8,435	8,916	6,610	6,418
Food service operations*										
Breakfasts served to students	457,089	480,653	502,043	482,828	395,482	339,020	324,224	353,366	321,048	295,104
Lunches served to students	1,023,180	988,878	1,020,324	988,971	895,322	871,265	927,035	951,909	708,789	661,529
Extra-curricular activities										
High school varsity teams	61	61	60	60	60	60	60	60	60	60

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

N/A - Calculation not available from Ohio Department of Education

Note: Business-Type Activities were reclassified to Governmental Activities as of July 1, 2010. This has been reflected in all years presented.

* - Includes reimburseable meals only

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

	2019	2018	2017	2016	2015
Governmental Activities					
Regular Instruction					
Land/improvements	\$10,679,363	\$10,538,073	\$10,465,181	\$10,211,506	\$10,031,514
Buildings/improvements	211,483,443	207,702,243	206,573,744	203,294,319	197,503,930
Furniture/equipment	7,260,302	6,121,787	3,779,856	2,995,239	2,943,519
Vehicles	138,200	164,171	164,171	164,171	164,171
Special Instruction					
Land/improvements	3,114	3,114	3,114	3,114	3,114
Buildings/improvements	1,344,141	1,344,141	1,304,234	1,304,234	1,304,234
Furniture/equipment	222,489	209,564	204,209	198,667	189,622
Vocational Instruction					
Buildings/improvements	-	-	-	-	-
Furniture/equipment	-	-	-	-	-
Vehicles	21,479	21,479	21,479	21,479	21,479
Pupil Support					
Land/improvements	-	-	-	-	-
Buildings/improvements	8,995	8,995	-	-	-
Furniture/equipment	42,548	47,093	51,364	51,364	44,840
Instructional Support Staff					
Land/improvements	111,958	111,958	111,958	111,958	-
Furniture/equipment	70,486	106,937	106,937	106,937	70,486
General Administration					
Buildings/improvements	45,228	45,228	45,228	45,228	45,228
Furniture/equipment	7,712	7,712	7,712	7,712	7,712
School Administration					
Buildings/improvements	1,343,705	1,343,705	1,343,706	1,325,177	1,325,177
Furniture/equipment	137,921	247,564	262,292	262,292	262,292
Fiscal Services					
Furniture/equipment	-	-	-	-	-
Business services					
Land/improvements	16,487	-	-	-	-
Buildings/improvements	371,703	371,703	371,703	371,703	371,703
Furniture/equipment	74,432	14,686	14,686	10,886	44,793
Vehicles	160,023	160,024	208,792	208,792	208,792
Operation & maintenance					
Land/improvements	1,009,944	987,679	962,419	962,419	962,419
Buildings/improvements	9,438,422	9,430,268	9,363,636	9,363,636	9,331,631
Furniture/equipment	2,596,712	2,496,949	2,260,804	2,195,345	1,384,455
Vehicles	674,726	673,751	606,244	509,526	481,958
Student transportation					
Land/improvements	316,419	316,419	297,779	294,084	294,084
Buildings/improvements	1,570,937	1,557,298	1,539,898	1,522,948	1,525,600
Furniture/equipment	1,332,844	1,203,334	956,855	407,414	365,118
Buses	10,370,062	9,608,570	9,453,996	8,439,662	8,439,662
Central services					
Land/improvements	150,817	150,817	150,817	147,122	147,122
Buildings/improvements	3,443,255	3,443,255	3,443,255	3,443,255	3,443,255
Furniture/equipment	2,835,325	4,947,644	4,990,977	5,007,059	5,051,517
Food service operations					
Buildings/improvements	589,371	561,648	548,287	548,287	548,287
Furniture/equipment	1,500,815	1,438,078	1,496,932	1,436,241	1,323,980
Vehicles	48,552	97,321	48,769	48,769	48,769
Community services					
Furniture/equipment	363,444	358,411	315,193	219,848	202,053
Extra-curricular activities					
Land/improvements	4,061,691	3,577,399	3,555,549	3,366,770	3,366,770
Buildings/improvements	2,020,393	2,131,266	2,131,266	1,994,183	1,739,139
Furniture/equipment	701,029	642,432	612,920	615,822	621,281
Total governmental activities capital assets	<u>\$276,568,487</u>	<u>\$272,192,716</u>	<u>\$267,775,962</u>	<u>\$261,217,168</u>	<u>\$253,819,705</u>

	2014	2013	2012	2011	2010
Governmental Activities					
Regular Instruction					
Land/improvements	\$10,031,514	\$10,031,514	\$10,019,143	\$9,704,221	\$9,690,088
Buildings/improvements	197,343,161	197,339,963	196,698,599	196,110,779	186,946,789
Furniture/equipment	2,320,588	2,279,518	2,161,555	2,060,243	2,278,700
Vehicles	39,200	39,200	19,500	19,500	5,100
Special Instruction					
Land/improvements	3,114	3,114	3,114	-	-
Buildings/improvements	1,304,234	1,304,234	1,304,234	1,300,260	-
Furniture/equipment	203,941	193,450	181,637	115,372	97,385
Vocational Instruction					
Buildings/improvements	-	-	-	-	110,873
Furniture/equipment	-	-	-	5,038	5,038
Vehicles	21,479	21,479	21,479	21,479	21,479
Pupil Support					
Land/improvements	-	3,550	3,550	3,550	3,550
Buildings/improvements	-	312,235	312,235	312,235	312,235
Furniture/equipment	44,840	44,360	44,360	29,267	37,382
Instructional Support Staff					
Land/improvements	-	-	-	-	-
Furniture/equipment	70,486	66,400	66,400	66,400	66,400
General Administration					
Buildings/improvements	45,228	-	-	-	-
Furniture/equipment	7,712	7,712	7,712	7,712	-
School Administration					
Buildings/improvements	1,325,177	1,325,177	1,325,177	1,286,547	-
Furniture/equipment	257,185	247,432	242,471	211,741	240,967
Fiscal Services					
Furniture/equipment	-	-	-	5,900	13,376
Business services					
Land/improvements	-	-	-	-	-
Buildings/improvements	371,703	371,703	371,703	367,265	96,600
Furniture/equipment	44,793	72,165	60,433	33,907	33,907
Vehicles	208,792	175,698	138,498	101,065	101,065
Operation & maintenance					
Land/improvements	904,080	818,129	818,129	810,889	810,889
Buildings/improvements	4,976,260	3,412,115	3,412,115	3,406,849	3,354,284
Furniture/equipment	1,285,448	884,853	882,711	849,489	777,594
Vehicles	493,958	536,946	536,946	563,789	552,289
Student transportation					
Land/improvements	294,084	294,084	294,084	294,084	294,084
Buildings/improvements	1,522,948	1,522,948	1,522,948	1,537,948	34,648
Furniture/equipment	280,564	180,134	180,133	169,281	120,215
Buses	8,038,576	8,276,589	8,362,723	6,994,966	7,454,228
Central services					
Land/improvements	147,122	147,122	-	-	-
Buildings/improvements	3,443,255	3,443,255	3,440,603	3,440,603	288,201
Furniture/equipment	4,616,523	4,266,972	3,959,165	2,781,666	1,980,122
Food service operations					
Buildings/improvements	12,330	12,330	12,330	-	-
Furniture/equipment	1,193,712	1,158,473	1,148,619	1,127,123	1,128,640
Vehicles	48,769	48,769	48,769	48,769	48,769
Community services					
Furniture/equipment	141,235	106,403	49,338	22,387	6,832
Extra-curricular activities					
Land/improvements	3,366,770	3,361,870	3,248,245	2,198,567	1,630,604
Buildings/improvements	1,739,139	1,213,357	1,213,357	1,213,357	542,483
Furniture/equipment	607,289	625,835	609,725	584,695	517,623
Total governmental activities capital assets	\$246,755,209	\$244,149,088	\$242,721,740	\$237,806,943	\$219,602,439

Westerville City School District
School Building Information
Last Ten Fiscal Years

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Alcott Elementary (2002)										
Square feet	70,309	70,309	70,309	70,309	70,309	70,309	70,309	70,309	70,309	70,309
Capacity (students)	575	550	600	600	625	650	707	700	700	639
Enrollment	555	529	548	530	543	626	666	669	681	719
Annehurst Elementary (1970)										
Square feet	39,747	39,747	39,747	39,747	39,747	39,747	39,747	39,747	39,747	39,747
Capacity (students)	450	450	450	450	450	425	425	450	450	365
Enrollment	410	415	399	396	377	400	366	362	367	366
Central College Elementary (1931)										
Square feet	15,470	15,470	15,470	15,470	15,470	15,470	15,470	15,470	15,470	15,470
Capacity (students)	125	125	125	125	125	125	125	125	125	106
Enrollment	Closed	Closed	Closed	Closed	Closed	Closed	Closed	129	129	130
Cherrington Elementary (1968)										
Square feet	41,348	41,348	41,348	41,348	41,348	41,348	41,348	41,348	41,348	41,348
Capacity (students)	450	450	450	475	450	450	450	425	391	350
Enrollment	451	428	429	427	427	401	394	400	377	363
Emerson Elementary (1896)										
Square feet	28,005	28,005	28,005	28,005	28,005	28,005	28,005	28,005	28,005	28,005
Capacity (students)	275	275	275	275	250	250	250	250	250	240
Enrollment	231	244	238	239	228	196	215	252	255	251
Fouse Elementary (2002)										
Square feet	70,309	70,309	70,309	70,309	70,309	70,309	70,309	70,309	70,309	70,309
Capacity (students)	700	675	675	675	675	675	700	700	700	639
Enrollment	640	644	656	630	694	698	712	698	722	686
Hanby Elementary (1922)										
Square feet	43,532	43,532	43,532	43,532	43,532	43,532	43,532	43,532	43,532	43,532
Capacity (students)	250	250	250	275	350	425	450	407	382	226
Enrollment	253	259	258	285	251	209	375	353	352	340
Hawthorne Elementary (1957)										
Square feet	62,888	62,888	62,888	62,888	62,888	62,888	62,888	62,888	62,888	62,888
Capacity (students)	750	725	700	700	675	675	650	700	732	650
Enrollment	731	666	664	651	637	616	628	639	665	635
Huber Ridge Elementary (1964)										
Square feet	55,464	55,464	55,464	55,464	55,464	55,464	55,464	55,464	55,464	55,464
Capacity (students)	600	600	550	575	600	600	600	600	600	549
Enrollment	556	553	506	508	538	557	551	579	580	566
Longfellow Elementary (1931)										
Square feet	13,753	13,753	13,753	13,753	13,753	13,753	13,753	13,753	13,753	13,753
Capacity (students)	100	100	100	100	125	125	125	125	125	91
Enrollment	79	80	77	99	Closed	Closed	Closed	129	130	130
Mark Twain Elementary (1974)										
Square feet	45,864	45,864	45,864	45,864	45,864	45,864	45,864	45,864	45,864	45,864
Capacity (students)	575	575	575	550	550	525	475	450	450	419
Enrollment	595	574	575	559	537	517	485	469	468	468
McVay Elementary (1989)										
Square feet	67,159	67,159	67,159	67,159	67,159	67,159	67,159	67,159	67,159	67,159
Capacity (students)	550	525	525	500	525	525	475	475	539	418
Enrollment	528	545	536	494	497	506	494	451	501	469
Pointview Elementary (1973)										
Square feet	51,848	51,848	51,848	36,893	36,893	36,893	36,893	36,893	36,893	36,893
Capacity (students)	375	375	375	300	375	350	357	382	357	319
Enrollment	327	335	348	291	297	284	276	278	306	314

Source: School District Records.

Note: Year of original construction in parentheses. Increases in square footage are the result of renovations and additions.

Westerville City School District
School Building Information, continued
Last Ten Fiscal Years

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Robert Frost Elementary (1974)										
Square feet	45,763	45,763	45,763	45,763	45,763	45,763	45,763	45,763	45,763	45,763
Capacity (students)	475	475	475	525	475	525	525	525	539	460
Enrollment	442	445	420	445	423	470	477	469	492	435
Whittier Elementary (1952)										
Square feet	46,097	46,097	46,097	46,097	46,097	46,097	46,097	46,097	46,097	46,097
Capacity (students)	400	375	400	400	375	350	421	421	421	339
Enrollment	343	329	327	332	311	322	367	359	339	342
Wilder Elementary (1989)										
Square feet	67,159	67,159	67,159	67,159	67,159	67,159	67,159	67,159	67,159	67,159
Capacity (students)	550	550	550	550	550	525	475	500	532	434
Enrollment	492	514	502	474	516	544	505	452	489	482
Blendon Middle School (1969)										
Square feet	79,025	79,025	79,025	79,025	79,025	79,025	79,025	79,025	79,025	79,025
Capacity (students)	775	775	700	675	675	650	650	650	650	550
Enrollment	716	703	698	721	718	720	698	684	627	611
Genoa Middle School (1998)										
Square feet	143,955	143,955	143,955	143,955	143,955	143,955	143,955	143,955	143,955	143,955
Capacity (students)	975	950	985	975	1,000	975	975	988	975	970
Enrollment	891	875	886	909	917	944	982	1,025	1,052	997
Heritage Middle School (1989)										
Square feet	117,945	117,945	117,945	117,945	117,945	117,945	117,945	117,945	117,945	117,945
Capacity (students)	950	925	925	925	900	900	900	900	900	754
Enrollment	960	1,025	980	932	928	889	907	882	813	845
Walnut Springs Middle School (1965)										
Square feet	99,068	99,068	99,068	99,068	99,068	99,068	99,068	99,068	99,068	99,068
Capacity (students)	950	950	925	925	900	888	888	825	825	751
Enrollment	942	942	939	941	921	927	899	894	900	847
Westerville Central High School (2003)										
Square feet	291,000	291,000	291,000	291,000	291,000	291,000	291,000	326,102	326,102	326,102
Capacity (students)	1,787	1,787	1,787	1,765	1,743	1,743	1,743	1,677	1,677	1,683
Enrollment	1,868	1,896	1,863	1,733	1,690	1,654	1,579	1,653	1,575	1,559
Westerville North High School (1975)										
Square feet	266,928	266,928	266,928	266,928	266,928	266,928	266,928	266,928	266,928	266,928
Capacity (students)	1,626	1,604	1,626	1,670	1,648	1,670	1,714	1,736	1,759	1,592
Enrollment	1,575	1,535	1,520	1,473	1,505	1,394	1,443	1,483	1,492	1,548
Westerville South High School (1960)										
Square feet	254,583	254,583	254,583	254,583	254,583	254,583	254,583	254,583	254,583	254,583
Capacity (students)	1,742	1,742	1,742	1,698	1,698	1,698	1,676	1,655	1,655	1,428
Enrollment	1,556	1,541	1,511	1,565	1,502	1,559	1,535	1,535	1,521	1,519
Early Learning Center										
Square feet	55,228	55,228	55,228	55,228	55,228	55,228	55,228	55,228	55,228	8,320
Enrollment	244	244	199	257	263	241	151	159	N/A	N/A
Academic Enrichment Center (1974)										
Square feet	8,580	8,580	8,580	8,580	8,580	8,580	8,580	8,580	8,580	8,580
White House (1873)										
Square feet	Sold	Sold	Sold	Sold	Sold	Sold	2,596	2,596	2,596	2,596
Warehouse (1980)										
Square feet	3,239	3,239	3,239	3,239	3,239	3,239	3,239	3,239	3,239	3,239
Buildings & Grounds (1987)										
Square feet	8,700	8,700	8,700	8,700	8,700	8,700	8,700	8,700	8,700	8,700
Farmhouse (1905)										
Square feet	2,243	2,243	2,243	2,243	2,243	2,243	2,243	2,243	2,243	1,500
Transportation (1954)										
Square feet	15,713	15,713	15,713	15,713	15,713	15,713	15,713	15,713	15,713	8,400
Vine Street (1922)										
Square feet	Sold	Sold	Sold	Sold	3,502	3,502	3,502	3,502	3,502	3,502

Westerville City School District
Educational and Operating Statistics
Last Ten School Years

	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19
3rd Grade Achievement Tests:										
Reading	86%	90%	88%	91%	92%	88%	N/A	N/A	N/A	N/A
Math	84%	92%	90%	89%	89%	80%	77%	81%	74%	74%
4th Grade Proficiency/Achievement Tests:										
Writing	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Reading	87%	91%	92%	94%	92%	76%	N/A	N/A	N/A	N/A
Mathematics	86%	85%	91%	88%	85%	75%	77%	80%	79%	79%
5th Grade Achievement Tests										
Reading	85%	83%	88%	89%	82%	85%	N/A	N/A	N/A	N/A
Mathematics	80%	79%	82%	86%	78%	76%	74%	69%	69%	71%
Science	82%	82%	82%	81%	78%	75%	77%	76%	75%	71%
Social Studies	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
6th Grade Proficiency/Achievement Tests:										
Reading	91%	91%	90%	89%	91%	86%	N/A	N/A	N/A	N/A
Mathematics	84%	85%	86%	85%	90%	73%	60%	66%	64%	68%
7th Grade Achievement Tests:										
Reading	86%	84%	87%	88%	92%	74%	N/A	N/A	N/A	N/A
Mathematics	81%	87%	85%	86%	85%	78%	66%	69%	68%	65%
Writing	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
8th Grade Achievement Tests:										
Reading	88%	90%	91%	92%	92%	84%	N/A	N/A	N/A	N/A
Mathematics	83%	82%	89%	87%	89%	75%	64%	71%	67%	64%
Science	75%	77%	84%	80%	80%	82%	76%	73%	75%	70%
Social Studies	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
10th Grade Ohio Graduation Test:										
Writing	92%	94%	93%	91%	93%	93%	N/A	N/A	N/A	N/A
Reading	92%	93%	93%	93%	96%	93%	N/A	N/A	N/A	N/A
Mathematics	91%	92%	91%	91%	90%	90%	N/A	N/A	N/A	N/A
Social Studies	93%	91%	91%	90%	90%	91%	N/A	N/A	N/A	N/A
Science	83%	85%	87%	87%	88%	86%	N/A	N/A	N/A	N/A
11th Grade Ohio Graduation Test:										
Writing	N/A	N/A	97%	96%	96%	97%	96%	N/A	N/A	N/A
Reading	N/A	N/A	97%	97%	97%	98%	97%	N/A	N/A	N/A
Mathematics	N/A	N/A	96%	95%	95%	96%	95%	N/A	N/A	N/A
Social Studies	N/A	N/A	95%	95%	95%	96%	96%	N/A	N/A	N/A
Science	N/A	N/A	93%	93%	92%	94%	92%	N/A	N/A	N/A

Westerville City School District
Educational and Operating Statistics, continued
Last Ten School Years

	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19
ACT Scores (Averages)										
Westerville	23.0	22.1	22.5	23.0	22.5	22.9	22.8	22.8	21.2	20.8
National	21.0	21.1	21.1	20.9	21.0	21.0	20.8	21.0	21.0	20.7
SAT Scores (Averages)										
Westerville	541	564	546	557	567	544	558	591	592	569
Verbal - Critical Reading	531	557	553	574	576	558	570	591	599	576
National	500	497	496	496	497	495	494	533	536	531
Verbal - Critical Reading	515	514	514	514	513	511	508	527	531	528
Mathematics										
National Merit Scholars (Percent of Senior Class)	0.94	1.49	1.54	1.98	1.07	1.36	0.87	1.40	0.80	0.96
ODE Per Pupil Costs										
Westerville	\$10,067	\$10,891	\$10,720	\$9,670	\$8,438	\$8,837	\$8,844	\$9,021	\$8,998	\$9,302
State Avg.	\$10,512	\$10,571	\$10,507	\$10,149	\$9,189	\$9,228	\$8,711	\$9,150	\$9,356	\$9,721
Cost to Educate Graduate										
Westerville	\$107,813	\$112,369	\$116,570	\$119,345	\$120,383	\$121,524	\$122,297	\$122,988	\$123,630	\$124,324
State Avg.	\$111,421	\$115,760	\$119,625	\$122,717	\$124,304	\$125,459	\$125,735	\$126,110	\$126,438	\$126,803
Average Teacher Salary	\$65,679	\$60,681	\$61,194	\$59,612	\$63,580	\$62,790	\$64,921	\$65,799	\$67,666	\$71,418
Teacher Experience										
% of Teachers with 0-4 Years	18.7	16.7	24.4	23.04	25.46	26.11	29.76	25.68	32.00	21.00
% of Teachers with 5-9 Years	20.6	24.6	19.9	20.74	19.50	17.60	16.87	19.59	19.00	24.00
% of Teachers with 10+ Years	60.7	58.7	55.7	56.21	55.04	56.18	53.18	54.64	49.00	55.00
Percentage of Teachers with a Master's Degree or Higher	71.7	71.0	74.2	66.60	62.80	62.76	72.09	73.94	69.00	76.00
Percentage of Students on Free/Reduced Lunch	26.4	28.3	30.7	32.20	33.50	35.50	33.80	34.40	35.40	36.20

Source: School District Student Records and Ohio Department of Education

N/A = Not Available

Westerville City School District

Westerville, Ohio



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**WESTERVILLE CITY SCHOOL DISTRICT
FRANKLIN COUNTY, OHIO**

SUPPLEMENTAL REPORTS

**FOR THE FISCAL YEAR ENDED
JUNE 30, 2019**

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**WESTERVILLE CITY SCHOOL DISTRICT
FRANKLIN COUNTY, OHIO**

TABLE OF CONTENTS

Schedule of Expenditures of Federal Awards.....	1
Independent Auditor’s Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i>	2 - 3
Independent Auditor’s Report on Compliance with Requirements Applicable to the Major Federal Program and on Internal Control Over Compliance and Schedule of Expenditures of Federal Awards Required by the Uniform Guidance.....	4 - 5
Schedule of Findings 2 <i>CFR</i> § 200.515.....	6
Summary Schedule of Prior Audit Findings 2 <i>CFR</i> § 200.511(b).....	7

**WESTERVILLE CITY SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

FEDERAL GRANTOR/ SUB GRANTOR/ PROGRAM TITLE	CFDA NUMBER	(E) GRANT NUMBER	(A) CASH FEDERAL DISBURSEMENTS
U.S. DEPARTMENT OF AGRICULTURE PASSED THROUGH THE OHIO DEPARTMENT OF EDUCATION			
(C) Child Nutrition Cluster: School Breakfast Program	10.553	2019	\$ 848,381
(C) National School Lunch Program	10.555	2019	2,379,255
(D) National School Lunch Program - Food Donation	10.555	2019	358,977
Total National School Lunch Program			<u>2,738,232</u>
(C) Summer Food Service Program for Children	10.559	2019	47,116
Total U.S. Department of Agriculture and Child Nutrition Cluster			<u>3,633,729</u>
U.S. DEPARTMENT OF EDUCATION PASSED THROUGH THE OHIO DEPARTMENT OF EDUCATION			
Title I Grants to Local Educational Agencies	84.010	2018	593,306
Title I Grants to Local Educational Agencies	84.010	2019	1,378,629
Total Title I Grants to Local Educational Agencies			<u>1,971,935</u>
Special Education Cluster (IDEA)			
Special Education_Grants to States	84.027	2018	686,257
Special Education_Grants to States	84.027	2019	2,258,823
Special Education_Grants to States - Restoration	84.027	2019	331,075
Special Education_Grants to States - Catastrophic	84.027	2019	84,363
Total Special Education_Grants to States			<u>3,360,518</u>
Special Education_Preschool Grants	84.173	2018	5,658
Special Education_Preschool Grants	84.173	2019	40,296
Special Education_Preschool Grants - Restoration	84.173	2019	3,009
Total Special Education_Preschool Grants			<u>48,963</u>
Total Special Education Cluster (IDEA)			<u>3,409,481</u>
English Language Acquisition State Grants	84.365	2018	63,810
English Language Acquisition State Grants	84.365	2019	199,823
Total English Language Acquisition State Grants			<u>263,633</u>
Supporting Effective Instruction State Grants	84.367	2018	83,070
Supporting Effective Instruction State Grants	84.367	2019	312,331
Total Supporting Effective Instruction State Grants			<u>395,401</u>
Student Support and Academic Enrichment Program	84.424	2018	2,280
Student Support and Academic Enrichment Program	84.424	2019	166,764
Total Student Support and Academic Enrichment Program			<u>169,044</u>
Hurricane Education Recovery	84.938	2019	29,749
Total U.S. Department of Education			<u>6,239,243</u>
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES PASSED THROUGH THE OHIO DEPARTMENT OF JOB AND FAMILY SERVICES			
Refugee and Entrant Assistance_Discretionary Grants	93.576	2018	4,773
Refugee and Entrant Assistance_Discretionary Grants	93.576	2019	20,951
Total Refugee and Entrant Assistance_Discretionary Grants			<u>25,724</u>
Total U.S. Department of Health and Human Services			<u>25,724</u>
Total Federal Financial Assistance			<u>\$ 9,898,696</u>

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS:

- (A) This schedule includes the federal award activity of the Westerville City School District under programs of the federal government for the fiscal year ended June 30, 2019 and is prepared in accordance with the cash basis of accounting. 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 Westerville City School District, it is not intended to and does not present the financial position, changes in net position, or cash flows of the Westerville City School District.
- (B) CFR Section 200.414 of the Uniform Guidance allows a non-federal entity that has never received a negotiated indirect cost rate to charge a de minimis rate of 10% of modified total direct costs to indirect costs. The District has not elected to use the 10% de minimis indirect cost rate.
- (C) Commingled with state and local revenue from sales of breakfast and lunches; assumed expenditures were made on a first-in, first-out basis.
- (D) The Food Donation Program is a non-cash, in kind, federal grant. Commodities are reported at the entitlement value.
- (E) OAKS did not assign pass-through numbers for fiscal year 2019.



Julian & Grube, Inc.
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**Independent Auditor's Report on Internal Control Over Financial Reporting and on
Compliance and Other Matters Required by *Government Auditing Standards***

Westerville City School District
Franklin County
936 Eastwind Drive
Westerville, Ohio 43081

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 Westerville City School District, Franklin County, Ohio, as of and for the fiscal year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the Westerville City School District's basic financial statements and have issued our report thereon dated December 9, 2019.

Internal Control Over Financial Reporting

As part of our financial statement audit, we considered the Westerville City 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 Westerville City 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 Westerville City 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 Westerville City 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 Westerville City 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 Westerville City School District's internal control and compliance. Accordingly, this report is not suitable for any other purpose.



Julian & Grube, Inc.
December 9, 2019



Julian & Grube, Inc.

Serving Ohio Local Governments

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Independent Auditor's Report on Compliance with Requirements Applicable to the Major Federal Program and on Internal Control Over Compliance and Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

Westerville City School District
Franklin County
936 Eastwind Drive
Westerville, Ohio 43081

To the Board of Education:

Report on Compliance for the Major Federal Program

We have audited the Westerville City School District's compliance with the applicable requirements described in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could directly and materially affect the Westerville City School District's major federal program for the fiscal year ended June 30, 2019. The *Summary of Auditor's Results* in the accompanying schedule of findings identifies the Westerville City School District's major federal program.

Management's Responsibility

The Westerville City 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 Westerville City School District's compliance for the Westerville City 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 Westerville City 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 Westerville City School District's major program. However, our audit does not provide a legal determination of the Westerville City School District's compliance.

Opinion on the Major Federal Program

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

Report on Internal Control Over Compliance

The Westerville City 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 Westerville City School District's internal control over compliance with the applicable requirements that could directly and materially affect a major federal program, to determine our auditing procedures appropriate for opining on each major federal program's compliance and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not to the extent needed to opine on the effectiveness of internal control over compliance. Accordingly, we have not opined on the effectiveness of the Westerville City 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 Westerville City School District as of and for the fiscal year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the Westerville City School District's basic financial statements. We issued our unmodified report thereon dated December 9, 2019. We conducted our audit to opine on the Westerville City 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.



Julian & Grube, Inc.
December 9, 2019

**WESTERVILLE CITY SCHOOL DISTRICT
FRANKLIN COUNTY, OHIO**

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

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

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

None

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None

**WESTERVILLE CITY SCHOOL DISTRICT
FRANKLIN COUNTY, OHIO**

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
2 CFR § 200.511(b)
JUNE 30, 2019**

Finding Number	Year Initially Occurred	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid
2014-002	2014	<u>Illegal Expenditure - Finding for Recovery (FFR) - Overpayment of Sick Leave Compensation</u>	No	The FFR is not fully repaid nor has an agreement been entered into to repay the FFR; however, some payments have been received.

OHIO AUDITOR OF STATE KEITH FABER



WESTERVILLE CITY SCHOOL DISTRICT

FRANKLIN 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
FEBRUARY 11, 2020**